



# What Transformation Takes

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**Evidence of Responsible INGO Transitions to Locally  
Led Development Around the World**

First Edition

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Transition and transformation have become keywords, concepts in the development sector. They signal the need for large-scale changes to achieve a sustainable change. Transition is the process, but transformation is the outcome. It's a journey of discovery - there are moments on mountaintops and moments when you feel frightened, messed up, and knocked down, but, it's the best work you'll ever do.

KETI GETIASHVILI – BOARD MEMBER AND HEAD OF DEVELOPMENT AND EXTERNAL RELATIONS FOR BRIDGE-INNOVATION AND DEVELOPMENT



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We greatly appreciate our partners at USAID's Local Works Program who have allowed considerable flexibility as Stopping As Success evolved as a true learning initiative and who have contributed ongoing insights and support. A special thanks to Dan Grant and Elliot Signorelli for being kind advocates and dedicated thought partners. We are also grateful for Arjun Tasker, Danielle Pearl, and others at USAID for supporting this work.

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And to the editors of this entire volume, Megan Renoir and Grace Boone, thank you for your dedication and creativity in the ongoing management of the Stopping As Success program and for your commitment to amplify the stories of transition and transformation of local leadership.

Sincerely,

The Stopping As Success Consortium



# Foreword

The relationships among local and global organizations in international development are complex and layered, particularly in moments of change. On the one hand, international development efforts can inadvertently undermine the work of local<sup>1</sup> development actors as well as development processes more broadly. International approaches have been shown to be ill-fitting and dismissive of local needs, which at best has led to a ‘crowding out’ of effective local efforts<sup>2</sup>, and at worst has caused direct harm, undermined peace and reinforced conditions of fragility<sup>3</sup>. In turn, there is opportunity in the growing movement to shift more power and resources in international development towards people operating within their own contexts - those who most directly understand local and national development needs and are often best placed to deliver sustainable, effective, culture- and conflict-sensitive, and responsible development programming.

As calls for locally led development grow louder, there are many examples of organizations living these values. An increasing number of international organizations are moving their offices to the Global South. Still more are investing in organizational leadership by national staff. Despite this, examples of mutually agreed upon transition strategies, collaborative decision-making processes and transfers of power to local actors are rare<sup>4</sup>. This setting gives rise to the need for a clearer understanding of how transitions from internationally led to locally led development can occur in responsible, effective and transformative ways. This volume is both a reflection of and response to this context.

## Exploring practices and learning

Between 2017-2020 and across 13 countries worldwide, 20 organizations generously chose to share their expertise gained through lived experience; their stories, analysis, and insights relevant in their own context and far beyond,” resulting in 19 case studies. While the SAS consortium used the case studies to inform the series of tools and resources to support the sector more broadly<sup>5</sup>, each case study on its own, and the series taken together, has value beyond being the evidence-base for the SAS program. They represent a global record of years of effort by diverse actors, overcoming challenges,

1 In the context of SAS’s research, ‘local organization’ is used to refer to CSOs or NGOs in the Global South that are undergoing a process of transition in their partnership with an INGO. This encompasses organizations that work at the local and national level. The broader term ‘local actors’ recognizes the diversity of this group, which can include communities, newly created NGOs or CSOs, NGOs that have devolved from an international federation, or local and national governments. Specific definitions can also be found in the annex of this book.

2 UNDP. 2008. “Crisis prevention and recovery report 2008: Post-conflict economic recovery, enabling local ingenuity.” Accessed via: <https://bit.ly/3l2Ssdo>

3 CDA Collaborative Learning. 2020. “Conflict-Sensitivity and Do No Harm.” Accessed via: <https://bit.ly/2UY4kmj>

4 Heldgaard, J. 2008. “Managing Aid Exit and Transformation: Summary of a Joint Donor Evaluation.” Accessed via: <https://bit.ly/3m2ThUT>

5 See the various tools and resources produced through the SAS program via the Stopping As Success website: <https://www.stoppingassuccess.org/resources/>

rising to opportunities, responding to complex processes with creativity, and defining the paths for what partnering transitions look like when they are truly transformative. The SAS program sought out stories of successful transitions (as defined by the case study organizations)<sup>6</sup> where mutual partnership, accountability, and locally driven agendas were central to the transition process. In this way, the cases represented in this volume are not the norm in the development sector. Rather, they are examples of how transition processes can lead to transformative outcomes that account for power dynamics and ultimately lead to locally driven development. Together, these examples help define the contours of what is possible related to shifting power, and where more attention and expertise is needed in the wider sector to advance that vision.

What Transformation Takes was born out of demand. The idea for this volume first came at the culmination of the three-year program, Stopping As Success: Transitioning to locally led development, led by Peace Direct, CDA Collaborative Learning and Search for Common Ground, with funding from USAID. In multiple feedback workshops, participants from local case study organizations expressed that often when there is an INGO transition, there is room for a “transformative transition.” One where the local entity, after an INGO has transitioned, evolves in structure and mission in a way they feel most responds to local priorities, agendas, and opportunities.

At its core, Stopping As Success (SAS) is about supporting the growing movement to shift power and advance local leadership, specifically through building evidence and sharing stories of responsible transitions<sup>7</sup>. The program aimed to showcase positive examples and guidance for how international nongovernmental organizations (INGOs), local NGOs and civil society organizations (CSOs) and donors can foster locally led development through responsible transitions. The SAS website houses all case studies, as well as other products. But finding a way to further elevate the cases as a unique contribution to the field and to the movement for local leadership felt important to participants at the closing workshop for the program in February 2020.

<sup>6</sup> By focusing on successful transitions, SAS uses a positive deviance framework to explore case examples where transitions were done well in order to learn what went right and why. SAS believes that local actors are best placed to define what success looks like in their contexts and therefore we avoid a specific definition of success. Broadly, we interpret successful transitions as being transitions that result in a positive outcome as defined by local communities. For more, see our FAQ: <https://www.stoppingassuccess.org/frequently-asked-questions/>

<sup>7</sup> For readers who would like a more in depth understanding of the approach taken for this program and the specific methodology, this can be found via the appendix of this volume (see page 394)

## Lessons from responsible INGO transitions

These case studies and the wider activities of the SAS program also facilitated the identification, consolidation and sharing of practical insights and lessons for partnerships and transitions within the international development sector. Namely, responsible transitions were found to address both technical and procedural aspects of local organizations assuming greater leadership, alongside relational and partnership-based aspects. This includes rethinking responsibility, ownership and resources, and ensuring ongoing power dynamics are acknowledged and addressed. Drawing from the case studies and practitioner consultations, and explored more deeply through the SAS Case Study Synthesis Report<sup>8</sup>, the following broad lessons were identified:

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- 1** How INGOs enter matters just as much as how they leave: partnerships based on solidarity and trust from the beginning allow for smoother transitions.

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  - 2** A joint vision for transition from the outset enables accountability.

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  - 3** INGOs that promote leadership are able to transition in a more sustainable way.

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  - 4** To support locally led development, INGOs need to address existing power imbalances and engage in mutual transformation.

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  - 5** Transition plans that remain flexible and adaptive support local ownership.

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  - 6** Periods of overlap (when INGOs and new local entities operate simultaneously) can help to minimize the disruption of transition periods and foster financial sustainability.

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  - 7** Smaller, more flexible funding sources and other types of resource transfer are invaluable for successful transitions.

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  - 8** Transition is as much a beginning as it is an ending: post-transition relationships can continue in many different forms.

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<sup>8</sup> Martins, A. 2020. "Stopping As Success: Transitioning to Locally Led Development. Case Study Synthesis Report." Accessible via: <https://bit.ly/33dtqlR>

## About this volume

While the materials and findings produced through the SAS program are of considerable interest, this volume is an attempt to appreciate and make more broadly accessible the experiences and expertise of the organizations at the center of the SAS global collaborative learning process. It is intended to support the ongoing work of the case study organizations and to serve as a resource for practitioners, donors, and others eager to learn from practical experience.

What Transformation Takes is organized into five parts, each reflecting the key themes that emerged across the case studies: 1) Partnerships<sup>9</sup>, 2) Capacity Development, 3) Leaders and Champions, 4) Financial Sustainability, and 5) Communicating. Each part begins with an introduction to the theme, the key lessons within each theme, and references the various tools, guidance documents, and technical issue papers produced through the SAS program. Within each section, chapters are composed of individual case studies in which the theme was particularly relevant for the success or outcomes of the transition process discussed. Many cases could have easily been included in multiple parts given the interrelated nature of the themes. Thus the structure of this volume can guide the thoughts and considerations of readers, but should not be constraining to readers' engagement with individual cases.

Beyond the five thematic parts of this volume, one particularly important theme of the SAS program is present throughout: Power and legitimacy. The cross-cutting nature of the concepts of power and legitimacy made it impossible to disentangle any specific case as a particularly relevant exploration of the issue. Issues related to power and legitimacy appear in every case study, conversation, and consultation held by the SAS consortium. Because of the theme's importance, we chose to weave it into each of the five parts of the book as a central and overarching issue in the context of responsible transition processes. As such, we hope the significance of power and legitimacy is felt across this volume, and that the cases themselves help readers expand their understanding of the role of power within international development policy and practice as a whole.

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<sup>9</sup> Related to this theme, the name of the program 'Stopping As Success' has a much different meaning at the time of writing this volume than it did in 2017. Most significantly, the case studies within this book show that the concept of 'stopping' (the 'exit' of an international partner) is a misrepresentation of the reality of transition processes. Often, the relationships that form and remain beyond the lifetime of a formal partnership mark a complimentary and supportive collaboration between international and local actors, and this relationship becomes vital to the sustainability of the work of both parties. Additionally, the name itself recognizes that oftentimes 'stopping' can be the sign of a successful partnership and seeks to move away from justifying the indefinite presence of an international organization in defiance of local agendas.

## This volume as a stepping stone

Although this volume provides evidence of responsible transitions, it would be shortsighted to assume that the SAS program or the case studies within this book are a comprehensive presentation of all types of transitions relevant to locally led development or their impacts. Here it is critical to acknowledge the dynamics of transitions that were beyond the scope of this program. For instance the potential negative impacts that establishing a new local entity through a transition might have on pre-existing local dynamics and actors was raised by case study organizations and other participants throughout various feedback workshops held in the course of the SAS program. Specifically, there are significant power imbalances created when new entities are an outcome of INGO transition processes. Largely due to their prior relationships with external and national actors, these groups are often afforded higher visibility and legitimacy among funders and can thus have greater access to financial and other resources. As such, smaller, local organizations with less visibility outside of their communities inevitably face a disadvantage for resourcing opportunities and are at risk of being ‘crowded out’ of the local development space. It is our hope that nuances such as this are considered throughout the reading of these case studies.

This volume, and the scope of the SAS program itself, is thus a stepping stone for improved practice as well as further research to understand and challenge how power inequities emerge in the process of advancing local leadership. We hope readers find these case studies practical, inspiring, and challenging, and that the concept of transformation, rather than transition, grows through the telling and sharing of stories beyond this volume.

*– Megan Renoir, Grace Boone, and Ruth Rhoads Allen*



# **PART 1**

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## **Partnerships**

“

Interpeace provided ideas, experiences, but we always revise them so it fits the Timorese context. Interpeace never forced CEPAD staff to adopt their ways. They were clear that things should be adapted to Timorese ways.

MEMBER OF CEPAD'S GENERAL ASSEMBLY – TIMOR-LESTE

## Introduction

Stopping As Success was guided by a positive deviance approach and there was ample opportunity to learn from cases of responsible transitions. Still, and despite the increased roles and responsibilities assumed by local organizations, and the recent shift of language and practice towards the concept of ‘locally led development’, **development partnerships tend to be characterized by hierarchies, paternalism, and top-down approaches to relationship-building.** In the context of INGO transitions, this dynamic undermines opportunities for sustainable local organizations, programs and projects, leaving the resources and power in the hands of the exiting INGO partner.

The concept of partnerships<sup>10</sup> in transitions emerged as a theme throughout the Stopping As Success project precisely because of the influence that this dynamic has on the prospects for an effective transition. The composition of a particular partnership has the potential to impact factors that are key to successful transitions and local ownership, including remaining technical capacity, available resources (both financial and non-financial), and legitimacy of local organizations. How organizations enter into and maintain partnerships matters.

The Stopping As Success case studies demonstrate that **partnerships based on collaboration, trust, and mutual respect led to more successful transitions and more sustainable locally led institutions.** Furthermore, partnerships built on these values led to continued and more equitable relationships between international and local actors beyond a given transition period. The case studies in this section provide particularly salient examples of the relationship between partnership practices and transition success. While these case studies are not solely focused on exploration of this theme, they speak to the broader discussion on partnerships and highlight the value and influence of mutually beneficial approaches to partnerships.

Stopping As Success also produced a thought piece<sup>11</sup> titled “Responsible Transitions and Partnerships: Issues at Stake” as well as a practical guidelines document “Responsible Transitions and Partnerships”<sup>12</sup> to support development actors who wish to explore this topic further and gain practical advice on how to improve current practice. While exploring the following case studies, we encourage readers to reflect on some of the core guidance about partnership dynamics in transitions, highlighted in these resources:

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- 10 This introduction draws content and at times direct quotations from the following SAS resources: Ahmed, F. and Jean, I. 2020. “Thought Piece: Responsible Transitions and Partnerships - Issues at stake.” Accessible via: <https://bit.ly/3pxXZ05E>; Jean, I. 2020. “Practical Guidelines: Responsible Transitions and Partnerships.” Accessible via: <https://bit.ly/3pVT5sN>; Leach, S. 2018. “Aid Exits and Locally-led Development.” Accessible via: <https://bit.ly/3q0dugk> and Ahmed, F., Dillon, H., and Robinson, J. 2018. “Planning for Success from Start to Exit: A review of literature, policy and practice.” Accessible via: <https://bit.ly/2J7beDl>
  - 11 Ahmed, F. and Jean, I. 2020. “Thought Piece: Responsible Transitions and Partnerships - Issues at stake.” Accessible via: <https://bit.ly/3pxXZ05E>
  - 12 Jean, I. 2020. “Practical Guidelines: Responsible Transitions and Partnerships.” Accessible via: <https://bit.ly/3pVT5sN>

- The importance of INGOs recognizing, supporting, and elevating local leadership, knowledge, and capacity;
- The value of transition plans that are jointly established by INGOs and local partners, including creating mechanisms for regular engagement of staff and partners to provide input and lead on different aspects of the transition;
- Ensuring decision making approaches are informed by a range of perspectives, insights and considerations from both partners, and are sensitive to the dynamics of the local partner's context;
- Holding donors to the standard that they can and should support partnership transitions with funding, learning and technical support;
- Investment by INGOs in relationship management and continuity of legacy and peer linkages within federated structures directly enables successful transitions; and
- Institutional learning for knowledge management systems and joint learning processes are valuable to both the local organizations who invest in them and the wider network of actors when systems are shared.

### **The cases profiled in this chapter are, in order:**

Chapter 1: Columbia University's Center for International Conflict Resolution transition to Belun, Timor-Leste

Chapter 2: Mennonite Church Canada to PeaceBuilders Community Inc. and Coffee for Peace, Philippines

Chapter 3: CARE International transition to Great Lakes Inkingi Development, Burundi



## Chapter 1

# Columbia University Center for International Conflict Resolution transition to Belun, Timor-Leste

By David Yamron and Sofia Miranda

### Acronyms

CD	Capacity Development
CICR	Center for International Conflict Resolution
CBO	Community-Based Organization
CSO	Civil Society Organization
EVER	Election Violence Education & Resolution
EWER	Early Warning/Early Response
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IDP	Internally Displaced Person
INGO	International Non-Government Organisation
NGO	Non-Governmental Organization
NGOSSP	Non-Governmental Organization Sector Strengthening Project
OD	Organizational Development
SAS	Stopping As Success
UN	United Nations
USAID	United States Agency for International Development

### Type of transition

This case study is an example of a local organization – Belun,<sup>3</sup> – being gradually established over the course of a five-year USAID project. In this case, the project was implemented by an international academic institution, Columbia University’s Center for International Conflict Resolution (CICR). This process of “Timorization” entailed systematic capacity development alongside a phasing out of international support and leadership.

## Introduction

This case study centers on the NGO Belun, headquartered in Dili, Timor-Leste. The unique story of its inception in the early 2000s; its organizational development over the course of a USAID grant; its transition from international to local leadership; and its ability to survive and even thrive up to the present day make it an excellent case for analysis. Indeed, Belun’s survival through aid shocks, political crises, and the shifting winds of international development financing is testament both to the foundations laid by the staff of Columbia University’s Center for International Conflict Resolution (CICR), and the decisions and character of its Timorese staff, both pre- and post-transition. Crucial to understanding Belun’s story is understanding the context surrounding it. While this is true for all the Stopping As Success cases, it is particularly true in Timor-Leste, a small and isolated country with a tumultuous past.

Research for this case study was conducted by two Stopping As Success researchers in accordance with the Stopping As Success research methodology. 23 key informant interviews with Belun staff, former CICR staff, donor staff, and stakeholders from local and international NGOs were conducted in person in Timor-Leste. Researchers also conducted five remote interviews with former CICR, Belun, and CARE staff who work in the US, the UK, Thailand, and Myanmar.

Stopping As Success researchers also convened focus group discussions with community stakeholders at two Belun project sites in Metinaro and Dili to better understand Belun’s programming and impact on local communities. Questions focused on community understandings and perceptions of Belun itself, Belun staff, and Belun’s programs. These discussions were moderated by Stopping As Success’s local research consultant but necessarily included Belun staff members, meaning it cannot be guaranteed that their presence did not affect the tenor and content of discussions. That said, both Stopping As Success researchers were unable to perceive a distinctly pro-Belun bias.

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<sup>13</sup> “Belun” is a Tetum word meaning “partner” or “friend.”

## Context

Timor-Leste is a country of 1.3 million people, comprising the eastern half of the island of Timor in the Indonesian archipelago.<sup>14</sup> Around 60 percent of Timorese are under 24 years of age. The country is divided into 12 municipalities and one Special Administrative Region (Oé-Cusse). Each municipality is subdivided into administrative posts: sukus (villages) and aldeias (hamlets). Despite improvements in recent years, poverty remains widespread across all municipalities: the country's per capita GDP is just US\$1,169, with 41.8 percent of the population living below the poverty line. Agriculture is the country's main economic activity, and most families rely on subsistence farming. With a small and underdeveloped private sector, the economy is dependent on government spending – which makes up more than 75 percent of GDP – and, to a lesser (and falling) extent, assistance from foreign donors. More than 80 percent of public spending is financed from petroleum wealth.<sup>15</sup>

## Political and economic environment

Following almost 450 years of Portuguese colonization, Portugal's 1974 Carnation Revolution provided the impetus for Lisbon to approve a gradual decolonization process.<sup>16</sup> The nascent Timorese state was scarcely developed, with few political institutions and an economy focused on the cultivation of sandalwood and coffee. Within this power vacuum, an array of newly legalized political parties began a brief but increasingly violent contestation for power, culminating in a unilateral declaration of independence by the putatively victorious faction, the Marxist-Leninist Fretilin party, in late November of 1975. actually scratch that. Nine days later, Fretilin's consolidation of power was interrupted by a massive invasion by neighboring Indonesia, which had been sending probing attacks across the border for months. A short conflict concluded in July 1976 with the formal annexation of the short-lived Democratic Republic of Timor-Leste. The Indonesian army quickly moved to close the island and ban the presence of humanitarian organizations and independent foreign observers.

The next 24 years were marked by a brutal occupation and guerrilla war in which nearly a quarter of the country's population died. The Indonesian regime was characterized by its violence against civilians as well as the systematic destruction of Timorese identity through a process of assimilation to Javanese culture. In response, the Timorese

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14 CIA. 2019. "The World Factbook, 2019: Timor-Leste." Accessible via: <https://bit.ly/39daY0v>

15 Timor-Leste General Directorate of Statistics. 2018. "Population and Housing Census 2015 – Preliminary Results," and World Bank. 2018. "Timor-Leste – Systematic Country Diagnostic: Pathways for a New Economy and Sustainable Livelihoods."

16 The most obvious legacy bequeathed by Portugal is Roman Catholicism, practiced by an estimated 98 percent of Timorese. Aside from religion, the Portuguese left fewer than 20 kilometers of paved road and one trained doctor. Joseph, A., and Hamaguchi, T. 2014. Timor-Leste: The History and Development of Asia's Newest Nation. *Plymouth: Lexington Books.*

organized resistance through three streams: first, an armed front, composed of the Falintil, in charge of the guerrilla actions; second, a clandestine front, dedicated to civil resistance and responsible for the circulation of information and resources between the Falintil, the population, and the outside world; and, third, a political and diplomatic front, carried out by political representatives in the diaspora.<sup>17</sup>

These resistance efforts, Indonesia's democratization in the late 1990s, and changes in the global political system following the end of the Cold War, brought increased pressure on Indonesia to end the occupation. In 1999, the United Nations (UN) sponsored a referendum in which some 80 percent of Timorese people chose independence over deepened autonomy within Indonesia. The departure of the Indonesian army in the wake of this result was accompanied by the destruction of between 60 and 80 percent of existing private and public property, including the electricity grid and water supply system, as well as the killing of an indeterminate number of people. Thousands of others were taken by force to refugee camps in West Timor and other parts of Indonesia.<sup>18</sup>

After a brief period of transition under the administration of the UN, Timor-Leste held elections in 2002, restoring the independence that had been lost with the Indonesian invasion. With the exception of a few short months in 1974/75, it was the first time Timor-Leste had been free of foreign occupiers since the 16th century.

Timor-Leste's new democracy featured a political class largely drawn from the leadership within the three streams of resistance. Despite general support among this class for the project of Timorese democracy, lingering divisions and resentments were carried over from the occupation. In 2006, Timor-Leste experienced a crisis, with deep-seated concerns about the post-independence political settlement erupting into violence. The country was shaken by conflicts that began within the security forces (between the army and the police), quickly escalating into civil unrest and intercommunal struggle. The political exploitation of this situation by opposition parties led to the government's dissolution, as well as large population displacement, societal divisions, and subsequent large-scale resettlement of internally displaced people (IDPs).<sup>19</sup>

Since 2006, the commitment of major political parties to the Timorese state, along with revenues stemming from oil exploitation from the mid-2000s on, have strengthened political institutions and economic growth to the point where a second crisis seems unlikely in the near term. In response, aid flows have begun to ebb from a peak in 2010.

17 Miranda, S. 2003. "A Cruz e o Sândalo: Religião, Tradição e Gerações Timorense." Master's thesis. ISCTE-Instituto Universitário de Lisboa.

18 International Commission of Inquiry on East Timor (ICIET). 2000. "Report to the Secretary-General," United Nations.

19 Silva, K. 2012. "As Nações Desunidas: Práticas da ONU e a Estruturação do Estado em Timor-Leste". Belo Horizonte: Editora da Universidade Federal de Minas Gerais, 2012; and Wigglesworth, A. 2016. "Activism and Aid: Young Citizens' Experiences of Development and Democracy in Timor-Leste." Monash University Publishing.

This decrease, in particular the departure of the UN in 2012, has been challenging for local NGOs accustomed to generous international financing. In the absence of significant sources of domestic funding, local civil society, as measured by NGO density, has contracted significantly

## Aid context

In 2018, official development assistance in Timor-Leste totaled US\$244.8 million (US\$181.7 million in grants and US\$61.6 million in concessional loans). Aid to Timor-Leste exceeded US\$250 million from 2010 to 2015, but beginning in 2015 has experienced a significant downward trend, especially direct support to the government. This has led to non-lending support reaching its lowest ever level. Assistance from development partners includes projects executed in direct collaboration with government ministries, as well as through NGOs. The five bilateral donors that have reported the highest levels of planned funding since 2014 are Australia, Japan, the European Union, the US, and Portugal (including funding from Instituto Camões).<sup>20</sup>

Timor-Leste's Strategic Development Plan 2011–2030 is aligned with the UN Millennium Development Goals and was released in July 2011. It articulates Timor-Leste's vision of development for the next two decades, covering four pillars: social capital, infrastructure development, economic development, and institutional frameworks. Among the four pillars, social capital is the largest recipient of aid, with 46.1 percent of total planned disbursements in 2018 concentrated in the health, education, and agriculture sub-pillars.<sup>21</sup>

## Civil society in Timor-Leste

Since the mid-1970s, Timorese civil society has had to adapt to the constraints imposed by the Indonesian occupation; the demands of the post-1999 emergency and rehabilitation phase; the (re)construction of the country; and the challenges posed by its interactions with foreign agencies and donors, including power dynamics between organizations (both national and international), and relations between organizations and communities.

In the late 1970s, the Indonesian government authorized the entry of two humanitarian aid organizations into Timor-Leste in order to provide emergency relief: Catholic Relief Services and the International Committee of the Red Cross. Also crucial were organizations linked to the Catholic Church, such as the Catholic Justice and Peace

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20 Timor-Leste Ministry of Finance. 2018. "State Budget 2018 – Book 5: Development Partners,"; and OECD. 2018. "Aid At a Glance Charts." Accessible via: <https://bit.ly/3q1rhDg>

21 Timor-Leste Ministry of Finance. 2018. "State Budget 2018 – Book 5: Development Partners."

Commissions in Dili and Baucau, and Delegado Social, which later became Caritas Timor-Leste.<sup>22</sup>

During the Indonesian occupation, a severely constrained Timorese civil society operated under highly repressive conditions. The early 1980s witnessed the development of clandestine student and youth movements in Timor-Leste, as well as Timorese student associations in Indonesian universities. These movements played a key role in raising international awareness of human rights violations, and after 1989 organized public protests and demonstrations on the occasion of significant international visits, such as those of Pope John Paul II in 1989 and the US Ambassador to Indonesia in 1990.<sup>23</sup>

After the 1989 “opening” of Timor-Leste, when the Indonesian government relaxed restrictions on international access, a wider range of Catholic agencies – among them CAFOD (UK) and Caritas (Norway, Sweden, and Australia) – began supporting local organizations. Some international NGOs also started working in the country, including CARE Canada (1995), Christian Children’s Fund (1990), and World Vision (1995), as well as branches of Indonesian NGOs such as Bina Swadaya.

During the second half of the 1990s, more Timorese NGOs started to form. These included Yayasan HAK (human rights); FOKUPERS and ETWAVE (women’s rights and violence against women); Pronto Atu Serbi – PAS (health); and Yayasan Bia Hula (water and sanitation).<sup>24</sup> However, local and international organizations were regarded with deep suspicion by the Indonesian authorities and so were forced to operate cautiously, under constant surveillance, and in a climate of intimidation and fear. By late 1998 and early 1999, it was almost impossible for NGOs to function normally, but even so they continued their work, providing humanitarian support to the thousands of people displaced by militia violence in the run-up to the independence referendum.<sup>25</sup> In the wake of the devastation that followed the popular consultation results, local NGOs faced the destruction of their offices and the murder or kidnapping of their staff by Indonesian troops and aligned militias.<sup>26</sup>

22 Hunt, J. 2004. “Building a New Society: NGOs in East Timor,” *New Community Quarterly* 2(1):16–23; Hunt, J and Wigglesworth, A. 2014. “Civil Society in Transition” in Hatene kona ba/Compreender/Understanding/ Mengerti Timor-Leste, Vol. II, Loney, H., Silva, A., Mendes, N.C., Ximenes, A.C., and Fernandes, C. (eds.), *Hawthorn: Swinburne Press*; and Miranda, S. 2003. “A Cruz e o Sândalo: Religião, Tradição e Gerações Timorense,” Master’s thesis, Lisbon: ISCTE—Instituto Universitário de Lisboa.

23 Ibid

24 Hunt, J. 2004. “Building a New Society: NGOs in East Timor.” *New Community Quarterly* (2004) 2(1):16–23.

25 Hunt, J. 2008. “Local NGOs in National Development: The Case of East Timor,” PhD thesis, *Melbourne: RMIT University*; Hunt, J and Wigglesworth, A. 2014. “Civil Society in Transition” in Hatene kona ba/Compreender/Understanding/ Mengerti Timor-Leste, Vol. II, Loney, H., Silva, A., Mendes, N.C., Ximenes, A.C., and Fernandes, C. (eds.), *Hawthorn: Swinburne Press*.

26 Hunt, J. 2004. “Building a New Society: NGOs in East Timor.” *New Community Quarterly* 2(1):16–23; Hunt, J. 2008. “Local NGOs in National Development: The Case of East Timor,” PhD thesis, *Melbourne: RMIT University*.

Following independence, many well-financed INGOs began arriving in Dili, most with no previous connections to the country.<sup>27</sup> They began working within the UN framework, mainly in emergency assistance, providing food, medical assistance, water, sanitation facilities, and shelter to IDPs and victims of the Indonesian withdrawal. Rifts soon appeared between international and local NGOs, as Timorese organizations protested against their almost complete exclusion from these humanitarian programs. Although local NGOs offered<sup>28</sup> their experience and knowledge of local communities, specific community needs, and local decision-making processes and structures, the international community often did not include them in the work. Even where partnerships existed, they tended to be unequal – rather than developing local NGO capacities, INGOs simply employed Timorese staff to run their own programs, generally at much higher rates than local NGOs could afford. This had (and continues to have) the effect of driving talented Timorese professionals away from national organizations. By late 2000, local NGOs had established the Timor-Leste NGO Forum as a means of getting their voices heard in an increasingly crowded environment dominated by INGOs, donors, and UN agencies.<sup>29</sup> The NGO Forum provided trainings for local NGOs in areas such as English language training, information technology, project management, and organizational development.<sup>30</sup>

In the absence of a functioning government, the UN had developed a close relationship with NGOs as stakeholders in the new nation. However, after the election of a legitimate national government in May 2002, NGOs lost some of their access to national decisionmakers. Civil society more generally was uncertain about how to relate to the government. By 2004, relations between Timorese NGOs and the government were uneasy. NGOs found themselves left on the margins, with an ambivalent legal status and few easy channels of engagement.<sup>31</sup> Donors were also changing, focusing more on strengthening the government than on funding local NGOs, and demanding far greater levels of accountability,<sup>32</sup> which affected Timorese NGOs' ability to mobilize resources and demonstrate outcomes.<sup>33</sup> There was also a regional component to this dynamic, with an observable disparity arising between well-established NGOs based in Dili and NGOs in the other municipalities, which had very limited resources, lower skill levels, and poor

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27 Ibid

28 Brunnstrom, C. 2003. "Another Invasion: Lessons from International Support to East Timorese NGOs." *Development in Practice* 13(4):310–21; Janet Hunt, "Local NGOs in National Development: The Case of East Timor," PhD thesis, Melbourne: RMIT University, 2008; Wigglesworth, A. 2016. "Activism and Aid: Young Citizens' Experiences of Development and Democracy in Timor-Leste." *Clayton: Monash University Publishing*.

29 Hunt, J. 2004. "Building a New Society: NGOs in East Timor," *New Community Quarterly* 2(1):16–23.

30 Hunt, J. 2008. "Local NGOs in National Development: The Case of East Timor," PhD thesis, Melbourne: RMIT University..

31 Hunt, J. 2008. "Local NGOs in National Development: The Case of East Timor," PhD thesis, Melbourne: RMIT University.; Hunt, J. and Wigglesworth, A. 2014. "Civil Society in Transition" in Hatene kona ba/Compreender/Understanding/ Mengerti Timor-Leste, Vol. II, Loney, H., Silva, A., Mendes, N.C., Ximenes, A.C., and Fernandes, C. (eds.), *Hawthorn: Swinburne Press*.

32 Primarily to themselves, rather than to the Timorese people.

33 Hunt, J. 2004. "Building a New Society: NGOs in East Timor," *New Community Quarterly* 2(1):16–23.

access to information and networks. Most in the latter group were quite small, informal groupings, such as farmer, fisher, or youth community-based organizations.<sup>34</sup>

Humanitarian and peacebuilding aid surged into Timor-Leste following the political crisis of 2006, which turned local NGOs into peacebuilders.<sup>35</sup> High spending requirements, low absorption capacity of local NGOs, and limited accountability standards translated into a development sector characterized by questionable financial management (by both local and international NGOs), highly-paid international consultants, and relatively little impact on the economic realities faced by the great majority of Timorese. Though large amounts of money from both the government and international agencies were assigned to conflict resolution and humanitarian activities, Timorese NGOs had difficulty getting funding for their core activities, which were often unrelated to these new funding streams. Furthermore, initiatives led by local NGOs promoting peace and reconciliation found little recognition or support from the government or international donors, which preferred to fund short-term INGO-led efforts located close to donors in and around Dili.

Despite these challenges, civil society continued to draw on new approaches. This included using traditional forms of mediation, such as the nahe-bitu boot (“rolling out the mat”) ceremony, which became widely accepted and an important response to the crisis in the IDP camps in Dili and other communities. Similarly, environmental NGOs employed the customary practice of tara bandu, a Timorese resource management system that imposes ritual prohibitions on the use of natural resources. These practices led to some contradictions between the values promoted by NGOs (such as participation and gender inclusiveness) and customary practices, both hierarchical and usually male-led.<sup>36</sup>

The withdrawal of the UN and the departure of various development agencies at the end of 2012 dramatically reduced funding options for Timorese civil society. Since the withdrawal, local NGOs have struggled to retain staff in the face of competing (and often more lucrative) opportunities offered by the government, international donors, or INGOs. This situation creates serious problems in maintaining the administrative and financial systems, as well as accountability, that would enable NGOs to receive continuous donor funding and grow their portfolios. Donor funding has also changed: expectations are higher, reporting requirements have become more prescriptive, and donors often view local NGOs as subcontractors to fulfil specific inputs of larger projects, forcing local specialization rather than independent growth.<sup>37</sup>

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<sup>34</sup> Ibid

<sup>35</sup> Prior to the crisis there were only a few organizations – notably CICR, Belun, and Catholic Relief Services – investing in peacebuilding in Timor-Leste.

<sup>36</sup> Hunt, J and Wigglesworth, A. 2014. “Civil Society in Transition” in Hatene kona ba/Compreender/Understanding/ Mengerti Timor-Leste, Vol. II, Loney, H., Silva, A., Mendes, N.C., Ximenes, A.C., and Fernandes, C. (eds.), *Hawthorn: Swinburne Press*.

<sup>37</sup> Ibid

## History of CICR programming

CICR was founded at Columbia University in 1997 by Dr Andrea Bartoli, the Permanent Representative of the Community of Sant'Egidio<sup>38</sup> to the UN and the US, and a veteran of peacemaking processes in Mozambique, Guatemala, and Algeria. Its mission was to contribute “... to conflict transformation and peacebuilding of deadly conflict worldwide through research, education, and practice.”<sup>39</sup> While, as an academic institution, CICR’s mission has included producing and disseminating research, tools, and methodologies for scholars and peacemakers, it has also involved an active suite of conflict resolution and mediation programs in Colombia, Iraq, West Africa, and other countries and regions. CICR describes these efforts as being “... focus[ed] on participatory processes that increase social capital and engagement in long-term peace processes.” This emphasis on inclusivity and an extended-duration view of peacebuilding is clear from their work in Timor-Leste.

As Belun founder and former CICR staff member Rebecca Engel puts it: “Belun began with a relationship.” A Timorese resistance leader and Columbia graduate student, Constâncio Pinto, established connections between CICR and José Ramos-Horta, Nobel Peace Prize laureate and (at that point) future president of Timor-Leste. In 1999, Ramos-Horta invited CICR to participate in an international advisory group conducting research on economic and social conditions in Timor-Leste, which ultimately produced a report that informed the ongoing independence negotiations with Indonesia.

In 2000, Rebecca traveled to Timor-Leste to follow up on how the report was being used by the UN transitional government. In the course of her research she met former resistance leader and politician Xanana Gusmão, who was interested in involving CICR in the ongoing process of post conflict prevention. The intended vehicle for this involvement was a Dutch government-funded grant administered by the World Bank, focused on strengthening Timor-Leste’s civil society capacity. Due to administrative hold-ups, however, it took a year to finalize the paperwork. As a result, the CICR team, now composed of Rebecca and Sunita Vyawaharkar (later Sunita Caminha), were able to spend a full year planning in New York. This year was later described as crucial to the success of future CICR activities: the team developed a political economy report in order to better understand Timorese history, the local context, and the country’s sector-by-sector dynamics. They also had time to reflect on how to apply such knowledge to programming in a collaborative way.<sup>40</sup> Even so, significant challenges remained. Despite mass euphoria resulting from independence, Timor had a concentration of resources in

<sup>38</sup> The Community of Sant’Egidio is a lay Catholic association founded in Rome in 1968, and is dedicated to social service.

<sup>39</sup> Columbia University. 2020. “Center for International Conflict Resolution Columbia University.”

<sup>40</sup> The team also established an international and interdisciplinary steering committee to advise on program development.

the capital, huge expectations of the nascent government, massive destruction resulting from the war and the Indonesian pull-out, and a near-complete political vacuum in rural areas. As Rebecca explained: “... nobody had any idea what was really happening in the countryside.”

Rebecca and Sunita arrived in Timor-Leste in 2002, and hired two Timorese staff members to support with grant implementation: Albertina Neves and Luis Ximenes. The project design process continued in an intentionally collaborative manner: CICR decided to co-produce an operations manual, establish new objectives, and more generally ground-truth the planning and assumptions made from New York with Timorese staff. Rebecca explained that engaging their new co-workers “... forced us to learn Tetum quickly because of trust issues in Timor, especially coming out of the clandestine period ... [Albertina] wouldn’t speak to us in English, even though she understood English quite well. We were forced from the very beginning to try as best we could to articulate what it is that we were trying to do and to write our documents from scratch in Tetum. But she also played a critical function because she prevented miscommunication.” This process was time-consuming, but CICR wanted to ensure “... the most fundamental decisions of how we do things were not just imported from New York, but were talked through and worked through and brainstormed together ... we wanted to make sure everything we did was context-specific and locally relevant as possible.” One of the first phrases the team learned in Tetum was: “Does this make sense?”

The CICR team began implementing the Dutch-funded World Bank grant, traveling the country as a team to identify potential local partners and issue small grants. In 2003, CICR staffer Brian Hanley joined the team from New York. The grant ended in 2004, but by then there was a clear commitment from both national and international staff to find a way of continuing conflict-sensitive organizational capacity building and community development. Furthermore, the team felt that the most effective and sustainable way to do this work was through a Timorese organization. The USAID Office of Private Voluntary Cooperation offered an opportunity to make this happen in the form of the NGO Sector Strengthening Project (NGOSSP, 2003–08), through which Belun was born.

The NGOSSP was a much larger project than the World Bank program, both in terms of scope and funding. To manage this scaling up, CICR invited Planning Assistance and CARE International to form a consortium.<sup>41</sup> CICR provided the core team, conflict and mediation skills, and local connections. Planning Assistance supported with program design and proposal development. CARE brought strong technical expertise, particularly

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<sup>41</sup> Planning Assistance, the prime, was a small American NGO, which in 2005 was folded into ACDI/VOCA. ACDI/ VOCA in effect inherited responsibility for implementation of the NGOSSP.

around donor regulations and local service provision, where it had significant experience in Timor-Leste.

The NGOSSP had two objectives. The first was to carry on the work of the World Bank project by strengthening the operational, technical, and financial capacities of Timorese NGOs, especially as they related to addressing the root causes of conflict. The second was to implement this work through a new local NGO (soon to be named Belun), and to build the NGO's capacity so that it could sustain its work beyond the life of the project. NGOSSP staff would also be staff of the NGO, and the Chief of Party (and the NGO's director), at least initially, would be international. To ensure sustainability, international staff in key technical positions and management roles were paired with a "deputy" Timorese staff member in order to build their capacity through a "learning by doing" approach. Decisions were made collaboratively and only with local understanding and support. Over the course of the project, international staff were intentionally phased out and their positions gradually Timorized, culminating in May 2007 with the selection of Antonio da Conceicao as Belun's first Timorese director and NGOSSP Chief of Party.

Uniquely, capacity building under the NGOSSP served a dual role. The project's purpose was to build the capacity of Timorese NGOs through technical support, small grants, networking, and formal trainings. As part of the regular process of building up other NGOs, Belun staff were also trained in financial management, governance, grant management, proposal writing, human resources, strategy planning, and numerous other operational and technical capacities critical to the everyday functioning of a development organization. The NGOSSP Capacity Assessment Tool, developed with the assistance of the CARE Capacity Development Manager for use with Belun's local partners, was also utilized internally over the course of the project to identify and fill capacity gaps with an eye to Belun's long-term sustainability.

The 2006 political crisis in Timor-Leste provided both challenges and opportunities. Belun's network of offices and official position of political neutrality allowed it to spearhead crisis prevention and IDP assistance activities in close collaboration with the government. Due to its work at the community level, Belun was the only national NGO represented on the humanitarian response technical working group put together by the government. While many donors and INGOs evacuated their staff, CICR employees remained in-country, and the Belun offices in Dili became an IDP hub, sheltering hundreds of people fleeing violence in the interior. Serving in this role during the crisis gained the organization a degree of respect from both the Timorese government and international donors. It also enabled Belun to broaden its mission, thereby allowing it to pursue newly abundant humanitarian funding. By the end of the NGOSSP in 2008, international staff were primarily serving in advisory positions, with Timorese conducting the actual

implementation of the program. The project's final evaluation notes that it achieved both of its objectives, "... exceed[ing] its numerical targets" around strengthening local NGOs, while establishing in Belun a viable, sustainable vehicle to continue the NGOSSP's work.<sup>42</sup>

Belun's post-NGOSSP history from 2008 to the present day is one of booms and busts, in line with the volatile nature of aid flows to Timor-Leste. The end of the NGOSSP was the first of two major funding shocks to hit Belun over this period. The grant had been Belun's lifeblood, and losing access to a steady stream of long-term funding, as well as funded access to training, workshops, and international staff, was a challenge. The departure of director Antonio da Conceicao to the government after a tenure of about a year compounded the situation. However, the choice to promote deputy director and Belun co-founder Luis Ximenes, who had worked with CICR in Timor-Leste since 2002, was a successful one. Belun continued to win grants from a variety of donors, including the Timorese government, major development contractors and INGOs, and directly from bilateral and multilateral donors. Its role as a champion in IDP assistance during the crisis led to several humanitarian-focused grants. Critical to the program development process were CICR staff, several of whom stayed on for several years to provide technical and proposal support, including for the Irish government proposal for the Early Warning/Early Response (EWER) system, which became Belun's signature program.

The second major funding shock came in 2011/12 with the closing of two major projects: a land rights program subcontract with ARD and an Irish local governance support program. The Irish government – which had committed to five years of support for EWER beginning in 2010 – exited Timor-Leste entirely as it slashed spending in response to the global financial crisis. During this time, development aid as a whole contracted significantly, and Belun was forced to cut staff, assets, and offices as funding dried up. The organization survived in large part due to the dedication of the same core team that had founded it almost ten years earlier.

Following the financial crisis, development aid once again increased, but as Timor-Leste stabilized and the peace lengthened, funding – especially conflict-related funding – began to taper off. Within this atmosphere of gradually shrinking aid budgets, Belun has been able to maintain its niche as the country's largest and most prominent local peacebuilding NGO.

Columbia University has continued to support Belun in a variety of formal and informal ways, though all international staff have now left and CICR as an entity within the university has been dissolved. Two former CICR staff still serve on Belun's board of directors, while Columbia graduate students fly to Timor-Leste every year to work as

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<sup>42</sup> Rajakaruna, O. 2008. "End-of-Project Evaluation Report: NGO Sector Strengthening Project (NGOSSP) in Timor Leste," ACDI/VOCA.

interns. Most importantly, the personal connections remain: former Belun international staff are still available for advice and occasional technical support. However, Belun is very much independent – Columbia University has no governance or financial connection to the organization beyond the memorandum of understanding that manages intern placement.

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## Triggers for transition

Several former CICR, CARE, and Belun staff told Stopping As Success researchers that the concept of “exit” did not quite fit in the Belun case. To them, Belun was a partnership, a hybrid INGO–local NGO in which decision-making and management responsibilities were shared among a nucleus of international and Timorese staff with strong pre-existing relationships. An “exit,” as it is understood in the traditional development context, is a relatively rapid flick of the switch from INGO to local as project funds run out or an organization leaves a country. Belun’s experience, on the other hand, was an excellent example of “transition” – a process of gradual Timorization over the course of a five-year USAID grant, systematically building Timorese staff capacity while phasing out international support and, eventually, leadership. However, as Belun and CICR remained two distinct organizations working in partnership, it was more than “Timorization” in the usually understood sense. As Rebecca Engel describes it: “... we were two independent entities choosing to work collaboratively toward the realization and fulfillment of common goals and strategies. Sometimes this meant CICR staff would wear two hats, which could be confusing, but the distinction between CICR and Belun as two organizations helped ensure Belun was known internally and externally as a local NGO with its own identity and responsibility.”

It is important to highlight that this process was intentional. One of the NGOSSP’s two objectives was ensuring sustainability through Belun’s continuation beyond project closure, and project leadership approached this through a systematic program of capacity building and responsibility transfer.

While Belun’s “independence” as a local NGO was, in a sense, inevitable according to the NGOSSP project plan, three key triggers or metrics stood out as signals that Belun could stand on its own after project close in late 2008. These were the completion of the Belun capacity-building plan, the choice of Antonio da Conceicao as Belun’s first Timorese leader, and Belun’s successful pursuit of funding opportunities outside the NGOSSP.

## **Completion of Belun capacity-building plan**

Due to organizational development being central to the success of the NGOSSP, the Belun capacity building program is unusually well documented, with clear goals, a midterm progress assessment, and a final evaluation detailing successes and challenges. Table 1 below, taken from a 2008 report by a CICR staff member and Belun founder, illustrates the three phases of Belun's capacity building<sup>43</sup> (in the table rendered as "CD," or capacity development). Belun moved from a Phase I of establishment, startup, and capacity assessment; to a Phase II involving continued capacity development, standardization, and a midterm evaluation; to a Phase III of reflection and refinement. The third column illustrates the various capacity development approaches, refined in an iterative, adaptive manner, that the team found useful throughout the three phases.

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<sup>43</sup> The phases shown in the table describe both Belun's work developing the capacity of local organizations and its own internal capacity development process.

**Table 1 Phases of Belun's Capacity Development<sup>44</sup>**

Phase	Description of CD process	Approaches to CD applied
<b>Phase I</b> June 2004 – June 2006	Establishing Belun as a national organisation with a mandate to develop capacity  Reinforcing partnerships  Identifying CD needs  Determining Belun's role in CD  Capacity assessment (NGOs)	Accompaniment (ongoing site-visits to support organizational development (OD), on-the-job training (in Excel, filing systems))  Cross-visits (between partners in the same sector across districts, with CSOs in Indonesia)  Trainings (strategy planning, leadership, administration, proposal writing, financial management, communication, etc.)
<b>Phase II</b> July 2006 – August 2007	Standardizing Belun's CD practices  Capacity assessments (midterm for NGOs and start of CBO assessment)  Developing more explicit terms of partnership and streamlining partners  Consolidating Belun's technical capacities  Refining internal capacity	Opportunities for reflection (Open house, targeted workshops)  Small grants (direct granting or linking to other funds)  Resource Material (SGDN, OD reference, livru funds)  Supporting networks/coordination (monthly open houses, link with donors, state actors, convening SGDN)
<b>Phase III</b> September 2007 – Present (September 2008)	Reflection and refining CD practices  Standardizing tools for CD  Rethinking partnership for future engagement	Technical assistance (in agriculture and conflict transformation – group facilitation, mediation support as needed)

The NGOSSP midterm evaluation in 2006 gave the project team an opportunity to reflect on the status of internal capacity-building efforts. The evaluation noted that Belun was operating well, but offered five recommendations to ensure that gains would be sustained, and the four Belun-related sub-objectives achieved. These were:

- Establish Belun's external governance.
- Recruit and mentor a Timorese director.
- Develop an exit strategy.
- Enhance government relations (local and national level).
- Secure new source of funds.

As a result, project implementation in the final two years of the NGOSSP focused on operationalizing these recommendations and building Belun's long-term sustainability. In 2007, an internal program evaluation was completed and a Strategy Planning Process launched, designed to “1) refine [Belun's] vision and mission; 2) revitalize objectives and

<sup>44</sup> Caminha, S. 2008. “Civil Society Capacity Development in Timor-Leste: A Reflection on Practices, Partnerships and Potential,” Belun, p. 25. CBO is “community-based organization,” used interchangeably with “local Timorese NGO.”

goals; and, 3) systematize core staff competencies beginning with a needs assessment and individual professional assessment.<sup>45</sup> The results of those assessments informed an intensive series of workshops and trainings.

As Table 2 shows, the final performance evaluation took note of the steps taken to act on the midterm evaluation's recommendations regarding preparing Belun staff for post-NGOSSP independence. The final evaluator writes: "Since 2006, in the presence of new opportunities and as Belun gained maturity and self-confidence, Belun evolved into a resilient, robust professional organization."<sup>46</sup> The report concludes: "Belun's achievements over the latter half of NGOSSP were unprecedented."<sup>47</sup>

**Table 2 Summary of NGOSSP Results by Midterm and Final Evaluation<sup>48</sup>**

Sub-Objective	Target	Midterm Evaluation (9/2006)	Final Evaluation (9/2008)
1.1 Verifiably strengthen CBO/NGO partners	50 percent (of targeted local partners)	Partially achieved	Achieved
1.1(a) Establish a sustainable Intermediary Service Organization – Belun	CDI/Belun	Achieved	Achieved and sustainable
1.2 Improved basic service delivery in partner communities	50 percent (of targeted local communities)	Partially achieved	Achieved
1.3 Understand the sources of, and generate positive responses to, conflict in target communities	25 percent (of targeted local communities)	Minimally achieved	Achieved and ongoing with EVER, EWER, Sima Malu
2.1 Expand linkages among and between partners and other stakeholders	25 percent (of targeted local partners)	Surpassed	Achieved

45 Rajakaruna, O. 2008. "End-of-Project Evaluation Report: NGO Sector Strengthening Project (NGOSSP) in Timor Leste," ACDI/VOCA, p. 11.

46 Ibid, p. 7

47 Ibid, p. 12

48 Ibid, p. 7

## **Strong local leadership candidate**

In 2007, the role of Belun director and Chief of Party passed to Timorese national and Belun cofounder Antonio da Conceicao. The Belun team saw this leadership transition as important to the organization's goal of local ownership, but also as a desired result of the NGOSSP – they had planned from the beginning that a Timorese national would lead the organization before the end of the project. Several team members had been potential candidates, including staff dating back to the World Bank project, but the choice of Antonio was an obvious one.

At the time of Belun's founding, Antonio – a former resistance member – was one of the most respected Timorese development professionals working in the country. Prior to independence, he had worked both at USAID and in a senior role with CARE International in Timor-Leste. He first met the CICR team in the early 2000s shortly after their arrival in-country. At the time, he was a member of the Timorese Planning Commission, working on the country's Vision 2020 development plan. Over the following years he served as a mentor to the relatively young international and Timorese staff, and in 2004 participated in the NGOSSP strategy planning session that gave Belun its name. He was a senior adviser to Belun during its inception, assisting with strategy development and connections with donors, the political system, and government.

The NGOSSP team needed someone who could command respect from the Belun team, the Timor-Leste government, USAID, and local partners. Antonio brought a valuable combination of leadership skills, strategic vision, English language ability, experience in the development sector, relationships with the Belun team, and connections to key donor, government, and INGO stakeholders. He also brought legitimacy and a measure of stability to Belun by virtue of his age, stature, education, and experience. Though Antonio, after about a year as director, accepted a position in government, all stakeholders agreed his presence was crucial to establishing Belun as an independent entity.

## Degree of financial independence

The final trigger, and perhaps the most critical in terms of long-term sustainability, was Belun beginning to prove its ability to gain grants separate from the NGOSSP. This included projects in humanitarian and IDP-related projects resulting from Belun's work during the 2006 political crisis. The final two years of the NGOSSP saw an increased focus on proposal writing and business development training, as well as collaboration with international staff on a number of proposals. At the time of NGOSSP project closure, Belun was implementing several other projects:

- The Election Violence Education and Resolution (EVER) program, implemented by IFES, promoting peaceful elections, monitor elections, and facilitate mediation.
- The Local Governance Support Program under Irish Aid.
- A subcontract from the ARD-led Strengthening Property Rights Program under USAID.
- A Paz y Desarrallo fish processing plant contract.
- UNDP-funded maintenance of a national CSO database.
- Several youth-focused small grants from the Timorese government.

Although project closure represented a significant challenge, Belun staff had prepared well. Summing up interviews with the donor community, the NGOSSP final evaluation concluded: "It is most likely that Belun will continue to grow if it remains in pursuit of its primary objectives."<sup>49</sup>

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## Key success factors for transition

This section tracks the key success factors behind the full turnover to the local team and Belun's successful post transition performance. These can be divided into four broad categories: Plans, Programs, Principles, and People.

### Rigorous internal policies

Belun is recognized by donors and INGOs for its exacting internal policies, which are an underappreciated key element in the organization's success. This is due to two important and interrelated contextual dynamics: first, the difficulty of sanctioning employees in Timor-Leste; and, second, the high reporting standards demanded by international donors in recent years.

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<sup>49</sup> Rajakaruna, O. 2008. "End-of-Project Evaluation Report: NGO Sector Strengthening Project (NGOSSP) in Timor Leste," ACDI/VOCA, p. 12.

Management in the Timorese context can be difficult due to the island's small, close-knit population, with near-universal familial and communal connections making hiring and firing problematic exercises. Timorese managers face tremendous social pressure to hire friends and colleagues, and equally strong pressure not to fire them, even in the face of serious infractions. As one American former USAID staff member explained: "Everyone's related or connected, and if you treat someone badly, it's gonna come around again to you ... You wanna build their capacity to be the mean and nasty manager, or do you want to make it easy for them to live in Timor the rest of their lives?" A partial consequence of the lack of a credible threat of termination is low accountability standards in Timorese NGOs, which can result in poor financial management. While it may be the case that the perception is worse than the reality, international donors are aware – perhaps overly aware – of this dynamic, which has resulted in a broad sense of distrust toward local NGOs.

This distrust feeds into the second contextual dynamic: increasingly high accountability standards. This is tied into the reduction in aid flows to Timor-Leste. As a GIZ staff member observed: "When there was a lot of money, it just flew out to local NGOs. We have the same requirements as we did then, but now we're much stricter ... Before, we had to spend so much money, three times as many grants at least. We needed to spend and so did local NGOs." Interviews with other donors and Timorese NGO staff confirmed this sentiment. Internationals are much more careful in a shrinking funding environment, with a former USAID staffer, for example, saying that in recent years: "... USAID just could not reduce its financial reporting requirements or allow it to be in local language, even though they have Timorese staff, but because they just can't drop their standards." These standards often prevent local NGOs from charging overhead recovery costs, which can be devastating to sustainability.

In an attempt to maintain accountability standards while offering support in navigating complex financial requirements, some donors – including GIZ and USAID – have created special categories of assistance for local NGOs. These categories generally involve intensive financial oversight, some form of formal or informal mentoring, and payment on performance. While to some degree a step in the right direction, these standards are still very difficult for local organizations to meet, and delayed payment can mean financial ruin for the many Timorese NGOs run on a tight budget. For better or worse, donors are hyper focused on accountability to their taxpayers. Though this is perhaps less of an issue in higher-capacity countries, NGOs in Timor-Leste have extremely limited access to financial software, computer literacy training, English skills, and the myriad other resources necessary to meet requirements.

Belun, however, has gained a reputation as one of the few NGOs in Timor-Leste capable of meeting international compliance and reporting standards. One frequently cited example is that every time a program ends, Belun hires an accounting firm to conduct an external audit. Every international donor spoken to who had funded Belun remarked on their ability – almost unique in Timor-Leste – to manage finances and, perhaps even more importantly, fire staff who run afoul of internal policies. “I remember being impressed,” said a former USAID staffer who had heard that Belun was preparing to terminate an employee, “... [that] the Timorese leadership could and was willing to make those hard management decisions that don’t go down well with Timorese society but ... at some point are needed to have the donor confidence.”

Luis Ximenes, Belun’s director since 2008, reported that strict day-to-day management enabled the socialization of the standards and policies integral to this reputation: “Other national organizations, they also have the policy ... but Belun, we apply what we have. We are thinking of how we can implement [our policies].” For Luis and other senior management members at Belun, strong policies are critical to the organization’s survival.

These policies, and Belun’s reputation, are partly a legacy of the capacity-building programs built into the NGOSSP. Indeed, Luis explained that the drafting, implementation, and socialization of internal regulations was one of the things that prompted transition to local leadership. One former CICR staff member agreed: “Donors say they want to give money to locals, but there’s a huge apartheid as far as compliance. Belun runs a tight ship and follows compliance rules, so they get money thrown at them. Having a top-notch finance team was critical, and Belun’s is on par with any NGO, comparable to the highest standards of government.”

## **Designed for independence**

Every key stakeholder interviewed stated that a critical element in the success of Belun’s transition was that it was designed from the outset for independence. There are two key elements to this: the pre-NGOSSP experience, and the design of the NGOSSP itself.

While Belun was ostensibly designed as the post-grant vehicle for the NGOSSP, its roots went much deeper. When CICR staff arrived in Timor-Leste in the early 2000s, they insisted that English not be a requirement for hiring. Instead, they chose people who had the ability to get the job done, and who would work collaboratively to complement each other’s skills. Belun’s founders – both CICR and Timorese – spent years prior to the NGOSSP planning how to ensure the long-term sustainability of their civil society strengthening and peacebuilding work. As one CICR staff member and Belun founder said: “We basically had a two-year period [prior to the World Bank grant] when we were writing our report on social and economic conditions in Timor, in which we could really

try to understand the history and the context, sector by sector, the social dynamics, and then we could think about how do we take that and apply it to our programming, but really in a collaborative process. It was really important that we didn't just show up and hire people and give them contracts and say this is what you're doing."

Subsequent work by future Belun staff on the World Bank grant provided a further two years of research and context. As one of Belun's founder observed: "We had a luxury that doesn't usually exist: we had four years, 1998–2002, to begin to understand the nuances of the context." The extended time and research that went into program design ensured applicability to the Timorese context, as well as a deep understanding of the social, political, and economic environments that Belun would be operating in. Additionally, it provided an opportunity to build personal relationships with important stakeholders in the Timor-Leste development sphere. The design of the NGOSSP was critical to Belun's development. As mentioned previously, the NGOSSP had two primary objectives. Effectively, all the work toward the first objective (strengthening local NGOs to deliver services) was done through Belun; with the second objective (creating and strengthening Belun's capacity) aimed at ensuring that this work would continue beyond the close of the project. A former USAID staff member described this dynamic: "... the whole core of the grant under USAID was strengthening civil society ... the way that they proposed to do it was through this organization that had ... one role to stay alive itself as a local organization and to thrive as a local organization that would be sustainable after the USAID grant ended. But that also Belun would have a role in supporting especially the smaller organizations, the ones that didn't speak English."

International leadership roles were designed to be phased out in favor of Timorese staff as the project progressed. This was commonly understood, allowing Timorese staff to technically and psychologically prepare for the departure of internationals. Timorese staff members were involved from the beginning in decision-making, policy development, and all other aspects of Belun's operations. In this sense, the transition occurred from the very beginning. As one founder reported: "For me, it wasn't about handing over, it was always about the partnership. And how we determine what it is that we think that we all want to work on, and how do we collectively work toward or contribute to the ends that we're trying to achieve, or the goals that we're trying to realize."

It is also important to recognize that this space for collaborative development would not have been possible without a supportive donor buying into CICR's vision for a locally led organization. USAID approved the proposal, provided a great deal of flexibility and latitude to the project, and ultimately accepted the leadership transition to an indigenous Chief of Party. A prior NGOSSP Chief of Party noted that USAID "... gave us a huge amount of space. But they bought into the vision early on. They were impressed but

skeptical with what we wanted to do ... USAID should be taking credit, this is exactly what they should be doing."

## **Open communication and transparency**

Belun staff emphasize open communication, mutual trust, and relationship building as key factors in maintaining its tight-knit team. This principle can be traced back to CICR's arrival in Timor-Leste following independence, when, on presenting their plans for the World Bank grant, the CICR team gave their new Timorese employees the opportunity to rip them up.

This was unusual in a culture emerging from a repressive occupation. One former CICR staff member explained: "... civil society had come out of a tradition of clandestine relationships. You tell people what you've done on a need-to-know basis. This idea that you're open and transparent and that you're inclusive was [crazy]." However, this attitude built trust between the internationals and Timorese staff who would form Belun's core. It also engendered a sense of ownership among Timorese staff, described by one interviewee as a "... moral responsibility to Belun," that would carry on post-transition.

This principle also facilitated the best use of the various skills, backgrounds, and experiences within Belun. As a former director explained: "... everybody has a different style, different skill that they bring, and how do we construct those relationships so that we can get things done in a way that we think is right?"

## **Collaborative and effective management**

Belun's integrity as an organization is based on its management team's adherence to democratic, collaborative decision-making. Its strategic vision was co-developed by both international and Timorese CICR staff. From the beginning, all Belun staff were involved in making decisions, no matter how big or small. As the organization grew, this decision-making group shrunk to the senior management team,<sup>50</sup> but even so the principle of collaboration remains. This group has, for the most, part been with Belun for more than a decade. One founder described how this process works: "One of the greatest things that Belun did was their management structure. I'm not sure if it exists anywhere else ... The director is of course in charge, but you also have a council of advisers. Everyone's involved in debating and discussing these issues, and that can contribute to collective decision-making. But if a decision has to be taken, it's the director. This really helped to build cohesion. It's really a good structure."

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<sup>50</sup> Consisting of the director, the program managers, the finance manager, and the office manager.

The management team structure ensures open communication and collective ownership of the organization's work. While allowing for the inclusion of multiple perspectives and backgrounds, it still maintains a clear hierarchy for decision-making purposes. It also ensures that Belun is not dependent on one executive director, which is common in Timor-Leste and often means that an organization fails when the director leaves. In part due to the management team structure, Belun has already managed two leadership transitions effectively.

This structure demands an executive director who is willing to share power. As one Belun co-founder observed: "This is unusual in Timor. Power-sharing is not common." Luis Ximenes, now in his tenth year as director, draws strength from the team model. The same founder explained that Luis is "... very personable, he maintains good relationships, he's kind of a diplomat. He gives space to others ... He wasn't looking to become the one leader: others represent Belun, and they're doing the work as well." Several interviewees described Belun as like a family, with Luis as the father.

## Neutrality

From inception, and in line with its roots as a conflict resolution and peacebuilding organization in a post conflict country, Belun has made a commitment to political and ethnic neutrality. This is uncommon for NGOs in Timor-Leste, a country with deep and very public rivalries within its tiny but vibrant democratic political sphere. One Belun founder explained that CICR "... from the beginning wanted Belun to be a diverse staff, apolitical. It was actually a great opportunity when we merged with CARE: we got expertise, but also a balance of ethnic and linguistic groups." This diversity meant Belun could operate throughout the country without issues, which in turn allowed the organization to pitch its wide geographic expertise to donors for programs such as EWER.

Belun's political neutrality helped it navigate the 2006 political crisis, when underlying social, regional, and political tensions burst to the surface. Belun's headquarters in Dili became an IDP hub, and Belun was able to pivot to attracting humanitarian funds in subsequent years. Similarly, neutrality gave Belun the opportunity to win the election-monitoring grant that formed the basis for the EWER program, and to compete for election observation grants. Belun director Luis Ximenes asserted that he took the organization's neutrality extremely seriously: "We terminated [fired] one staff who used a Belun motorbike to go on campaign. When we do monitoring, we put on the Belun ID ... We don't want the government to think Belun is biased." Donors recognize this sentiment, with one USAID staff member reporting: "Some NGOs criticize the government, but Belun does it very well, in a very balanced way providing critical feedback, providing suggestions. They provide feedback in such a way that your input is listened to."

While Belun's avowedly neutral stance allows it to maintain its relationships with the government and communities across the country, there are drawbacks. One former Belun staff member argued that Belun's relentlessly apolitical stance meant it could not stand for progress, and that "... sometimes civil society has to push for change."

It is interesting to note that not everyone views Belun as being completely politically neutral. Its first Timorese director went on to become the secretary general and 2017 presidential candidate of the Partido Democrático, and several interviewees described Belun as being affiliated to the party. However, no one made the argument that politics has affected Belun's work – as an organization, it works across political lines.

## **Learning by doing**

Belun's competencies were developed through on-the job training and mentoring built into the NGOSSP, which several Belun staff – including CARE's former Capacity Development Manager – referred to as "learning by doing." This was crucial to Belun's sustainability post-transition, with one former Belun director reporting that a "... huge ticket to Belun's success was investing in local capacity." While the term "capacities" erases some of the nuance involved in skills development, much of Belun's subsequent success can be attributed to Timorese staff not only being knowledgeable about the project's context, but also being dedicated to improving skills that would make connecting with donors easier (for example, financial training and English language skills).

Though the learning by doing approach is conceptually simple, in practice it requires significant resource commitment. The NGOSSP international team brought in trainers to help improve expertise in a variety of areas identified by the capacity development plan. These included technical skills directly relevant to the project, such as conflict resolution, conflict assessment, mediation, and monitoring and evaluation; as well as operational skills, in line with the NGOSSP's objective of developing Belun, such as financial management, human resources, business planning, mainstreaming gender, English speaking and writing, leadership, and public speaking. Since the NGOSSP's work involved building the capacity of other local NGOs, these two categories often overlapped – Belun staff might attend a workshop on financial compliance, teach a small NGO what they learned, and then apply the same skills internally at Belun.

This training, explained a former CICR staff member, "... was always done accompanied." Staff would immediately put their training into use, then "... follow up with skills training, more workshops, so you keep learning something new, then testing it out, then going back into the workshop." Putting their training to immediate use and teaching it to other NGOs was an extremely effective learning method.

To cement this capacity building, the same trainers were contracted to return and conduct follow-up trainings over the course of the five-year project, providing continuity and allowing trainers to better adapt their approach to suit Belun. It also helped build trust between Timorese staff and the trainers, which a former Belun employee highlighted as “... very important in Timor-Leste and to those who have come through violent conflict.” As a CICR staff member explained: “... we worked with these trainers for so long, they could tailor their workshop designs to our day-to-day challenges.”

Ultimately, the learning by doing approach was rated by all interviewees as an extremely effective form of capacity building. Since Belun is still managed and, to a large degree, staffed by employees from the NGOSSP era, the capacities developed by the project consortium are still directly benefiting the organization.

## Sticking with the mission

Belun has stayed relevant by maintaining a unique (and interlinked) focus on conflict resolution, peacebuilding, and post-conflict conflict prevention and community development. The conflict resolution focus, which dates back to CICR’s pre-independence entry into Timor-Leste, has been sustained through investment in the conflict resolution competencies of Belun’s Timorese staff. While other Timorese NGOs have diluted their brand by chasing funding according to donor priorities, Belun has stayed consistent: its value-added is in peacebuilding, and – though willing to make minor adjustments to its approach<sup>51</sup> – it will always make the case for this focus to sometimes skeptical donors. Several interviewees expressed the view that international donors are often short-sighted. The conflict resolution “rule” is that one year of peacebuilding is required for every year of conflict – on this basis, Timor-Leste has a long way to go.

One example of how Belun’s approach to programming works in practice is the EWER network. EWER, which evolved out of the 2006 political crisis and the resulting need for more geographically relevant conflict and political economy assessments with which to inform actions taken by a community response network, has remained active and relevant through a variety of programs, donors, and development trends. Belun has managed to continue the network by pitching it in different ways – such as adding a gender-based violence component for UN Women, or a natural resource conflict element for GIZ – while maintaining its core function of conflict monitoring and response.

Belun has thus been able to stay “remarkably consistent” in its mission. As one former CICR staff remarked, Belun’s goal is to “... make all development conflict sensitive.” Donors in Timor-Leste both recognize and respect this dynamic, with every donor

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<sup>51</sup> These adjustments include Belun’s pivot to humanitarian response and IDP support following the 2006 political crisis.

interviewed mentioning Belun's commitment. One current USAID staff member remarked that while some Timorese NGOs "... chase money and dilute their reputation," Belun, is "... mission-driven rather than donor-driven."

## **Continued support from internationals**

The relationship between CICR and Belun did not end with the closeout of the NGOSSP, but was sustained in three ways: first, through continued technical and business development support; second, through membership on Belun's board; and, third, through the provision of interns from Columbia University (discussed below).

Two CICR staff members, Rebecca Engel and Sunita Caminha, continued to work directly with Belun following the transition. Both had served in leadership roles: Rebecca as Belun's co-founder, first director, and longest-tenured CICR staff member, and Sunita as Capacity Development Specialist. Both roles had transitioned to Timorese staff over the course of the NGOSSP. Sunita consulted with Belun from 2008 to 2010 on the development of the EWER system, helping design the approach, conduct trainings, build the database, and perform initial setup with conflict monitors. This support was invaluable, with EWER becoming Belun's most well-known and successful program within Timor-Leste. Meanwhile, Rebecca, in addition to serving on the board, has provided Belun with sustained conflict prevention and research methodology, fundraising, and proposal support. She remained in Timor-Leste for two years following the end of the NGOSSP, and assisted in various ways following her departure in 2010.

CICR staff have continued to maintain a connection with Belun through its board. Rebecca and Brian Hanley, both previously executive directors at Belun, are still board members. They continue to visit Timor-Leste, participate in board meetings when possible, drive business and fundraising opportunities to Belun, and provide advice on proposals, strategy, subgrant arrangements, and technical issues. They also help in expanding Belun's network. Timor-Leste is a small place, and access to international networks is an important advantage for a local NGO.

## **Utilization of volunteers**

Belun makes frequent use of interns from Columbia University master's degree programs, as well as international volunteer organizations such as the US Peace Corps, Australian Volunteers, and New Zealand Volunteers. These temporary international staff provide several crucial services.

First, volunteers are native English speakers, which in the Tetum-speaking Belun office is critical for drafting, reviewing, and copy-editing proposals and reports to INGOs and donors. International volunteers also assist with interpreting proposal and reporting requirements, which can be extraordinarily complex in both scope and language for non-native English readers. Additionally, volunteers bring technology skills, and often help Belun staff with database management, IT work, and computer skill development. Finally, volunteers with peacebuilding experience or academic backgrounds (generally the Columbia interns) provide important research and methodological support to Belun program teams.

While most donors and INGO staff recognized Belun's employment of volunteers as a canny survival strategy, a few hinted at possible negative consequences. One donor, for example, mentioned a significant disconnect between a proposal they had received and the subsequent programming, remarking that "... the project manager did not know the proposal ... it looks like someone was hired to write the proposal."

Overall, Belun uses volunteers strategically in order to fill capacity gaps. Volunteers play an important role, but as their skills are broadly interchangeable, Belun's approach is sustainable. As one former CICR staff and Belun director explained, Belun "... realize[s] where their weaknesses are and what they need to do. We [internationals] inculcated the value of this volunteer labor: they're here to help!"

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## Challenges

### Small fish in a big pond

With the end of the NGOSSP and the removal of guaranteed funding and intensive capacity building, Belun's status in the Timorese development landscape changed. It is challenging to survive as a local NGO in Timor-Leste, especially in the current environment. Two key facets related to this challenge emerged from interviews and background research: first, meeting donor requirements; and, second, staff recruitment and retention.

The first issue has already received significant attention in this case, with Belun, to some degree, able to mitigate this challenge through its rigorous policies and capable financial team. However, two points are worth mentioning here. One, Belun is widely understood in the donor and INGO community to be the strongest national organization in the country. It is one of only two Timorese NGOs to receive direct funding from USAID, and the only one to "graduate" from the special assistance category. Two, Belun's relative success in meeting donor standards has not been unchallenged. One donor who has

funded Belun referred in broad terms to financial management issues regarding a recent project, though confirmed that the issues had been resolved and would not present a barrier to future funding. The second key facet of this challenge is the long-term ability of Belun and other NGOs to recruit and retain capable staff. Local organizations are not able to pay anywhere near the same salaries as INGOs, international donors, or even the Timor-Leste government, and so have difficulty competing for the small pool of educated Timorese personnel. This came up frequently in interviews. One Timorese employed at a donor organization explained: “There’s not even competition for staff with internationals: they cannot even come close to the pay … I wouldn’t go into a national NGO. I couldn’t feed my children.” This dynamic affects Belun as well, with one former staff member saying: “Many times, people have to leave Belun to look for better living conditions.” Indeed, several interviewees remarked that they had been surprised when Antonio – who had worked at CARE – accepted the position of director of Belun, with one asking: “Why join a national NGO? The perception was that he decreased his position.” While Belun’s core of dedicated founders has remained with the organization since the NGOSSP, there is real concern that when they retire or move on, Belun may have difficulty replacing them.

## **Reduction in aid**

As one donor reported: “Overall, donor money is drying up in Timor-Leste.” With a stable government, a vibrant democratic political scene, and oil revenues bolstering the economy, donors have been reducing funding, especially to local NGOs. The remaining Timorese NGOs have had to compete for a shrinking pool of funds. This is doubly true for peacebuilding and conflict prevention funding.

What is the role of a peacebuilding organization in a country at peace? This question came up more than once in conversations with donors. Conflict prevention experts, including the former CICR staff interviewed, see this as a short-sighted question – peacebuilding is a long-term process, and Timor-Leste was at war for a long time. They argue that there are social and political conflicts barely hidden beneath the surface, and that an event such as a repeat of the 2006 crisis is more likely than commonly understood. Oil revenues, after all, are now declining. What will happen when the resource funding 80 percent of the Timorese government budget is exhausted?

While donors do broadly recognize these facts, it is a question of priorities. Several remarked that it was a shame that a program such as EWER didn’t receive more funding, but acknowledged that countries with open conflicts were much more likely to receive conflict-related funding. As one former Belun staff member explained: “Now, there is

much less funding for conflict prevention. Because now, there are fewer conflicts. Now the focus is on economic development.”

Belun has a difficult time in this environment. However, there are positive signs. Just this year, GIZ has bolstered EWER with a significant grant related to agroforestry-related land conflict. The challenge, as ever, is to make the case that economic development is intimately connected to conflict dynamics, and that the politics of development have implications for socioeconomic relations and the potential for violent conflict. Few are better placed to do that than Belun.

## **Long-tenured executive director**

Luis Ximenes, who was one of the two Timorese employees hired by CICR for the World Bank grant in 2002, has been Belun’s director for more than ten years. While he is widely applauded for his open-mindedness, strategic thinking, and vast knowledge of peacebuilding and development in Timor-Leste, his long directorship has raised questions about Belun’s long-term sustainability.

However, most interviewees agreed that Belun has managed to mitigate some of these risks, especially through its process of collaborative decision-making. For example, one donor employee’s general impression was that “... Belun is not a one-man show kind of organization. They have directors, but function as a team. Compared to other organizations, it’s much less of a one-man show.” A Timorese government employee concurred, remarking that a new leader presents a different set of risks to donors: “... all donors don’t want to take risks, and they know that Luis can run the organization.”

Overall, it seems that Luis’s presence represents a steady hand and a positive influence on Belun, especially in the current funding environment. Belun’s management team and democratic ethos has ensured decision-making functions are spread out across the organization, lessening the risk of leadership concentration. Indeed, Belun has already transitioned its leadership three times. However, the risks mentioned above will continue to grow, and at some point Belun will need to consider a change of leadership. Luis recognizes this, saying: “Maybe one day I can also leave, become a board member.”

## **Reflections**

Shortly before the Stopping As Success team departed the country, Belun director Luis Ximenes remarked: “One of the big problems is that before people come here, they have no idea about anything about Timor-Leste.” CICR, however, was different. Its team took the time to understand the local context, build relationships, and learn the language.

Furthermore, the approach was based on partnership, with project plans designed and implemented in full concert and consultation with Timorese staff.

The NGOSSP's original objectives were to take a conflict-sensitive approach to strengthening local civil society, and to implement this through a local organization that would exist beyond the length of the grant. Eleven years later, despite tumultuous shifts in the funding and aid environment, Belun continues to carry out that work. Its core management team is composed of the same Timorese staff who worked with CICR in the early years of the NGOSSP, and who co-produced the vision and values for the organization. In light of those facts, the authors of this study are comfortable concluding that the transition was a successful one.

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## Key lessons

**Entrance matters just as much as exit.** How an organization enters a country is part of its overall exit strategy, whether this is made explicit or not. Belun's former international staff emphasize that they were invited into the country, with their programming and focus on peacebuilding and conflict prevention driven by the needs of Timorese, rather than the agendas of international donors. CICR staff learned the local language, co-produced project designs with Timorese people , and involved Timorese staff in decision-making from the outset.

All of this was difficult, time-consuming, and often frustrating for the people involved. However, these choices created a partnership and inspired a sense of ownership in Belun staff that continues to the present. Sustainable, locally led development requires that international organizations work with local organizations in similar ways. In Belun's case, one Columbia staff member reflected: "I don't think I ever observed an exit, because there wasn't a traditional entry."

While this lesson refers to INGOs entering a country, it is also applicable to organizations entering new regions or communities. Committing to a full context analysis and hiring staff (whether local, national, or international) who are willing to learn and work in the local language is important to building the relationships that can sustain an organization beyond INGO transition.

**Planning for transition to local ownership from the outset increases the prospects of sustainability.** Belun was designed for independence from the beginning, with its sustainability written into the proposal and forming one of the NGOSSP's two objectives. Accordingly, international staff saw their roles as temporary and invested significant time, resources, and personal effort into working themselves out of a job. The NGOSSP

created a capacity-building plan to establish Belun over the course of the five-year project, and followed through by developing local capacities not only in technical areas, but also organizational and operational areas such as human resources, financial management, leadership, and grant management. International staff supported proposal development, passed on policies and strategic approaches, and included Timorese staff in management decisions. These design decisions had three major effects: first, tangibly developing local skills; second, psychologically preparing Timorese staff for the international exit; and, third, building a sense of ownership over Belun and the project's activities.

Longer implementation periods are clearly important. While not every project has the luxury of a five-year window for organizational development, the NGOSSP's approach of creating and supporting a local NGO may serve as a blueprint for donors interested in successful approaches to locally led development.

**Accompaniment works.** The effectiveness of capacity-building programs varies widely, and this is certainly true of Timor-Leste. Several Timorese familiar with the country's development sector commented on the relative failures of capacity-building initiatives in the country, with one academic complaining: "They do good governance capacity building. But the government is still corrupt." However, Belun's model of capacity building was described by every relevant group of interviewees – CICR, Belun, former Belun – as a success. As one Belun founder explained: "Accompaniment and partnership relationship is what has helped make Belun stronger. The experience of working together, learning by doing, then going out and applying those factors were a recipe for why Belun has been so successful."

Rather than project-based training, the NGOSSP's capacity-building programs were based on a model of accompaniment and "working by doing," which allowed for sustained skill development. These had several important elements:

- A long-term timeframe – training with the same core group over a five-year period.
- "Deputy" positions for Timorese staff to work beside international staff.
- Trainings followed up by immediate application of learnings and key practices.
- The same group of trainers returning to give follow-up workshops, ensuring tailored support.
- Operational, in addition to technical, training.
- Pause-and-reflect points to incorporate feedback into new trainings.

The stereotypical understanding of capacity building taking the form of a well-paid international trainer flying in to deliver the same training around the world may no longer

be completely accurate. However, the reality often falls far short of the successful model implemented by the NGOSSP team. While context will determine specifics, INGOs may wish to investigate incorporating a “learning by doing” model into their capacity-building efforts.

**Democratic organizational governance builds ownership.** Top-down organizational hierarchies that fail to incorporate local perspectives into their leadership or decision-making processes risk squandering opportunities to build local ownership. This concept of ownership is critical to understanding Belun’s success and sustainability.

From the outset, Belun’s ethos of partnership, democratic decision-making, and collaborative problem solving united its team, both local and international, allowing for a wide array of capacities to come to the fore. As one Columbia employee reported that CICR: “... was from the beginning committed to partnership, equity, and authentic sharing – not just sharing, it’s that [CICR] really understood that for a peacebuilding organization in that setting to walk the talk, it is not sustainable to have international leadership.” This principle led directly to the committed core of Timorese staff that continue to drive Belun more than fifteen years later.

**Prioritizing internal policies makes a difference.** The socialization of rigorous policies and processes, including accountability, human resources, political neutrality, and financial management systems, enabled Belun to build donor confidence and sustain funding streams. Asked about Belun’s ability to sustain itself, director Luis Ximenes responded: “Belun succeeded because we had rigorous policies.” These are only partly attributable to the legacy of CICR and international staff, but it is clear that internationals played a role in setting these systems up in concert with Timorese staff. Even in environments where employee sanctions are difficult to enforce, both local NGOs and INGOs should pay attention to the role of strict accountability mechanisms in inspiring donor and government confidence, as well as attracting high-quality staff.

**Leaving does not mean saying goodbye forever.** The departure of international staff presents a serious challenge to the survival of many local NGOs. Filling international roles – in terms of technical expertise and the ability to form relationships with donors and other international organizations – can be very difficult. Belun’s case shows that continued engagement from internationals, even if limited, can provide a lifeline for local organizations with capacity gaps. Ongoing accompaniment from internationals, whether former staff, board members, or volunteers, has been critical for Belun in overcoming the English language barrier, winning new grants from donor introductions, and meeting the strict reporting and proposal requirements enforced after international funding cuts.

INGOs considering an exit or transition should keep in mind that many overlooked capacities, such as English skills, computer literacy, or budgeting for donors, can present insurmountable barriers to otherwise capable local development professionals. Furthermore, the related ability of internationals to build relationships with donor staff and INGOs can assist greatly with helping a local NGO attract funding.



## Chapter 2

# Mennonite Church Canada to PeaceBuilders Community Inc. and Coffee for Peace, Philippines

By Farzana Ahmed

### Acronyms

CFP	Coffee For Peace
CSO	Civil Society Organizations
INGO	International Non-Government Organizations
MCC	Mennonite Central Committee
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front
NGO	Non-Governmental Organization
ODA	Official Development Assistance
PBCI	PeaceBuilders Community, Inc.
SAS	Stopping As Success

#### Type of transition

The transition in this case study refers to the steps taken by the PBCI to achieve financial independence from its key partner and funder, the Mennonite Church Canada, following the creation of the revenue generating Coffee for Peace social enterprise.

## Introduction

This report presents the case study of the Mennonite Church Canada and its relationship with PeaceBuilders Community, Inc. (PBCI), a Mindanao-based peacebuilding organization in the Philippines that carries out a range of peace and reconciliation activities with conflict impacted communities and local leaders. In particular, the report examines how PBCI was able to achieve financial independence from the Mennonite Church Canada by embarking on a social enterprise initiative: Coffee for Peace (CFP).

The “transition” in this case study was initiated by the local partner organization, which started a social enterprise initiative in response to a conflict situation in Mindanao. This in turn generated sufficient income to allow for greater financial independence of PBCI from the Mennonite Church. The report looks at the strengths of the partnership between the Mennonite Church and PBCI. These were, firstly, that local ownership and involvement was factored in at the outset of project design; and secondly, the Mennonite Church gave PBCI sufficient time to invest in long-term relationships with communities on the ground, which built mutual trust and helped PBCI understand the local context.

This report draws on seven semi-structured key informant interviews, which took place in Davao City in April 2018. Interviews were conducted with four senior management staff from PBCI and CFP. Additional interviews were conducted in the Philippines with a former staff member of Mennonite Central Committee (the NGO arm of the Mennonite Church), as well as representatives of other civil society and peacebuilding organizations. Data from these interviews informed both the case study and analysis of the Mindanao aid context.

## Context

Mindanao is the second largest island in the Philippines and represents approximately a quarter of the country’s total population. It is largely an agricultural economy, supplying 40 percent of the country’s food requirements and contributing over 30 percent of its food trade.<sup>52</sup> Despite this, a large percentage of the island’s people – ranging from 30

<sup>52</sup> FAO. 2016. “FAO in Mindanao.” p. 1. Available via: <https://bit.ly/33al4vd>

percent to 55 percent in some areas – still live in poverty. The mining, agribusiness, and fishing sectors in Mindanao have attracted a number of international corporations and businesses. The current conflict in Mindanao, which involves at least six major non-state armed groups, is rooted in the mainly Moro<sup>53</sup> population's long history of struggle and resistance, beginning during the Spanish colonial era and continuing to this day. The conflict goes beyond the Muslim–Christian divide, and is tied to a complex history of marginalization, structural inequality, and a series of land control policies introduced by the Spanish and American colonial powers and reinforced by subsequent Philippine governments.

The Moros started forming resistance movements in response to Spanish attempts to spread Christianity in the Philippines in the 16th Century. In 1898, the American colonial administration launched a series of migration programs, which encouraged Christian settlers to relocate to Mindanao in order to access new livelihoods and agricultural resources. During this period, large corporations were also allowed to acquire public land in Mindanao. This influx of outside groups led to greater socio-economic inequality and the marginalization of the Moro people. As a result, a number of organized resistance movements were formed over several years, including the Muslim Independence Movement and the Moro National Liberation Front (MNLF), along with its splinter group, the Moro Islamic Liberation Front (MILF). Despite various peace agreements having been brokered by the international community between the MNLF/MILF and the Philippine government, tensions and conflict over land rights are still ongoing in Mindanao.

## International assistance in Mindanao

As of December 2017, total official development assistance (ODA) to the Philippines amounted to US\$14.77 billion (US\$12.30 billion in loans and US\$2.47 billion in grants). Japan was the largest provider of ODA loans, accounting for 42 percent of the total. This was followed by the World Bank (25 percent of loans) and the Asian Development Bank (23 percent of loans)<sup>54</sup>. In the early 2000s, it was widely stated that the vast majority of ODA went to the Mindanao region (some put the figure at 60 percent of total grants). However, recent figures show that Mindanao currently receives only around 7.2 percent of ODA loans and 4.9 percent of ODA grants.<sup>55</sup>

International assistance in Mindanao has primarily focused on responding to ongoing conflict and humanitarian crises, and has mostly been channeled through the government. Although much international assistance has supported various peace efforts through

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<sup>53</sup> Moro is the term used to describe the mainly Muslim population in Mindanao.

<sup>54</sup> Republic of the Philippines. 2017. "ODA Portfolio Review 2017." Available via: <https://bit.ly/39bfFrp>

<sup>55</sup> Ibid

partnerships with local NGOs and CSOs, there are also numerous local organizations promoting peace and reconciliation work directly.

The effectiveness of international assistance in Mindanao has been the subject of critical discussion over recent years. It has been noted that the intensity of the conflict in some areas, as well as the restrictions imposed by the government, has meant that international aid groups are unable to access the communities most adversely impacted by the conflict. As such, local actors have been at the forefront of delivering aid, particularly in the Marawi region. Despite their knowledge, capacity, and expertise, local organizations receive minimal funding from the international community and are “... continually struggling for survival.”<sup>56</sup> Furthermore, local NGOs have found themselves competing for aid with international NGOs. According to one CSO director based in Mindanao: “Western NGOs come in and directly or indirectly take away resources that can be used for locally-based initiatives ... INGOs are taking away the pie from us.” Interviewees also spoke about the lavish expat lifestyles lived by many international aid workers in Mindanao, as well as the limited investment and interest in building long-term relationships with local partners and communities

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## The Partnership between the Mennonite Church and PBCI

The Mennonite Church Canada and the NGO arm of the Mennonite Church, the Mennonite Central Committee (MCC), have worked in Mindanao in various capacities for over a decade. The local partner organization, PBCI, has had a partnership with both the Mennonite Church and MCC. Broadly speaking, as the founders of PBCI were missionaries sent by the Mennonite Church, their salaries and other core costs were covered by the Church. MCC provided funding for short-term relief and development projects, and continue to do so even as PBCI becomes progressively more independent of the Mennonite Church's financial support.

It has been widely noted that the Mennonite Church and MCC have not faced the same kinds of criticism as other international aid organizations in Mindanao, having from the very beginning invested a great deal of time and effort into relationship building and promoting local ownership of projects. According to one Filipino CSO actor: “With MCC there was a real commitment to their own values and principles. So, for example, they adopted simple living and were thoughtful about how to use resources wisely. Local

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<sup>56</sup> Bruer, W. 2018. “From Evacuee to Humanitarian: Aid Goes Local in Conflict-torn Marawi,” *The New Humanitarian*. Accessible via: <https://bit.ly/2lXWJlz>

people notice the lifestyles of internationals and they can see the difference with people connected to organizations like the MCC.”

This report will examine the relationship between the Mennonite Church and PBCI, and how this paved the way for local ownership, making local development priorities and peacebuilding easier to accomplish. The “transition” in this case study refers to the steps taken by PBCI in order to acquire financial independence from MCC.

## The beginnings of PBCI

In 2004, the Mennonite Church in Canada sent one of its Filipino-Canadian missionaries, Dann Pantoja, to Mindanao in order to conduct a short-term exploratory mission in preparation for a peacebuilding program. The purpose of this initial phase was to build relationships with communities impacted by conflict. Dann Pantoja spent six months in Mindanao’s Sultan Kudarat province with members of MILF, who were initially skeptical of all foreign aid actors. As expressed by a senior member of PBCI’s leadership: “... they had been experiencing foreign aid for so long, they are now burned out. But they can’t avoid it because they need it. They welcomed the funds but hated the funders.”

The initial phase was important for gaining the trust of the Moro population and laying the foundations for future programs prior to any resources actually being invested. In January 2006, the Mennonite Church officially appointed Dann Pantoja and his wife Joji Pantoja to set up a peacebuilding initiative that became known as PBCI, its purpose being to carry out peace and reconciliation work with conflict-impacted communities across Mindanao.

Local ownership was envisioned from the outset, with one of the first steps being the formation of a board made up of members from Mindanao. The board played an important role in ensuring that the objectives, policies, and programs of PBCI were relevant to the Mindanao context. Moreover, action was taken to diversify PBCI’s governance structures, with, for example, three additional consultants, (two Muslims and one member of an indigenous peoples community) taken on as strategic advisors. As PBCI continued with its peacebuilding work, ongoing efforts were made to ensure that marginalized groups were represented at different levels of the organization.

## The transition to Coffee for Peace

During their peacebuilding work, Dann and Joji Pantoja set up small Peace Houses in seven locations in Mindanao, which provided space for opposing factions to come together and participate in peace talks over coffee. The Peace Houses soon became known as Coffee for Peace throughout Mindanao. It also became apparent that beyond conflict and security, social and economic issues were key concerns for attendees at the Peace Houses. Moreover, although international funding was still available, Dann and Joji Pantoja's ambition had always been to become financially independent of the Mennonite Church, in order to affirm PCBI's local character and credibility with conflict-affected communities. As such, there was early interest in generating additional income both for PBCI's sustainability, and to meet the needs of the community. As CFP's senior leadership reported: "We didn't know about buzzwords like 'social enterprise' when we started Coffee for Peace. We were thinking how can we make our work here sustainable. At the time we called it income generating projects."

After observing the success of the Peace Houses in encouraging dialogue between conflicting parties, Joji Pantoja took steps in 2008 to transform Coffee for Peace into a business. In her search for sources of coffee in the Philippines, Joji Pantoja came across indigenous populations in mountainous areas who were facing serious social and economic challenges. Though many local farmers were already in the coffee business, they were producing low-quality coffee and selling their beans at very low prices to international companies. According to CFP's Senior Vice President Tala Bautista: "When we first went to Mount Apo, we saw that farmers were selling their coffee at 8–11 pesos per kilo. However, if it was ready for roasting it would be around 30 pesos per kilo. The whole coffee industry back then was a mystery and international companies were not sharing the technology or knowledge with local farmers."

A key element of CFP's approach is therefore to demystify the coffee industry for local farmers. CFP started off teaching farmers how to produce high-quality coffee, as well as encouraging them in demanding fairer rates when selling it to international companies. As Tala Bautista put it: "... we teach them the price so they are not just suppliers, but they are also entrepreneurs".

## Training for local farmers

Through CFP, farmers are offered a three-year training scheme that teaches them how to produce high-quality coffee and better market it to local and international companies, as well as improving their negotiation skills in order to demand fairer prices from buyers.

When CFP took its business idea to farmers, they were initially reluctant to get involved due to previous bad experiences with multinationals. As such, CFP started working with a small group of 20 farmers, investing in a few basic pieces of equipment and inviting them to experiment with different processing methods in CFP's offices in Davao City. The coffee produced was then given to the farmers to taste and sold to buyers for a significantly higher price than the farmers typically sold for. Joji Pantoja also took the first batch of coffee to Canadian buyers in 2010: "They said the coffee was good and asked if we could supply 50 tons a month. I went back to the Philippines and told the farmers that there was a market but we cannot supply yet. In 2015, we were able to send two tons to the US and Canada ... but that still wasn't enough. The buyers wanted more."

After the first year and a half, farmers who had initially been uninterested in Coffee For Peace asked to be part of the initiative, as, according to CFP senior leadership: "... they saw that 20 families were now earning more than them and were getting more recognition internationally and domestically." To meet the overwhelming interest they now faced, CFP adopted a "train the trainer" model, training highly qualified farmers from the original group to teach other farmers about processing methods. The profit made by CFP was invested in providing coffee processing training to other farming communities.

A key component of the training is teaching farmers about the various stages of the coffee value chain, including marketing and pricing. Once the coffee beans were processed, CFP typically purchased the products off the farmers at a higher rate. However, they did not discourage farmers from selling to other buyers. For example, until 2017 CFP supplied coffee to local cafés in Davao. Now the cafés buy directly from farmers trained by CFP. In fact, an important focus of CFP's training is providing farmers with strong negotiation skills with which to interact with buyers. As noted by Tala Bautista: "... since our training, buyers have flocked to communities. But farmers have the leverage to dictate prices. A few years back when the quality wasn't great the traders would dictate the price. And now even CFP can't afford some of the coffee!"

## **Partnership with the Mennonite Church**

From the outset, PBCI and the Mennonite Church developed a relationship that went beyond a traditional donor/recipient partnership. Both encouraged local ownership of projects and acknowledged the importance of investing in relationship building with actors at the community level. At the same time, MCC invited PBCI and CFP representatives to international conferences and events.

When the Mennonite Church was presented with the idea of Coffee for Peace by PBCI, it was supportive, allowing Joji and Dann Pantoja a great deal of financial freedom. For example, a budget was allocated for "social contributions" that were important for

building relationships with community members, but for which it was not always possible to produce receipts. As described by CFP's senior leadership: "Our budget focused on traveling into the communities and bringing food to farmers. We cannot just eat by ourselves. If we bring food it is awkward to not offer the community food. The Mennonite Church allowed us room for flexibility."

Ultimately, the trust and flexibility given to PBCI by the Church was replicated in the relationships formed between PBCI and local communities, and in turn between CFP and the communities. This translated into an imperative to meet with farmers in the communities where they lived and worked, as opposed to bringing them to urban centers for meetings and training. According to CFP staff, this was important for building trust and long-lasting partnerships.

PBCI staff spoke about their contrasting experience with other INGOs, where CSOs are "... forced to use words that the funders can relate with even though it is really not part of their identity". The few times PBCI accepted money from other INGOs, a disproportionate amount of staff time was spent on writing reports and doing administrative work. Staff spoke about INGOs' lack of awareness regarding cultural sensitivities within the Philippines. In addition, the financial processes of many INGOs and donors require a level of record keeping that can be challenging for CFP staff.

Such bureaucratic processes can pose an obstacle to the development of non-transactional, organic relationships with communities. PBCI has since refused to accept funding from other INGOs due to such overly bureaucratic processes and donor requirements, which it was felt posed a risk to PBCI's open and trusting relationships with local communities and therefore its peacebuilding work. One staff member noted that INGOs "... evaluate based on their systems. They go to the field with their own set of questions and methodology that are not appropriate." This can lead to distrust in conflict-affected communities. Furthermore, when PBCI accepted funding from other INGOs they often felt first-hand the power imbalances of the broader aid system. According to PBCI senior leadership: "It was like we had to be always conscious of the money that was assigned to us. Even when they gave us the money they had to reaffirm the power they had over us. Every day they would remind us."

By contrast, as the budget for "social contributions" demonstrates, the Mennonite Church and MCC are willing to listen and interact with communities through focus group discussions, and are open to changing their processes in response to the local context. As the senior leadership of CFP puts it, the Mennonites go into communities "... not as teachers but as learners." This is particularly important when supporting sensitive peacebuilding and conflict resolution projects, where flexibility and adaptation is key to successful outcomes.

## Funding and staffing structures

At present, half of CFP's total budget comes from revenue generated within the coffee value chain, with the other half coming from investments made by individual members of the Mennonite Church in Canada. Investments work differently to the donations previously given by church members. Now, according to PBCI's senior leadership, operations are "business-like," in that "... Mennonite Church Canada has endorsed [CFP] to Mennonite members ... investments are more sustainable. It has its own life and is appealing for the business community." For example, in 2015 CFP received an Award from the United Nations Development Program's Impact Investment Exchange Asia (UNDP-IIXAsia), a stamp of approval for its business acumen and a means to attract further investment.

This social enterprise model has paved the way for a different kind of partnership where terms such as "donor" and "beneficiary" become irrelevant, replaced with the language of "investors." Moreover, as a range of investors are involved, if one individual were to pull out their money, it would not disrupt the entire social enterprise.

The income generated from CFP also funds 75 percent of PBCI's peacebuilding work. While in the past donations from the church were used to pay the salaries of PBCI staff members, PBCI now requests that church members invest in CFP instead. Investments are multiplied through the enterprise, which in turn pays the majority of PBCI staff salaries. Currently, of the 16 employees at PBCI, only two are paid by PBCI and the rest by CFP. Importantly, the same staff work for both PBCI and CFP, with, for example, the Senior Vice President of CFP also having a role at PBCI. As another member of PBCI's senior leadership describes it: "... she does one job that can be looked at from two perspectives. From the perspective of the business world she is our senior VP [of CFP] and from the perspective of peacebuilders she is the community development director. But she has the same job description.

Currently CFP and PBCI are preparing for leadership transitions, whereby, Joji and Dann Pantoja are mentoring two senior staff members from indigenous communities with the eventual aim being that they will take on the CEO roles at CFP and PBCI. These staff members have completed various training courses domestically and internationally, financed by CFP, in order to develop their leadership and management skills.

Staff are generally in agreement that PBCI would have closed down without the funding from CFP. PBCI continues to accept grant funding from MCC for smaller peacebuilding projects, which makes up 25 percent of PBCI's overall funding. Due to the aforementioned bureaucratic processes, donor requirements, and potential risk to their relationships with local communities, PBCI refuses to accept funding from other INGOs.

## **Key Lessons**

**The partnership between PBCI and the Mennonite Church (including its NGO arm, MCC) goes beyond a traditional donor/recipient relationship, and this has been central to its success. Both see the relationship as structured more around solidarity than merely funding and project delivery.**

**An investor, as opposed to a donor model, is helpful in overcoming unequal power dynamics in the aid sector.** Rather than relying on a single donor, half of CFP's income comes from a multitude of individual Mennonite Church Canada members, helping to diversify income. The establishment of CFP as a social enterprise also enabled a to shift away from terms such as "beneficiary," with farmers receiving financial investment in exchange for their coffeee.

**Transitions can take place even when international funds are available, and do not necessarily have to be externally driven.** In PBCI's case, the decision to transition was made after it established CFP

**Securing the trust of communities in conflict-affected contexts is particularly important.** The Mennonite church invested in relationship building within local communities for three years prior to funding an official program in Mindanao.

**The conscious effort of members of the Mennonite Church and staff from MCC to adopt simple lifestyles when living in Mindanao engenders trust.** Other CSOs in Davao City reported that the Mennonites' working culture, whereby they do not keep themselves separate from local communities, works in favor of local ownership.

The Mennonites' policies and practices favor local ownership. For example, proposals for short-term projects are written entirely by PBCI without any prescribed agenda by the Mennonite Church. As a result, the Mennonite Church and PBCI continue to have a strong relationship.

## Chapter 3

# CARE International transition to Great Lakes Ikingi Development, Burundi

By Tracy Dexter

### Acronyms

CNDD-FDD	Conseil National pour la Défense de la Démocratie-Forces pour la Défense de la Démocratie (National Council for the Defense of Democracy–Forces for the Defense of Democracy)
CSO	Civil Society Organization
EU	European Union
GLID	Great Lakes Ikingi Development
GLR	Great Lakes Review
ICG	International Crisis Group
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
OTI	Office of Transition Initiatives
RESO	Rassemblement, Echanges et Solutions entre ONG (Gathering, Exchange, and Solutions between NGOs)
SAS	Stopping As Success
UN	United Nations
USAID	United States Agency for International Development
VSLA	Village Savings and Loan Association

#### Type of transition

This case study is an example of a dual transition: an INGO, CARE, transforming its role from direct implementer to catalyst, alongside the establishment of a Burundian entity, GLID, to carry forward some of its work. The transition is meant to ensure that the two organizations work in a complementary, reinforcing way.

## Introduction

This case study examines the transition process initiated by CARE International<sup>57</sup> – an international actor with a long-term presence in Burundi – whereby a local spinoff NGO, Great Lakes Inkingi<sup>58</sup> Development (GLID), was created. CARE in Burundi planned a gradual transition in which it would maintain its presence, shifting its role from direct implementer to “organizational catalyst,” delivering services through an increased number of partners, innovating its approaches, and enhancing learning.

The transition process began in 2012 in response to CARE International’s gradual global transformation, the timeline of which had been accelerated due to the global financial crisis. As the transition in Burundi was going to involve a significant reduction in personnel, CARE proposed – and its staff agreed – to create an organization comprised of its trained and valued Burundian former staff. This organization would eventually “spin off” to become GLID, which would continue to implement CARE’s approach in communities, initially with CARE funding.

Unfortunately, after several of CARE’s major funding proposals to international donors were not approved, the spin-off to GLID had to be accelerated, meaning the transition took on a different dynamic for both organizations. Overall, the transition has been successful, although it has taken longer than expected for both CARE and GLID to consolidate their respective changes. Over the past eight years, however, significant progress has been made.

The focus of this study is on the transition to GLID, though several sections will also examine the dual nature of the transition (which includes CARE’s own transformation).

## A note on methodology

It is important to point out that the context in which this study was carried out illustrates how the form and timing of political triggers for exit may be unanticipated. Research was conducted at a time when civil society and NGOs were operating in an extremely

<sup>57</sup> CARE International in Burundi is a CARE USA country office and member of the CARE International confederation. For ease of reference, CARE International in Burundi will be abbreviated to CARE throughout this report.

<sup>58</sup> Inkingi is the central pillar in a traditional home.

sensitive socio-political environment. This reached a crisis point as the study was about to begin, with the Burundian government declaring, without warning, that all INGOs would be suspended until they fulfilled certain criteria demanded by legislation passed in 2017 on NGOs. This impacted many Burundian NGOs, as they received funding from international NGOs and donors. Offices were closed, tensions rose, and all attention was focused on how to manage the crisis.

Field visits outside of Bujumbura were impossible, meaning that community members were not interviewed for this study. The NGOs described in this case made clear to Stopping As Success that any attempt by an international researcher to visit development sites or participants could be dangerous, citing communiqués that encouraged government-affiliated youth gangs to monitor and help enforce the law regarding NGOs. Many INGOs have since complied with the conditions imposed by the government. Despite the fact that CARE and GLID's operations and offices were temporarily closed and travel to project sites was not possible during this moment of uncertainty, the author is grateful to have been able to interview staff in Bujumbura, as well as partners, donors, and other collaborators, for a total of 23 key informant interviews.

The situation faced in researching the report drives home the point that, in the context of exits, it is not only financial exigencies but the political context that determines what measures are feasible in the short term, as well as what needs to be done in the longer term to sustain locally led development.

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## Context

Burundi is a small country and former Belgian colony in Central Africa. In addition to its beautiful landscapes, it is distinguished by being one of the most densely populated countries in the world, with its surface area of just 27,834 square kilometers home to a population of 11.2 million. Decades of political instability and structural violence put Burundi on the extreme lower end of the poverty scale: it is ranked 185 of 189 by the 2018 UN Human Development Report.<sup>59</sup>

Until 2016, donors provided at least 50 percent of the national budget. From 2000 to 2015, the World Bank provided US\$2 billion in aid, while the European Union (EU) provided US\$1.19 billion.<sup>60</sup> Over the same period, the five biggest bilateral donors were Belgium (US\$614 million), the United States (US\$575 million), the Netherlands (US\$318

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59 United Nations Development Program. 2018. "Human Development Reports 2018: Burundi." Accessible via: <https://bit.ly/3m2Dlt>. Burundi has long been among the poorest countries in the world, but poverty is increasing, with its per capita GDP slipping from US\$790 to US\$702 between 2013 and 2017. Close to 72.9 percent of its population live below the poverty line.

60 OECD. 2019. "Financing for Sustainable Development." Accessible via: <https://bit.ly/3fvZ9mW>

million), Germany (US\$278 million), and Norway (US\$218 million). While humanitarian and development aid to Burundi increased every year up to 2016<sup>61</sup> its character and disbursement changed over time, reducing the level of funding available to certain CSOs and INGOs that had previously benefited the post-conflict context.<sup>62</sup>

As of 2016, bilateral donors have frozen direct aid to the government and are channeling aid to the Burundian people through local NGOs and CSOs.

## Civil society in Burundi

A key element of civil society's role in Burundi is to promote good governance and human rights, monitor government, and advocate on behalf of communities. CSOs are registered, along with other development and interest-based groups, as non-profit organizations. There are over 5,000 non-profit groups registered in Burundi, though many of these organizations lack permanent personnel, offices, or internal management structures. For the purposes of this case study, CSOs will refer to "watchdog" or human rights organizations, while other non-profit groups such as GLID will be referred to as local NGOs.

Human rights groups emerged and became influential in the 1990s. Along with a few important CSOs, they helped prepare the country for its first democratic elections in 1993. Until then, Burundi had been ruled by military dictatorships and the country's citizenry had not been engaged in political life, which was strictly controlled by the government. The resultant influx of international organizations and development agencies brought with it considerable funding, which facilitated the creation of numerous local NGOs and CSOs.

The number of Burundian CSOs and local NGOs began to grow after the assassination of the country's first democratically elected president, which took place just months after the 1993 election. The death of the president, who was a member of the majority Hutu ethnic group, was attributed to the minority Tutsi ethnic group which had formerly ruled. Subsequent political violence gave rise to a Hutu-led rebellion and a civil war, which claimed in excess of 300,000 lives over the next decade. This in turn drew INGOs into the country to provide humanitarian assistance.

<sup>61</sup> OECD. 2019. "Financing for Sustainable Development." Accessible via: <https://bit.ly/3fvZ9mW>. USAID funding for the health sector, for example, increased steadily from US\$2.5 million in 2005 to about US\$30 million in 2016/17. As the political landscape changed, the funding for governance decreased over the same period from about US\$10 million to about US\$3 million. USAID. 2018. "Foreign Aid Explorer." Accessible via: <https://bit.ly/35YJ7Pw>

<sup>62</sup> The net bilateral official development aid flows of the Development Assistance Committee (DAC) donors reached a high of US\$413 million in 2010, dropped to US\$286 million in 2012, and hit a low of US\$217 million in 2015. IWACU Open Data. 2018. "The Open Data Portal about Burundi." Accessible via: <https://bit.ly/3mgGxu5>

The level of violence after the assassination of the president caused bilateral missions to suspend operations. Furthermore, a coup d'état in 1996 prompted international sanctions and a regional embargo of the government. At the same time, there was an increase in the number of local NGOs, which were working in close collaboration with the INGOs through which most external resources were channeled.<sup>63</sup> To this day, there is no official government mechanism for funding CSOs and local NGOs. Other avenues for local funding, such as individual philanthropy and corporate social responsibility, are practically non-existent.

## Post-conflict and peacebuilding era

In the transition period following the Arusha Accords peace agreement in 2000, Burundian civil society grew and diversified, and new and independent media institutions were created with international support. CSOs and media were active in the electoral process, mobilizing citizens and providing independent electoral observation, which – along with United Nations (UN) peacekeeping – ensured a peaceful democratic election in 2005. The result was that Pierre Nkurunziza of the CNDD-FDD<sup>64</sup> party was elected president. The incoming government looked positively upon this watchdog role, and many development organizations – both INGOs and local – employed rights-based approaches and had strong advocacy functions.

During the implementation of the peace agreement and its prescribed elections, INGOs, CSOs, and local NGOs benefited from funding provided by programs such as USAID's Office of Transition Initiatives (OTI) and the UN Peacebuilding Fund. The Peacebuilding Fund was able to offer some direct funding to CSOs, though it was usually based on service costs and was under the control and supervision of the UN. USAID's Conflict Mitigation and Management Fund also provided limited direct funding for CSOs and local NGOs.<sup>65</sup>

In this post-electoral period, CSOs and the media promoted democratization, transparency, protection of human rights, and social cohesion. They also worked hard to fight corruption, which gained them visibility and social capital. INGOs, some of which did not have staff in Burundi, provided funding for CSOs and media, as well as capacity building support for areas such as project development, financial management, and

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63 Palmans, E. 2007. "Evolution de la Société Civile au Burundi," in *L'Afrique des Grands Lacs. Annuaire 2005–2006*, Filip Reyntjens and Stefaan Marysse (eds), Paris: L'Harmattan, p. 210.

64 The CNDD-FDD – Conseil National pour la Défense de la Démocratie-Forces pour la Défense de la Démocratie (National Council for the Defense of Democracy-Forces for the Defense of Democracy) – was (and remains) the ruling party. The CNDD-FDD is a former Hutu rebel movement that joined the government in 2004, before going on to win elections in 2005, 2010, and 2015.

65 United Nations Peacebuilding Fund. 2018. "How We Fund."

monitoring and evaluation.<sup>66</sup> CSOs and the media uncovered, publicized, and at times organized protests against government corruption, malfeasance, and impunity. Slowly but surely, the government began cracking down on its critics, particularly Burundian actors.

## Closing political space

By 2009, the government was already beginning to view CSOs as political parties, and so created new organizations in parallel to existing CSOs in order to limit their effectiveness. Some CSO leaders and journalists became increasingly subject to harassment.<sup>67</sup>

The confidence of major donors in the Burundi government began to fade around 2010 as the political situation began to deteriorate. This period coincided with the global financial crisis, which also affected international aid.<sup>68</sup> In 2015, confidence further diminished as a result of President Nkurunziza's (ultimately successful) pursuit of a third term in office, despite Burundi's two-term constitutional limit. This triggered a massive, initially peaceful, public demonstration organized by a CSO coalition. Severe government repression and armed clashes followed, claiming hundreds of lives and resulting in hundreds of thousands of Burundians fleeing the country.<sup>69</sup>

During the fallout of the political crisis, which included a failed coup d'état, the government cracked down on civil society actors by suspending prominent local human rights organizations and other members of the CSO coalition, as well as shutting down many independent local radio stations. The years since 2015 have seen a further crackdown on civil society, including the violent targeting of human rights defenders, journalists, and their family members. Many activists were forced into exile. At the end of 2016, the government passed a law targeting local NGOs, requiring that financial resources of foreign origin pass through the central bank, accompanied by a document illustrating their origin and allocation. UN human rights experts warned of the "... restrictive and stigmatizing effect of recent legislation on NGOs, in a context of growing repression of human rights defenders."<sup>70</sup> According to a Burundian NGO leader: "You simply can't

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66 Palmans, E. 2007. "Evolution de la Société Civile au Burundi," in *L'Afrique des Grands Lacs. Annuaire 2005–2006*, Filip Reyntjens and Stefaan Marysep (eds), Paris: L'Harmattan, p. 229.

67 USAID. 2010. "2009 NGO Sustainability Index for Sub-Saharan Africa, 1st Edition." Accessible via: <https://bit.ly/39cOGf3>

68 International Crisis Group. 2018. "Helping the Burundian People Cope with the Economic Crisis." *Africa Report No. 264*, 31, p. 12. Accessible via: <https://bit.ly/375Inr9>

69 The United Nations High Commissioner for Refugees (UNHCR) has registered almost 275,000 Burundian refugees and asylum seekers in other countries since 2015. In March 2018, UNHCR and Burundi's Ministry of Interior reported a slight reverse trend, with over 20,000 Burundian refugees having returned home since September 2017.

70 United Nations Human Rights-Office of the High Commissioner. 2017. "Burundi: UN Experts Raise Alarm at Growing Repression of NGOs and Human Rights Defenders." Accessible via: Accessible via: <https://bit.ly/3m3joLb>

denounce the government. You will be stopped. There's no space for human rights, or peacebuilding as such. Even development doesn't have as much space.”<sup>71</sup>

## INGO–Government relations

The Burundian government, through the Ministry of External Relations, has had a legal framework and monitoring role regarding INGOs since 1999. However, it has historically had limited capacity to actually monitor or enforce laws regarding INGOs. An international NGO network called RESO<sup>72</sup> was created in the late 1990s, during the civil war, as a forum for information exchange and coordination. RESO has also served as an interlocutor between the Burundian government, donors, and local NGOs, with the latter counting on RESO to advocate on their behalf. In 2005, for example, the newly elected government sought to update the 1999 law on INGOs, and for years RESO collaborated – with the input of the donors – to draft a law that would be legally and practically acceptable.<sup>73</sup>

The government’s relationship with INGOs was relatively good until, as described below, aid began to be channeled primarily through INGOs and local NGOs. In 2017, laws regulating local NGOs and INGOs came into effect, with stringent banking provisions. For INGOs, the law imposes administration fees and requires large portions of their budgets to be deposited in foreign currency in the Burundian Central Bank. It also requires that INGOs respect the demographic quotas set out in the constitution regarding employees in public service: 60 percent Hutu; 40 percent Tutsi; and 30 percent women.

This provision has been particularly problematic. All INGOs and donors affirm that their work – in a context where ethnic polarization is a root cause of violence – redresses the ills of exclusion. For some INGOs and their donors, quotas are not appropriate or even legal. Other INGOs, such as CARE, already had systems in place to ensure diversity, in accordance with the government position.

Given the difficult relationship between the government and CSOs, and the fact that the government often makes derogatory references to CSOs’ external sources of funding,<sup>74</sup> most INGOs avoid directly engaging with watchdog CSOs for fear of government retribution, including being forced to leave the country. Interviewees stated that the

71 Three members of a CSO who were preparing a conference on human rights abuses were arrested and accused of preparing an activity likely to disturb security. They were convicted and sentenced to ten years in prison. Voa Afrique. 2018. “Dix ans de prison pour trois membres de la société civile au Burundi.” Accessible via: <https://bit.ly/3fAfbwb>

72 Rassemblement, Echanges et Solutions entre ONG (Gathering, Exchange, and Solutions Between NGOs).

73 RESO received support from donors to advocate against certain measures the government wanted in the law, particularly related to banking and taxation, that were inconsistent with cooperation agreements.

74 Radio Publique Africaine. 2011. “Le gouvernement burundais accuse la société civile de bénéficier des aides destinées à la population.” Accessible via: <https://bit.ly/3fy1cH7>

relationship between INGOs and CSOs is characterized by quiet, selective, and cautious engagement, though engagement with local NGOs is less problematic.

## Changing approaches to aid

Slowly, due partly to global economic trends and partly to political concerns, a change in development cooperation has taken place in Burundi. In the summer of 2015, Belgium became the first country to suspend aid to the government and instead start channelling funding through international and local NGOs.<sup>75</sup> Then, in 2016, following consultations under Article 96 of the Cotonou Agreement, the EU and its member states – until that point Burundi's main donors – withdrew direct budgetary support.<sup>76</sup> They also redirected aid from Burundian ministries to international NGOs, UN agencies, and member states' development arms.

USAID's CSO Sustainability Index notes that even before the donor freeze the landscape of donor funding had been changing, citing the example of the EU Commission, which has prioritized larger grant awards, usually through consortia.<sup>77</sup> In this context, though local NGOs or CSOs can have access to direct funding as the lead of a consortium, they must compete with better prepared and resourced INGOs for the same pot of funding. USAID has adopted a similar model, conducting pre-award surveys in order to make a risk assessment/responsibility determination.

The EU has begun working with consortia to strengthen local civil society and assist local government-sponsored development committees. It is the latest in a series of activities that indicate greater support for “localizing” development. International Crisis Group (ICG) has found that some European donors are – or plan on – working directly with local NGOs, despite the fact that many have limited capacity, are under close government scrutiny, and require support.<sup>78</sup> In light of its finding, ICG says: “It is vital to minimize risks that the provision of external assistance, which may be coveted by many Burundian actors (including the population, the authorities, and NGOs), exacerbate conflict dynamics at the local level. If they plan to channel aid through local NGOs, European donors should help those organizations build the capacity to manage funds in a tense security and political environment. This could include, for instance, measures to increase support for organizations facing government pressure, or diplomatic assistance in cases of authorities’ harassment of NGO employees.”

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<sup>75</sup> BBC News. 2018. “Bruxelles suspend des projets au Burundi.” Accessible via: <https://bbc.in/3nV3bZ6>

<sup>76</sup> The Agreement provides for the suspension or change in terms of EU aid if one of the parties does not respect human rights, democratic principles and the rule of law.

<sup>77</sup> USAID. 2012. “2012 Civil Society Sustainability Index for Sub-Saharan Africa.” Accessible via: <https://bit.ly/3fDLNp2>

<sup>78</sup> International Crisis Group. 2018. “Helping the Burundian People Cope with the Economic Crisis.” *Africa Report No. 264*, 31, p. 12. Accessible via: <https://bit.ly/375Inr9>

The Burundian network INAMA backs up ICG's recommendations, suggesting direct cooperation with local credible and independent NGOs, while ensuring, first, the neutral and impartial character of implementation; and, second, that they do not face risks and pressures from the government.

Indeed, it will be difficult to "localize" if the government is suspicious of Burundian NGOs due to their affinity with internationals. Relationships between NGOs and the government are currently out of balance, partly as a result of donor measures. Sanctions resulting from the lack of respect for democracy and human rights required by the Cotonou Agreement are decried by the Burundi government as neocolonial. These accusations of neocolonialism have become powerful propaganda, particularly when deployed against Belgium and the EU. The government is angry with the INGOs that now channel the funds it previously had access to. That anger may be directed, by extension, to local NGOs and CSOs. Few local NGOs are now willing to speak out on political matters, or say anything that might further anger the government.

In September 2018, nearly two years after the promulgation of the law on INGOs, the government – through its National Security Council – announced that all INGOs would be suspended unless they could provide proof of being fully compliant with the new law. This implied that INGOs would have to satisfy the specified ethnic quotas within three months, and applied, by extension, to local NGOs using INGO funding. CARE was the first INGO to publish a communiqué that it would comply with the measure, and asked its local partners to cease activities using its funds until the process was complete. CARE communicated within RESO – which considered forming a bloc to resist the measure – about the feasibility and benefits of compliance. Though ultimately RESO did not resist as a bloc, some of its members that did choose to resist exited the network. CARE was reinstated by the government as a legally compliant INGO, and, along with its partners, resumed work within weeks.

## CARE in Burundi

CARE first established an office in Burundi in 1994, in order to assist people affected by civil unrest. Its initial program focused on the distribution of non-food items to internally displaced people and returning refugees in northern Burundi. During the years of upheaval that followed within the Great Lakes region, CARE managed refugee camps in Burundi and in the eastern part of the Democratic Republic of the Congo.

Beginning in 2000, CARE embarked on a broad organizational transformation process, in line with progressive changes being made at the CARE International level. On a programmatic level, CARE focused on post conflict needs, as well as longer-term development areas such as children's empowerment; cross-cutting issues of governance and disaster risk reduction; and innovative projects aimed at combating sexual and gender-based violence. In addition, CARE pioneered, with great success, an approach to economic empowerment through its financial solidarity groups for women and youth: village savings and loan associations (VSLAs) known as "Nawe Nuze."<sup>79</sup> This programming was implemented both directly and with local partner organizations.

### A new global model

In June 2011, CARE began reflections on a major transformation, triggered and inspired by CARE International's Vision 2020, which envisages a new role for CARE International as "An innovator and catalyst for transformational change in lives of marginalized women and girls and their communities, and a contributing partner in addressing global poverty and social injustice."<sup>80</sup>

Following the presentation of Vision 2020, CARE's international staff in Burundi began the process of alignment with CARE International in late 2011. The Great Lakes Review (GLR)<sup>81</sup> in effect launched the Burundi transformation, as it analyzed the options for a future country presence and agreed on the form and substance of an organizational change process.

In February 2012, a strategic planning workshop initiated and led by CARE International staff informed and engaged with many of the Burundian staff. The workshop resulted in a shared vision, which took the form of a strategic plan that combined ongoing office changes with major changes in CARE's role resulting from the GLR, including the necessity for downsizing. The Burundian staff agreed to take part in a transition task force, as well as create a CARE association consisting of former staff, which would eventually

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<sup>79</sup> In Kirundi, "Nawe Nuze" means "You too, welcome."

<sup>80</sup> Rushdy, S. 2014. "Learning about Organizational Transformation," *CARE Burundi*, p. 9.

<sup>81</sup> Ibid, p. 7. This inaugurated a series of reflections and working sessions that were facilitated by external experts and regional CARE staff.

become a privileged partner of CARE. Following the GLR and ensuing strategic planning workshops, CARE staff came to understand that organizational change was inevitable, and would be a medium-term process extending over several years.<sup>82</sup>

CARE's organizational change process in Burundi was driven partly by a strategic alignment with the CARE International transformation process. Key to this was a commitment to partnership as a means of addressing the core values of locally led development. It was also partly in response to financial constraints, which were a consideration at the CARE International level. Aid flows were decreasing as a result of the global financial crisis and the Burundian political environment.

Unfortunately, in 2012, financial constraints escalated into a crisis in Burundi, with key proposals not approved by international donors. This required a drastic acceleration of the organizational transformation process, with the previous plan for a multi-year process replaced by an emergency response to be carried out within months.

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## The transition process, and the creation of GLID

Although it was not a local initiative, Burundian staff members participated in important decisions concerning the transition. The process of GLID's creation and registration by the Burundian government was described in an internal learning document as follows: "There was much enthusiasm and energy devoted to the task: statutes were drafted, legal issues were investigated, and systems and procedures were adopted... Initially all CARE staff were eligible to be founding members (upon application) and they elected an executive committee made up of key CARE Burundi staff ... the organization had about 180 members and a 7-member executive committee, headed by the ex-head of Human Resources at CARE Burundi. GLID managed to absorb 40 ex-CARE staff initially and received its first funding [from CARE] immediately. Since most GLID staff were instrumental in implementing CARE's VSLA approach (Nawe Nuze), GLID has become the reference NGO in the country for Nawe Nuze, and a key partner for CARE Burundi in initiatives with funding, through CARE, originating from CI partners of \$2 million."<sup>83</sup>

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<sup>82</sup> Rushdy, S. 2014. "Learning about Organizational Transformation," *CARE Burundi*, p.12.

<sup>83</sup> Ibid, p. 35

## Rapid planning, slower implementation

Early on, CARE supported GLID in carrying out an organizational development assessment and corresponding strategy, which became part of its strategic plan to acquire a separate identity and vision. This planning process also helped identify how sources of funding might be diversified, as all funding at inception came from CARE. Even so, the lack of experience in mobilizing funding was sorely felt, and a staff capacity development plan was created to address gaps in expertise regarding conceiving programs, writing proposals, fundraising, and marketing. Though CARE was providing significant funding through CARE International partners, as well as supporting GLID institutionally, the continuous program of training and coaching that GLID desired for staff development and to aid fundraising/proposal writing was not part of the accompaniment CARE provided.<sup>84</sup>

A decrease in donor funding in Burundi and general uncertainty were challenges to the transition. GLID and CARE were transitioning in the context of a worsening political and socioeconomic situation, though neither organization suffered the pressures faced by NGOs engaged in monitoring governance and human rights. Despite challenges, the two organizations have persevered both independently and as partners.

In 2014, two years after GLID was created, a CARE learning mission observed and documented the transition process, assessing its progress toward the envisioned end state of a viable new organization. The conclusion was that GLID needed to increase its visibility and play a more active role in the NGO community.<sup>85</sup> Though the Burundian former CARE staff leading GLID were talented, they did not have strong networks or social capital among the aid community, other organizations and donors, and government. In response, GLID recruited an external representative and an external coordinator with fundraising and proposal writing experience, and created staff development plans to build some of the required competencies.

Programmatically, both CARE and GLID have succeeded in scaling up Nawe Nuze. CARE is training and innovating, while GLID is collaborating directly with the government, which is beginning to implement the model. Overall, GLID is now much closer to being a viable, independent organization. As of 2018, GLID has three new partnerships in which it is the sub-contractor to INGO primes, supporting VSLAs in projects focused on youth sexual and reproductive health, and women's and adolescent girls' empowerment. GLID also has direct financing for a small project with a UN agency.

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84 Very recently, GLID was able to hire a project manager, whose proposal writing and fundraising experience has helped the organization secure three new partnerships.

85 Rushdy, S. 2014. "Learning about Organizational Transformation," *CARE Burundi*.

## Mapping the transition

During the transition, CARE's intention was to continue its tested approach to community development work, using valued staff to carry forward its mission and values, setting up a local entity that could act as a privileged partner. Research for this study found that CARE and GLID have an important partnership, with GLID, supported by CARE, on its way to becoming an independent local development actor. Research also identified some unanticipated dynamics in this relationship. Four overarching themes emerge as key to planning a successful transition or exit: principles, programs, planning, and people. These are explored below.

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## Principles

### Local ownership is a value

In accordance with Vision 2020, CARE's transition from implementer to catalyzer was intended as a principled approach to avoiding the crowding out of important local work. According to CARE staff, when planning the transition in 2012, transferring the implementation role to local partners was of more importance than financial concerns. Local ownership was thus a principle that was being put in action. As noted by a CARE staff member: "CARE can't serve the local community as an international organization. I must feel local – within the community – and have a good interaction with the local community."

Afurika Juvenal, the program quality leader and current Country Director, offered an image that helps explain the principle underlying the change toward greater local ownership: "The small trees cannot grow under the shade of the big tree, so we have to cut some branches to allow the small trees to grow." This refers to the fact that CARE in Burundi needed to create space for partners to grow, and for community level structures to develop into broader social movements.

### Values in practice: tools and systems

GLID staff stated that integrity, transparency, respect for gender, and diversity are principles brought over from CARE that have become embedded in the organization and applied to all its activities. A strong work ethic is also seen as a legacy of CARE, and is part of the solid reputation GLID inherited.

All interviewees agreed that integrity, accountability, and diversity – when demonstrated and fully internalized by a spin-off organization – can act as anchors in fraught sociopolitical and economic contexts. Local NGOs, INGOs, and donors are concerned about Burundian entities resisting the country's personality-driven culture and prioritization of “family ties” (often a form of corruption). One donor remarked on the “limits” of local NGOs, saying that they do not have the tools to resist such pressures. ICG cautions about the pressures exerted on Burundians to share material benefits with the government.

These principles were operationalized with the help of systems and tools that GLID inherited from CARE, which allow the organization to build trust while resisting internal and external challenges. For example, the transparent hiring system largely avoided conflicts of interest, while financial accountability systems were used to avoid or detect corruption. These are aspects of GLID’s organizational identity of which it is distinctly aware, proud, and genuinely grateful. Moreover, they form part of its emerging independent identity. GLID can draw on both the legacy of CARE as its parent organization, as well as the presence of CARE as it exists now, as support. As one CARE staff member said about the transition: “... as new systems are put in place, it’s important to stay close.”

Former staff of CARE now in GLID are aware that overall success is linked to strong systems. Accordingly, some GLID staff have asked CARE for capacity building to address new needs identified in their operating environment. Internal accountability systems inherited from CARE are important for quality control and progress. Recently, GLID has established a new performance evaluation system in order to enhance staff motivation and capability, with individual development needs identified in these evaluations.

Though CARE and GLID’s programming is rights-based, a core value of CARE is neutrality, and GLID has sustained this approach. Empowerment work in communities does not involve adopting a partisan political approach or watchdog function. As political space closes, this neutrality provides an element of sustainability.

## Programs

### Alignment with national needs through a local approach

GLID inherited technical and programmatic knowledge from CARE, particularly its approach to economic empowerment; namely, the VSLA loan model, Nawe Nuze. This model has been extremely effective at the grassroots level and is one in which GLID staff are experts, having created, trained, and coached the savings groups since their days with CARE. GLID credits its adoption of the CARE economic empowerment model as a factor in its sustainability. There is increasing demand for the Nawe Nuze model across different settings, and international partners and donors recognize that “localizing” this activity is essential to its effectiveness. GLID is involved in both scaling up the model in Burundi, and also adapting it.<sup>86</sup> This is one of the goals of CARE’s partnership approach, as it continues its own work on innovating the model.

GLID is progressively empowering project participants by handing over certain activities to communities, creating the Village Agent Network. This has improved direct support to groups and the quality of training. Girls in the VSLA groups were trained to become Village Agents, who were then in turn taught to train other girls, expanding their knowledge, skills, and responsibilities within the community.

CARE and GLID are working with the Burundi government, which has adopted the Nawe Nuze approach, in order to increase coverage. An official in the Ministry of Human Rights, Social Affairs, and Gender recounted her positive experience collaborating with GLID on the ground. She leads programming from the government side and has herself been trained in the Nawe Nuze approach, setting up a solidarity group in the ministry as a result. Both she and an official in the INGO coordination office noted appreciatively that CARE has provided ample training to the Burundian staff taking over implementation, while at the same time CARE has maintained its training function for government partners. The roles of CARE and GLID are thus viewed as complementary by external parties.

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<sup>86</sup> In adapting Nawe Nuze, GLID is careful to adhere to its principles. For example, they did not agree to provide start-up funding (a “handout”), as that goes against the mission and values of the CARE approach.

Government representatives refer enthusiastically to qualitative measures of success, such as the testimony of women working with GLID and local authorities that have become self-sufficient through the program. The government, which participates in the spaces for dialogue created by the Nawe Nuze VSLAs and other projects, attests to GLID's positive role in civil society.<sup>87</sup> Nawe Nuze builds human capital, especially in rural areas, which is one of the Burundi government's three strategic orientations set out in its National Development Plan 2018–2027. GLID, implementing a CARE approach, is thus considered a leader in what is a crucial sector of development. Continued collaboration with the government is essential for sustaining GLID's role in civil society, and thus a key ingredient for a successful transition.

A common pitfall faced by local NGOs is losing programming focus while pursuing funds to survive. It is likely that the type of programming GLID is implementing can help avoid this. GLID is not under pressure to change its mission, as Nawe Nuze is a respected project for which there is a great need, especially from the government, which does not regard it as a threat. According to GLID's coordinator, the organization has good relationships with the administration, partially due to the fact that its actions are visible, and also due to the fruits of the work being seen and felt by the local community and local government.

Adapting to different target groups and different settings has helped GLID attract diverse and continued funding, without relying solely on CARE as a donor.

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## Branding challenges

In a transition setting, questions of both autonomy and co-existence arise. In the case of the CARE/GLID transition, this can be seen in the issue of co-ownership of Nawe Nuze. There is a perception that as long as this is the CARE approach, GLID may not be completely independent, as it is in the same “market” as CARE and cannot compete for the same funding pots using the Nawe Nuze brand. CARE recognizes that there should not be competition with GLID, and in fact aims to work with its partners in order to test new approaches. Collaborating but not competing for the implementation of an improved Nawe Nuze will be a subject of ongoing discussion in this current phase in the transition.

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<sup>87</sup> It is significant that a government agent used the term civil society, as most CSOs are categorized as political opposition and mistrusted.

## Planning

### Planning with as much participation as possible

A transition or exit plan is an important change management tool. CARE was very aware of this, and even before the financial crisis it faced in 2012 was engaged in a planning process aimed at increasing staff participation. However, in the initial phases planning was not as inclusive and participatory as it could have been, particularly as the transition had to be accelerated before staff had time to fully buy in. CARE noted this in its learning project.<sup>88</sup> CARE's plan was thrown off balance, but the principles, programs, and people involved in "planning for success" gave strength to the Burundian staff in creating – with CARE – a new entity.

### Planning for accompaniment

As described above, the CARE staff quickly engaged in making changes to downsize. Within four months, GLID was formed and then sub-contracted to continue implementing Nawe Nuze. However, the current leaders of GLID – who were not present during the transition – note that there is still not a specific accompaniment plan for the spin-off and disengagement of CARE. They suggest it would have been helpful to have had a jointly produced framework agreement, signposting the main stages in the process and key milestones for GLID's independence. In its 2016–20 strategic plan, CARE envisioned developing and signing broad-ranging strategic agreements with its partners, as opposed to agreements limited to the context of specific projects. GLID does not yet have a strategic partnership agreement. Without it, clarity around roles and responsibilities in the principal/spin-off relationship is harder to achieve.

An example of this lack of clarity can be seen around capacity building for the transition. GLID suggests – and CARE largely agrees – that a plan to build staff and institutional capacity, particularly for financial sustainability, was not completed. This was despite CARE flagging that a systematic, sustainable staff capacity development program was required both internally as well as for its partners. CARE has, in its role as technical and financial partner on several grants, helped strengthen financial reporting and financial management systems, as well as providing quality assurance. However, both organizations agree that the relationship between an INGO and a spin-off organization is different from a standard INGO-local NGO partnership. The CARE director sees the need for continual dialogue regarding their relationship, as well as on the co-creation of benchmarks for full empowerment and autonomy.

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88 Rushdy, S. 2014. "Learning about Organizational Transformation," *CARE Burundi*, p. 12.

## **Financial sustainability**

While start-up and continued funding from CARE has allowed GLID to continue its mission, this has also potentially limited GLID's ability to function as an independent entity. Until 2018, 95 percent of GLID's funding was provided by CARE. While GLID has a number of new partners, CARE is still a principal and GLID still seeks its support in looking for funding or writing proposals. As a GLID employee observed: "We need to know so we can understand how to 'position' ourselves ... At this stage, if CARE goes out, GLID can't continue." In addition to diversified funding, GLID's autonomy – and thus true locally led development – would potentially be strengthened by receiving direct funding from CARE International for the Nawe Nuze work, rather than CARE in Burundi being the intermediary.

CARE has acknowledged the fundraising challenge, both for itself as well as its partners. Regarding the 2016–20 strategic plan, it said: "... the funding environment is getting tighter, especially given the deteriorating political situation in Burundi, and the [country office] is reliant on a limited set of funding sources ... partners need to be more directly involved in raising funds. All of this requires an improved funding strategy, capacities, and processes."

One of the financial tools GLID would like to make use of is an independent audit. Until recently, however, it has not had a budget line that would permit this. Indeed, linked to but separate from mobilizing new funding, GLID pointed out a challenge that is not unique to the CARE/ GLID relationship: difficulties in negotiating a budget. Other local NGOs describe this issue as related to power imbalances in the aid system, which, however much they are ameliorated by planning based on principle, plans, and programs, remain embedded within the system. The quest for true and equal dialogue points to this question of power imbalances, and represents one of the clearest and yet most subtle dynamics in INGO–NGO relationships.

Local NGOs and GLID have remarked that while there are increasing opportunities to collaborate and even co-design programming with international partners, there should also be more opportunity for dialogue and negotiation about budgets. Budget lines for overheads and unrestricted funding are still minimal, if they exist at all. Local NGOs perceive a vicious circle, as they are unable to access the resources they need for fundraising. This is probably the most common way in which local actors in Burundi address the question of power imbalances between international and local NGOs. It is, however, an issue that local NGOs are reluctant to raise, as they fear being eliminated from consideration by international organizations (mainly INGOs and, less commonly, direct funding from donors). This is a power imbalance that could be fairly easily addressed and should be looked at closely by donors. If a local NGO is deemed to have robust financial capacity, it should be granted ample unrestricted funding as well. Local NGOs understand that these may be modest percentages, but it represents more than just a monetary issue. It is symbolic of equality.

GLID also shares other local CSOs' concerns regarding the onerous task of reporting to international donors with different systems. GLID works with USAID, the EU, a bilateral donor, and also some private donors. The new INGO working with GLID had to invest significant unbudgeted resources to review, revise, and ultimately to train GLID in its financial procedures.<sup>89</sup>

This meant investing in monthly training sessions and providing close accompaniment in the preparation of monthly reports. The INGO also used an incentive-related process, comparing the progress of each of the local partners. Following this successful capacity development regimen, the INGO was satisfied with the results of their accompaniment and with GLID's reporting.

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## Capacity development

Another key factor in CARE's transition was its capacity development plan, which was largely programmatic in nature. During the transition, GLID expected continued training aimed at helping it achieve financial stability, which, as discussed above, CARE did not provide. One of the reasons this was not fulfilled was due to the fact that CARE's transition included partnerships with dozens of other local organizations. It was therefore difficult, from a practical point of view, to provide specialized accompaniment, despite GLID being a privileged partner. Unfortunately, a lack of communication coupled with the

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<sup>89</sup> This USAID-funded INGO had conducted an initial institutional assessment of GLID, which gave a satisfactory result, partly due to CARE systems and procedures being successfully complied with. Tailoring the reporting required assistance.

absence of a specific plan on CARE's part, amplified the risk of GLID misunderstanding why certain support was not forthcoming.

Along similar lines, local NGOs and observers complain that some INGOs and international agencies provide capacity building tailored to particular skills within particular systems. This approach maintains power inequalities rather than developing the capacity to work independently. In fact, competition between organizations – both between INGOs and local NGOs, and between local NGOs – has given rise to cynicism among some local actors, who have expressed that INGOs are not interested in supporting local capacity if this might result in local organizations becoming competitors. The dynamic of unequal power, whether real or perceived, is a factor. This is a dynamic that donors should keep in mind, especially in programming that aims toward localization.

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## People

### Strong leadership

Good leadership has been critical to a transition process that has been both intense and long-term. CARE had set the bar very high with regard to the overall transition. As noted in their learning document: "Leadership is perhaps the single most important ingredient in the change management process. The leadership of the country office must have a clear vision of why the change is necessary, what the desired goal is, and what the final result should look like; a capacity to communicate this clearly and effectively; a total commitment to the process; the courage to embark into the process without fear or hesitation and to take difficult decisions and act firmly while simultaneously being open to consultation and having compassion; honesty and transparency; the ability to anticipate and accept opposition and not let emotions take over; a willingness to embrace uncertainty and ambiguity; and a willingness to listen, learn, call for help, receive feedback, admit and correct mistakes and adjust the pace of change to better accompany the staff on the journey."<sup>90</sup>

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<sup>90</sup> Rushdy, S. 2014. "Learning about Organizational Transformation," *CARE Burundi*, p. 34.

The above quotation sets out the model of CARE's principled and people-centered leadership, which was important for everyone in planning for success. According to the document, the Country Director who took on the transition applied "... remarkable courage, determination ... willingness to learn and adjust ... which allowed her to gain the respect and support of the staff and navigate the difficult waters of this transition successfully."<sup>91</sup> This attitude was important to the transition and for the viability of a spin-off like GLID, which was led by CARE's experienced former human resources director.

Great efforts were made by CARE leaders to prepare staff as well as possible for the transition. The CARE learning team found that there was appreciation for "... the genuine concern that was shown for staff wellbeing and the extent to which leadership considered and made provision for individual cases and made every effort to soften the burden of termination."<sup>92</sup>

One of CARE's donors said: "CARE Burundi has always been collegial. And the leadership is very important. The current director inspired confidence in the staff." CARE leaders also take an approach of neutrality when communicating externally, which is important in politically fraught environments. GLID has adopted similar approaches, with staff displaying courage in embracing uncertainty and ambiguity.

## Defining the relationship

One of the challenges of the CARE/GLID transition has been a lack of clarity about the nature of the relationship. It lives, breathes, and grows, particularly as the two organizations still "live" together. The term "parrain" – meaning both "sponsor" and "godparent" in French – is often used to describe CARE in the context of the relationship between the organizations. This concept (and relationship) needs clarification in order for the spin-off organization's strategic direction to be finalized. Should CARE sponsor or promote GLID in a market in which CARE is also a candidate?<sup>93</sup> Should GLID grow and break away from its parrain? The CARE director articulated the importance of clarifying the term and better defining the relationship and action plan going forward. This is equally important to GLID.

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91 Rushdy, S. 2014. "Learning about Organizational Transformation," *CARE Burundi*, p. 35.

92 Ibid, p. 38

93 The question is linked to calls for proposals for consortia (EU, Netherlands, and others) in which local organizations are eligible to be the lead, sub-contracting INGOs or local NGO partners, a scenario that becomes more likely with the proposed "localization" of aid delivery.

The CARE/GLID relationship has been in the hands of those focused on the management of grants, that is, the technical aspects of the partnership. This has been a big job for GLID and a small CARE staff working with 22 partners, especially without any memorandum of understanding or mapping of the relationship. As one of the CARE technical staff said: “We are still managing [our] transition today. We have to put it all together, manage the relationships as well as the finances.”

By clarifying and re-energizing the relationship, it will be easier for the two organizations to meet future challenges, such as how best to jointly identify and share whatever resources are available for implementing, as well as innovating, the Nawe Nuze brand; and for GLID to continue adapting and diversifying its programming and funding partners.

## Reflections

Within a context of relative political and financial stability, CARE and GLID developed and consolidated a community-based development model and a reputation for accountability, diversity, and neutrality. CARE’s transition planning was based on creating space for local partners, including GLID, to grow. The process started well, though along the way it became apparent that the growth of GLID would have benefited from a jointly produced plan laying out the process of CARE’s accompaniment and the key milestones for GLID’s independence.

As international and local analysts have forecast, the current Burundian context of closing political space and decreasing economic resources may further alter the aid landscape. Local NGOs will need to be strong in the four areas identified above, adhering to core principles while adapting to different target groups and settings; programming in alignment with government priorities and with a politically neutral stance; planning for programmatic and financial independence; and carefully choosing and supporting the people best placed to lead these efforts. International actors – whether exiting INGOs or donors – need clear accompaniment plans in order to ensure that local NGOs are financially sustainable and have the support they need, particularly in uncertain environments.

## **Key lessons**

**INGOs should model the principles of integrity, transparency, accountability, and diversity, putting into practice robust systems to institutionalize them.** For GLID, the principles underpinning its organizational and programmatic approach represent a valuable legacy passed on from CARE. Strong administrative systems, as well as continued coaching on reporting, have helped sustain these principles in action.

**In certain contexts, the political neutrality of NGOs can be important to sustaining locally led organizational development.** Since the CARE/GLID transition, local NGOs and actors – particularly watchdog CSOs – that have taken critical positions toward the government have become increasingly vulnerable to state interference. Some local NGOs have attracted unwanted attention due to being linked with donors and INGOs whose views and activities disturb the government. CARE's neutral stance, and its work in a cross-section of communities, – an approach continued by GLID – are factors that have protected the new organization from government restrictions or repression.

**Tested and adaptable programming is a strong factor in creating sustainability.** CARE developed a successful VSLA model, which it implemented directly for a number of years. Most members of GLID had been implementing staff within CARE and, as a local organization and CARE partner, were responsible for continuing the work they had previously been doing. GLID has been able to adapt its programming to the needs of other partners, who want to work with a local entity in order to integrate the Nawe Nuze approach into their programs. CARE's focus on its role as catalyst and innovator provides a collaboration model that facilitates sustainable, locally led adaptations.

**Programming that aligns with government priorities as well as the long-term needs of the population strengthens sustainability.** The VSLA model addresses two fundamental poverty reduction priorities: first, the empowerment of women; and, second, the economic empowerment of mostly rural people who lack income or access to credit. Almost all initiatives for change – whether initiated by donors or the Burundi government – include these priorities. Moreover, Nawe Nuze is a visible intervention that does not threaten the government, with the fruits of the work seen and felt by the local community and local government.

**Ongoing, non-competitive collaboration between INGOs and newly formed entities can benefit both parties.** CARE recognizes there should not be competition with GLID. In fact, CARE works with its partners to innovate and plans to test new approaches with GLID. Collaborating on, while not competing for, the implementation of an improved Nawe Nuze will be a subject for ongoing discussion in the current phase in the transition.

**A transition/exit plan should be the result of an inclusive, participatory process.** This will help prepare a local NGO deal with the new context in which it will operate, particularly when capacity development for financial sustainability is included. GLID, along with many other local NGOs in Burundi, has asked for capacity development (such as training on proposal writing and fundraising) to help mobilize resources. Local organizations also argue that dialogue on budgets – particularly a budget line for core costs, including for the independent audit required by potential funders – is necessary for sustainability.

**A plan serves to define the parameters of INGO accompaniment and can be a tool to help manage expectations and relationships.** Both CARE and GLID would have benefited from a measurable transition plan to help define and guide the post-transition evolution of their relationship and mutual expectations, particularly regarding financial diversification.

**Strong leadership that models principles and people-centeredness sets an example internally for staff (and future leaders), while creating social capital externally.** CARE's leadership was careful and diligent in piloting a complex transition, which included developing a new type of partnership. GLID leaders and staff, meanwhile, tasked with developing a local organization, remained competent and willing despite an unexpected acceleration in the transition's pace, and marked contrasts with the resources they were used to.

A transition entails a living, breathing, growing relationship with certain expectations that should be managed. Leaders within both CARE and GLID have shown courage in uncertain circumstances and willingness to work on their shared mission as partners on Nawe Nuze. They also recognize the importance of strengthening their distinctive relationship.

In contrast to the outdated use of “capacity building”, which assumes an absence of capacity of local actors, the concept of “capacity development” or “capacity strengthening” reflects the nuance of development contexts. It recognizes the pre-existing social capital of development actors and highlights the supportive role that partners can play. Capacity development can be understood as an investment in the full potential of partners (organizations and actors). This ‘investment’ is a key part of a transition process because it bolsters the skills, experience and endurance of local actors required for self-sufficiency and sustainability after the transition process.



## **PART 2**

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# **Capacity Development**

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A responsible exit is giving sufficient time to people, showing the community what they were able to accomplish, and helping them to become resilient and responsible.

SEGAMIL PROGRAM DIRECTOR – GUATEMALA

## Introduction

Throughout the Stopping As Success project, **capacity development<sup>94</sup>** has been a recurring discussion and theme for both local and international actors. In most cases, the form it takes for local actors, which were viewed as particularly relevant for successful transitions processes, include:

- Technical capacities – financial management, resource mapping, governance, proposal writing, monitoring and evaluation, and data management;
- Operational capacities – closely related to technical capacities, but often referring to essential skills such as relationship building and strategic planning; and
- Systemic capacities – the development of systems and structures that support long-term planning and ensure the local entity is set up to succeed post-transition.

However, **capacity development in the context of transitions cannot be understood as a one-sided phenomenon**. The Stopping As Success case studies reinforce the fact that local staff and actors are not the only ones on the receiving end of capacity development. The concept of INGO capacity development (part of joint learning and mutual capacity strengthening<sup>95</sup>) is built on evidence of local actors playing a critical role in supporting INGOs to develop staff competencies and gain in-depth contextual and technical knowledge. Where capacity development was viewed and practiced in as a two-way process, transitions were considered to be more effective and supportive of both sides in the transition process.

Despite this, **existing power dynamics between funders, INGOs and local actors mean that mutual capacity strengthening is infrequently realized**. In very few cases within Stopping As Success, for example, have local actors been involved in determining how capacity development activities could be structured. Such decisions are often handled from organizations' headquarters. In one case study, local and national actors shared that INGOs and international agencies provide capacity 'building' activities that are tailored to particular skills within particular systems which inherently maintains power inequities, ensuring they cannot be competitors, rather than promoting independence. On the other hand, other cases argued that capacity development can be an essential antidote to the power imbalances, if activities are established collaboratively, implemented long-term (not just in 3-year program cycles), and abilities remained after the INGO transitioned. Therefore, taking these power dynamics into account and involving local

<sup>94</sup> This introduction draws content and at times direct quotations from the following SAS resources: Barnard-Webster, K. 2020. Guidelines for Joint-Learning and Mutual Capacity Strengthening Before, During and After Transition. Accessible via: <https://bit.ly/2UYqYuN> and Boone, G., Jean, I. and Barnard-Webster, K. 2020. Capacity Development in Responsible Transitions. Accessible via: <https://bit.ly/35Z5e8p>

<sup>95</sup> Barnard-Webster, K. 2020. Guidelines for Joint-Learning and Mutual Capacity Strengthening Before, During and After Transition. Accessible via: <https://bit.ly/2UYqYuN>

staff and partners in the decision-making agenda around capacity development is vital for successful transitions.

Whilst exploring the following case studies, we encourage readers to reflect on some of the core guidance about partnership dynamics in transitions, highlighted in the “Capacity Development in Responsible Transitions”<sup>96</sup> issue paper and the “Guidelines for Joint Learning and Mutual Capacity Strengthening Before, During, and After Transition”<sup>97</sup>:

- Local staff and actors are sources of knowledge, resources, and skills that are vital for INGOs, not merely on the receiving end of capacity development;
- Donors and INGOs that involve local staff, partners, and other relevant stakeholders in decision-making and agenda setting processes are more effective;
- Capacity development rightly goes far beyond training – more supportive alternatives to consider are on-the-job accompaniment, long-term capacity development for sustainable organizational development, or learning processes that include practice, reflection, and adaptation;
- Partners are responsible when they ensure that feedback mechanisms are in place so that capacity development activities can be adapted based on local actor and staff feedback; and
- Invest in psycho-social capacity development, such as moral support, coaching, confidence building, empowerment and team building.

## **The cases profiled in this chapter are, in order:**

Chapter 4: Winrock International transition to the Bangladesh Forest Department, Bangladesh

Chapter 5: World Vision transition to the Iloilo City TB Taskforce Federation Inc., Philippines

Chapter 6: CARE Morocco transition from o CARE International, Morocco

Chapter 7: Catholic Relief Services transition to Seguridad Alimentaria Enfocada en los Primero Mil Días (SEGAMIL), Guatemala

Chapter 8: Trickle Up transition to Village Savings and Loan Associations (VSLAs), Guatemala

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<sup>96</sup> Boone, G., Jean, I., and Barnard-Webster, K. 2020. “Issue paper: Capacity Development in Responsible Transitions.” Accessible via: <https://bit.ly/35Z5e8p>

<sup>97</sup> Barnard-Webster, K. 2020. “Guidelines for Joint Learning and Mutual Capacity Strengthening Before, During, and After Transition.” Accessible via: <https://bit.ly/2UYqYu>



## Chapter 4

# Winrock International transition to the Bangaldesh Forest Department, Bangladesh

By Salem Osseiran

### Acronyms

AIGA	Alternative Income Generation Activity
BFD	Bangladesh Forest Department
CMC	Co-Management Committee
CMO	Co-Management Organization
CPG	Community Patrolling Group
CODEC	Community Development Centre
DFO	District Forest Officer
ECA	Ecologically Critical Areas
INGO	International Non-Governmental Organization
IPAC	Integrated Protected Area Co-Management
IRG	International Resources Group
NACOM	Nature Conservation Management
NGO	Non-Governmental Organization
NSP	Nishorgo Support Project
PA	Protected Area
SAS	Stopping As Success
USAID	United States Agency for International Development
VCF	Village Conservation Forum

### Type of transition

CREL an example of a programmatic transition involving a transfer of ownership and responsibility from an international organization –in this case, Winrock international, and its national partner organizations, including CODEC – to a local government entity, in this case the Bangladesh Forest Department. CREL adopted a co-management approach throughout the program. This included setting up two types of entity at the local level –co-management committees and co-management organizations –which have been sustained since the program's transition.

## Introduction

Climate Resilience Ecosystems and Livelihoods (CREL), which ran from 2012 to 2018, was a USAID-funded project implemented in Bangladesh by a Winrock International consortium. This case study tells the story of CREL and the co-management organizations (CMOs) it helped develop in order to conserve different protected forests.

In-country research, which took place in January to February 2019, involved key informant interviews with case study stakeholders, including Winrock International, its national partner Community Development Centre (CODEC),<sup>98</sup> the BFD, and members of two CMOs. It also included focus group discussions with communities at two project sites, with participants sharing their perceptions of CREL project activities and their own efforts at maintaining the work started under, CREL. Both the interviews and focus group discussions were supported and facilitated by a Bangladeshi consultant. Access to the CMOs was enabled through Winrock and CODEC, and could not otherwise have taken place. Due to the remoteness of the different project locations, research was only possible in the Chittagong Division at two wildlife sanctuaries – Hazarikhil and Chunati – which had been under the remit of CODEC. The research team utilized additional primary and secondary sources to compensate for this

To add context, Peace Direct conducted 15 semi structured interviews with members of the development community in Bangladesh: leaders and program officers of national NGOs, INGOs, two donors, as well as academics teaching development studies. Peace Direct also conducted a learning exchange in Dhaka with a similar array of participants. Viewpoints on transitions and locally led development from this workshop have also informed the report.

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<sup>98</sup> CODEC was the national partner working in the Chittagong and Khulna regions.

## Context

Bangladesh is one of the most densely populated countries in the world, with its near 164 million residents spread across 147,600 square kilometers. This density puts a strain on natural resources, and creates challenges around forming a consensus on how best to manage them. Over the last decade the country has witnessed significant economic growth, raising it into the lower middle-income bracket, and it is likely to ascend into the upper middle-income tier in the coming years.<sup>99</sup> The Bangladeshi government made a concerted effort to meet the Millennium Development Goals, and is putting significant resources into meeting the Sustainable Development Goals, including those focused on environmental issues. Despite these efforts, unmet development challenges remain, which are exacerbated by the country's vulnerability to climate change and extreme weather patterns (mostly cyclones). In Bangladesh, these problems tend to intersect, with poverty reduction being addressed both through governance and climate-related programming.

According to interviewees for this case study, Bangladeshis possess an ethos of volunteerism, philanthropy, and communal work, manifested through self-help groups at the grassroots level, and numerous NGOs steeped in the ethos of community led development. As a result, the NGO landscape in Bangladesh is incredibly diverse and complicated, with different organizations specializing in a variety of activities, ranging from cultural programs to rescue operations. According to the International Center for Not-For-Profit Law, as of 2013 there were 2,209 NGOs registered with the Bangladeshi NGO Affairs Bureau, with Bangladeshi organizations accounting for between 75 percent to 80 percent of these. However, there are also a significant number of grassroots-level organizations, which in the Bangladeshi context tend to be identified as local NGOs, in contrast to national NGOs. The former register with the Department of Social Services at a local level, rather than with the NGO Affairs Bureau in Dhaka.<sup>100</sup> Crucially, any organization – whether that is a local or a national NGO – has to register with the NGO Affairs Bureau in order to receive foreign funding.<sup>101</sup> INGOs have been present in Bangladesh for decades, having arrived to address various humanitarian crises and help with the country's development needs.

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99 World Bank. 2019. "The World Bank in Bangladesh." Accessible via: <https://bit.ly/366WeOR>

100 International Centre for Not-For-Profit Law. 2019. "Civic Freedom Monitor: Bangladesh." Accessible via: <https://bit.ly/3fIerW9>

101 Banks prohibit the opening of an account by any organization not in possession of a valid registration, and will not disburse foreign funds without prior approval from the NGO Affairs Bureau and a letter of intent from the donor. To register with the NGO Affairs Bureau , the organization must submit – in addition to an application – particulars of their bank account, a letter of intent from the donor, a copy of an annual activity report, and a copy of a financial audit report. International Centre for Not-For-Profit Law. 2019. "Civic Freedom Monitor: Bangladesh." Accessible via: <https://bit.ly/3fIerW9>

## NGO finances and sustainability

A key trend impacting the Bangladesh NGO landscape has been a recent decline in funding. From the vantage point of donors, there has been a gradual shift in priorities away from traditional poverty reduction programming to issues such as climate change adaptation or humanitarian crises. This has left NGOs searching for new ways to implement projects,<sup>102</sup> with not all NGOs able to change their programmatic focus in response to this situation. Moreover, for various political reasons, donors have been tending to go through the government more than they had in previous years, meaning the process by which NGOs access project funds has been restructured. Additionally, donors have tended to fund organizations that can work at scale because, in their view, this results in better efficiencies. The perception is often that smaller national NGOs cannot adequately operate at scale, which excludes them from certain projects.<sup>103</sup>

Microfinance has also offered a key funding source for national NGOs. Often labeled “economic empowerment,” microfinance has long been identified with Bangladesh,<sup>104</sup> and there is considerable innovation around its use as a development tool.<sup>105</sup> Programmatic focus aside, microfinance is a key organizational tool for many Bangladeshi NGOs. The Microfinance Regulatory Authority allows NGOs to allocate 10 percent of the profits they receive from their microfinance operations toward development work within communities. Microfinance is therefore a means for NGOs to self-finance. However, for some organizations heavily invested in microfinance – such as social enterprises – development projects can often appear a secondary concern rather than a core focus. Some within the sector dub these NGOs “corporate” or “capitalist,” accusing them of having adopted a “money-making mission” in the name of sustainability. They perceive the shift to microcredit as a turn away from the “pro-poor” ethos NGOs are supposed to embody.

Two other underdeveloped avenues of funding are fundraising and corporate social responsibility. Most interviewees argued that corporations are not interested in supporting development work through NGOs, while fundraising is seen as unlikely to yield enough income. However, one NGO executive from Chittagong, having anticipated this decline

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<sup>102</sup> The realities of declining funding were evident, according to some interviewees, in the number of NGOs presently functional compared to the equivalent number from a decade ago. Given NGOs need to declare any foreign funding they receive, and that the number of declarations has decreased substantially, it is likely that a large portion of NGOs are sitting idle.

<sup>103</sup> Asian Development Bank. 2008. “Overview of NGOs and Civil Society: Bangladesh,” Civil Society Briefs, p. 7. Of course, these larger organizations are not without issues.

<sup>104</sup> One of the initiators of the concept, who institutionalized it, was Bangladeshi professor Muhammed Younis, of the University of Chittagong.

<sup>105</sup> Microfinance, however, is not without its controversies. See Lewis, D. 2011. “Bangladesh: Politics, Economy and Civil Society.” *Cambridge University Press*, p. 1.

in funding, explained how he had adjusted his partnerships approach<sup>106</sup> while expanding the organization's programmatic focus.<sup>107</sup> Additionally, he was exploring crowdsourcing funding both internally<sup>108</sup> and externally, among the Bangladeshi diaspora.

## Localization and the question of capacity

The question of how localization is being enacted within Bangladesh's NGO sector is important as it highlights the power dynamics at play between donors, INGOs, and national NGOs. The issue of organizational capacity exemplifies this debate. As previously noted, donors prefer to work with larger organizations that have cost recovery, scale of delivery, operational effectiveness, and a sophisticated ability to measure impact.

Two INGO country directors argued that the central issue is the role competitive global calls for proposals currently play. This, they believe, turns national and local NGOs into contractors, pursuing donor funding opportunities and shifting organizational structures and capabilities in response to donor priorities, rather than the needs of local communities. As a result, NGO accountability has shifted toward international donors rather than the communities being served. An interviewee, who manages two organizations – a local advocacy NGO and an INGO – described USAID projects as being "... implemented by primes [contractors], and they take subs [local sub-contractors], and subs and slaves are no different.

Subs work at the pleasure of the prime. And the prime takes most of the resources." An INGO country director argued that the contractual paradigm was the problem, rather than INGOs. Several INGOs with a long history in Bangladesh and an established commitment to local communities understand that achieving genuine change means being present for a decade, if not more. This, the interviewee claimed, was not the case with international contractors, who implement projects and promptly leave without a trace.

At the same time, to highlight that the asymmetry does not always favor INGOs, the country director argued that some national NGOs with ample capacity are able to pick and choose which projects and INGOs they want to partner with: "So they will calculate pros and cons, probably, prospects and then they will decide which consortium they will go." Another INGO country director had started a proactive localization approach involving consortiums, whereby local or national organizations lead and the INGO

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<sup>106</sup> He identified what he called "good corporates" (companies willing to support development activities and consider long-term partnerships with NGOs) and created partnerships with local steel companies, multinational banks, online ecommerce companies, as well as energy companies.

<sup>107</sup> For example, having developed the organization's common vulnerabilities and exposure (CVE) capacities, he several years later won a global competition for funding from an international organization.

<sup>108</sup> He cited the Jaago Foundation as an example of an organization that had been successful at internal fundraising. See Jaago Foundation homepage. <https://jaago.com.bd/>

provides its convening power and technical abilities. This INGO negotiates with donors on behalf of national NGOs, arguing: “... if you [the donor] believe local NGOs don’t have the capacity to take up the larger strategic work, then it is our [INGOs] responsibility and your responsibility [as donors] to build their capacities.” To date, while this country director has had some success, it is nowhere near what they consider necessary.

National NGOs were more concerned about this asymmetry, seeing it as heavily favoring foreign donors and INGOs. An interviewee explained that when his organization partnered with some INGOs, they treated his NGO as a subordinate: “Many INGOs have this tendency ... although it is called partnership, but it is not. Sometimes it is a hegemonic attitude.” In his opinion, the underlying problem is the “project model.” When funds run out and a project ends, the INGO no longer treats the national NGO as a partner: “... if [the relationship] continued without a project or not, that would have been a real partnership in the true sense.” Both INGOs and NGOs agreed that it takes decades to achieve genuine lasting change, not a three-year project cycle. This emphasizes the importance of developing the capacity of national NGOs in order that they can follow through after an INGO has exited. Another interviewee argued that while some INGOs have dedicated time and effort incorporating NGO capacity building into programs, ensuring abilities remain after projects end, this has rarely been the norm. Though certain donors – he cited the example of GIZ, the German development agency – have actively provided capacity building and consulted NGOs on what they need, in the majority of situations capacity building has been doled out top-down, with national NGOs did being given the opportunity to select what they need.

Furthermore, an interviewee argued that internationals had certain standards that are difficult for most national partners – aside from large organizations – to attain. This creates a burden for national NGOs, which become focused “... on maintaining the standard, not on implementing [sic] the programs.” National NGOs want to get on with addressing problems, rather than getting bogged down in standards and formats. The interviewee, as a proponent of localization, wanted to see a genuine long-term commitment from international organizations toward national and local NGOs. This would involve skills being transferred to Bangladeshi staff and the leadership of local and national organizations being developed, ensuring the sustainability of programs after the INGO or international organization left. The reality, in his experience, was that after three to six months of partnership, the international organization would come for a “... monitoring visit and they said it has not happened, it is not done, so mark is nil, and partnership is lost. But if I ask how much you invest for your partner: zero, nothing.” He argued that change needs to be enacted across the board to ensure: the government

should mandate capacity development as a prerequisite;<sup>109</sup> donors should proactively instigate change; and national organizations should demand that capacity building be incorporated into partnership agreements.

Others, however, were not as bleak in their assessment. A director of advocacy at a large national NGO felt that, as a result of years of interacting with the local communities, INGOs had a good understanding of Bangladesh.<sup>110</sup> However, when asked whether this was the right moment to implement localization, he argued that it was, especially given INGOs and NGOs had been interacting for some 50 years, during which time the latter had acquired extensive skills and capacities. This proved to be a commonly expressed view, with several interviewees arguing there are already qualified organizations and ample capacity in the country.

In the case of CREL, a key focus was the capacity development of CMOs in order to ensure their sustainability beyond the life of the project. Additionally, the relationships between the INGO – Winrock International – and the national NGOs were built on significant trust and capacity development.

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## CREL: If the forest survives, we survive

### Background

Funded by USAID, CREL was a six-year project (2012–18) led by Winrock International along with a consortium of partners: the Center for Natural Resource Studies; CODEC; Bangladesh Centre for Advanced Studies; Nature Conservation Management (NACOM); TetraTech; and WorldFish. From the Bangladesh government side, the project also included the Ministry of Environment, Forest and Climate Change; the Department of Environment; the BFD; the Ministry of Fisheries and Livestock; the Department of Fisheries; and the Ministry of Land.

CREL sought to strengthen biodiversity protection and conservation in four regions of Bangladesh,<sup>111</sup> including areas designated by the government as either ecologically critical areas (ECA) or protected areas (PAs).<sup>112</sup> To accomplish this, CREL implemented a

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<sup>109</sup> He used the example of the refugee crisis, with the government mandating that 25 percent of project funding from international organizations be diverted to host communities in the Cox's Bazaar areas.

<sup>110</sup> Of course, he recognized that philosophical differences as well as strategic priorities played a part in the decision-making of INGOs and, accordingly, community demands were not always met.

<sup>111</sup> The north-east Haors and forests (based in Srimongol and Sylhet); the south-west, focused on the Sundarbans (based in Khulna); and the south-east forests and coastal wetlands (based in Chattogram and Cox's Bazar). It also engaged in limited activity in Modhupur, in the central regions of Bangladesh.

<sup>112</sup> Some – for example, Hazarikhil and Chunati – had been designated Wildlife Sanctuaries, while others are national parks or game reserves.

co-management model, and promoted viable alternative livelihoods within communities in order to decouple their income from natural resource extraction in the forests. It also advocated for public policies at the national level, resulting in a change in the legal regime surrounding forests, as well as the bureaucratic culture of BFD.

CREL followed on from the work of two preceding USAID-funded initiatives:

- Nishorgo Support Project (NSP), which ran 2003–08
- Integrated Protected Area Co-management (IPAC) project, which ran 2008–12.

The NSP was established in response to a challenging environmental situation, as the project documentation explained: “The forest resources of Bangladesh have been disappearing at an alarming rate. The rate of deforestation was about 8,000 ha per year during the 1970s, which later increased to about 37,600 ha per year in the 1980s.”<sup>113</sup>

The co-management and alternative livelihood ideas were developed during NSP. Here, ECAs and PAs were the focus, but unlike CREL it was implemented in only five sites.<sup>114</sup> IPAC, the second program, continued with the co-management and alternative livelihoods focus, and was implemented in seven sites. These included the five from NSP, along with Hail Haor in Sylhet and Kaptai National Park in Chittagong division.

CREL then scaled up the model and expanded the portfolio of implementation sites. Although a different INGO (International Resources Group (IRG)) acted as lead for NSP and IPAC, the same local partners (CODEC and NACOM) worked on all three projects. Consequently, their perspectives predate the start of CREL. In response to a question about the difference between the three projects, a member of CODEC’s senior management noted: “In IPAC and Nishorgo we are experiencing too many things. Initially the frustration, the forest, the administration system of BFD … you know BFD is one of the oldest departments in our country and there are lots of orthodox laws and policies with the BFD. In Nishorgo we struggled with all these policies. We try to establish faith with the BFD department people. They did not have any faith in the general people. So, we had to establish that relationship … After IPAC period, was a bit easier to work with the BFD along with the local community [the forest user]. In IPAC period, we also struggled with working with the CMC [co-management committee], BFD, and the forest users … We had to convince [the surrounding population] that if you destroy your forest it backfires on you, so, the next generation will be in trouble.”

Therefore, during IPAC, an understanding was established with local communities, which resulted in various institutions being established: co-management committees

<sup>113</sup> Nasim, A. 2004. “Protocol for Work Plan Monitoring – Nishorgo Support Project, Bangladesh.” *Nature Conservation Management (NACOM)*, p. 1.

<sup>114</sup> Lawachhara National Park, Rema-Kalenga Wildlife Sanctuary, Satchari Reserve Forest, Chunati Wildlife Sanctuary, and Teknaf Game Reserve.

(CMCs), village conservation forums (VCFs), and community patrolling groups (CPGs). These earlier projects paved the way for the larger work conducted as part of CREL.

## Co-management

Similar to NSP and IPAC, CREL looked to create a balance between communities and the local and national government, which would enable the sustainable management of natural resources.<sup>115</sup> The BFD had long implemented "... an exclusionary state-run approach"<sup>116</sup> to preserving the forests, leaving local communities out of decision-making processes.<sup>117</sup> For generations, communities residing in the vicinity had seen the forests as their source of livelihood.

However, the BFD perceived such resource extraction as a transgression. Thus, despite the intricate economic relationship communities had with the forest, their interests were viewed as incompatible with the BFD's goal of conservation. As well as policing the forest against over-exploitation, the BFD would take local communities to court in order to deter them from further transgressions.

The senior leadership at CODEC described the historic relationship between the BFD and the communities as "... so difficult in nature that the people who were living around the forest, they feared the BFD. And the relationship was always very harsh."

The centralized approach not only disregarded the economic realities of local communities, but also Bangladesh's demographic situation, whereby pressure on forests invariably follows from increasing population density. Moreover, it was unsuccessful in actually preventing over-exploitation. Indeed, the BFD, according to academic analysis, lacks the ability to implement policy for a number of reasons, one of which is "... the lack of field-level law enforcement."<sup>118</sup> This is something that USAID personnel in Bangladesh also highlighted, with one saying: "The government of Bangladesh has very limited resources in terms of manpower, in terms of budget. We have now 180 million population. Almost 7 to 8 percent forest coverage, which should be 25 percent. So, you see, the context is a lot of people with very limited resources with a weak government. The government will not be able to protect these common pool resources, natural resources, by themselves."

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<sup>115</sup> Winrock International. 2018. "Climate-Resilient Ecosystems and Livelihoods (CREL) – Final Performance Report 2012–2018." p. 8.

<sup>116</sup> Thompson, P.M., Chowdhury, R.M., Uddin, M.S. and Dutta, U. 2018. "Capacity and Sustainability of Co-management Organizations." CREL, p. 18.

<sup>117</sup> Sarker, A. H. M. R. and Roskaft, E. 2011. "Human Attitudes Towards the Conservation of Protected Areas: A Case Study From Four Protected Areas in BANGLADESH." *Oryx* 45(3): 391–400, cited in T. K. Nath, M. Jashimuddin, and M Inoue. 2016. Community-Based Forest Management (CBFM) in Bangladesh. Switzerland: Springer.

<sup>118</sup> Rahman, M. S. and Giessen, L. 2017. "The Power of Public Bureaucracies: Forest-Related Climate Change Policies in Bangladesh (1992–2014)." *Climate Policy* 17(7): 928.

In 2008, the BFD formally adopted a co-management approach to managing PAs, further expanded this through the IPAC and CREL projects.<sup>119</sup> Under the co-management model: “... two or more social actors negotiate, define and guarantee among themselves a fair sharing of the management functions, entitlements and responsibilities for a given territory, area or set of natural resources.”<sup>120</sup>

In the case of Bangladesh, co-management moved the BFD away from its previous approach – which was both alienating and ineffective – toward a participatory structure involving collaboration with communities. For USAID, co-management was a win-win for all involved. It would solve the BFD’s limited resources and manpower, while communities would receive training in alternative livelihoods that would limit their need to extract resources from the forest. Furthermore, in exchange for their cooperation in protecting the forest, communities would be entitled to receive a portion of the funds generated from tourist activities.

Institutionally, co-management for CREL entailed setting up two entities at the local level: co-management committees (CMCs) and co-management organizations (CMOs). The first is an oversight entity, consisting of 65 members, while the CMO is a subset of the CMC (29 individuals) and has executive responsibilities. These bodies bring together as many relevant stakeholders as possible, including the chairman of the local Union Parishad,<sup>121</sup> the local BFD officer (for example, a range officer), as well as members from local VCFs. The utility of a CMC<sup>122</sup> and CMO as a political forum with government buy-in factors into the structure’s sustainability. It functions as a means to resolve conflicts between the community and the BFD, while also serving as a management body that has responsibility for protecting the forest through CPGs. These CPGs, along with the CMC accountant, are the only paid members of a CMC. CREL, accordingly, aimed to set up 45 CMOs<sup>123</sup> in 29 PAs (including the seven from IPAC), and to develop their capacity in several different functional areas.<sup>124</sup>

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<sup>119</sup> Thompson, P.M., Chowdhury, R.M., Uddin, M.S. and Dutta, U. 2018. “Capacity and Sustainability of Co-management Organizations.” CREL, p. 18.

<sup>120</sup> Borrini-Feyerabend, G., Farver, M.T., Nguinguiri, J. C. and Ndangang, V.A. 2000. “Co-management of Natural Resources: Organising, Negotiating and Learning-by-Doing.” Heidelberg: KasperekVerlag, p. 1.

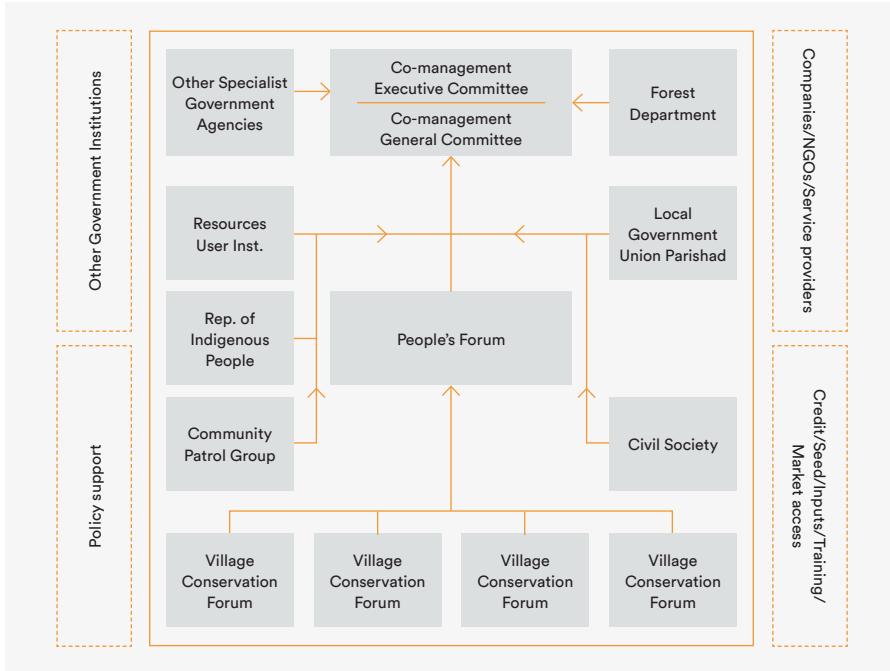
<sup>121</sup> Union Parishad are the smallest rural administrative and local government units in Bangladesh.

<sup>122</sup> The co-management committee, for example, would include the chairman of the local Union Parishad and a female member, and members from the Department of Agricultural Extension, Department of Fisheries, Department of Livestock, Department of Environment, Department of Youth Development member, Department of Social Welfare, Department of Co-operatives, and Department of Primary Education.

<sup>123</sup> In some cases, the size of the PA meant that two, or even three, CMOs were necessary to manage the forest.

<sup>124</sup> The vision is for CMOs to eventually become local implementing partners for both the government of Bangladesh and donor programs. Winrock International, 2018. “Climate-Resilient Ecosystems and Livelihoods (CREL) – Final Performance Report 2012–2018.” p. 10.

**Figure 1: Co.management structure in the Bangladeshi Forestry Sector, CREL Evaluation Report**



Local communities saw CMOs as an opportunity to overcome the hostile relationship they had with the BFD, and to influence the way the BFD worked. In the case of Hazarikhil Wildlife Sanctuary, the CMO felt the commitment shown by the BFD's local personnel helped facilitate local buy-in. In the case of Chunati, it was the tireless efforts of range officer Mahmoud Rahman that helped the CMO win the UNDP Equator Prize Award 2012.<sup>125</sup> Similarly, both CMOs had political buy-in from their locally elected Union Parishad chairmen.<sup>126</sup>

Co-management does have flaws, in that it turns individuals who were previously poachers or loggers into CPG members. However, this must be assessed against the manpower requirements of the BFD and the overall benefits of conservation.

<sup>125</sup> The Equator prize is given for outstanding local initiatives that work to advance sustainable development solutions for people, nature and resilient communities. Equator Initiative, "About the Equator Initiative and the Equator Prize." Accessible via <https://bit.ly/2V59xZr>

<sup>126</sup> Additionally, the Union Parishad is meant to provide two members from the local administration to the CMO.

Additionally, as interviewees noted, Bangladesh's population density means that there will always be pressure on forest resources, and this pressure has only increased due to the recent Rohingya refugee crisis. As a result, a viable solution was urgently needed, especially as the previous approach adopted by the BFD was clearly not working. It should also be noted that co-management is ineffective in the face of corruption from "... highly organized and influential forest exploiters."<sup>127</sup> CMOs, though, are not meant to address the issue of corruption, and can only contain it to some extent.

Academic research into the concept points out that, despite difficulties (for example, financial difficulties and local corruption), co-management is "a worthy pursuit,"<sup>128</sup> which has reduced distrust between the BFD and local communities, and helped with environmental conservation.<sup>129</sup>

## Winrock international and CODEC

The relationship Winrock developed with its national implementing partners was a key enabler of the project. Senior management at both Winrock and CODEC confirmed that the former trusted the latter. Flowing from this was a degree of flexibility regarding program implementation. It also meant that Winrock and CODEC continuously communicated, with CODEC regularly contributing to program design. As a member of Winrock's senior management noted: "It was a partnership ... So, it was one team, they just had different employers. But all of the sustainability program was developed with local partners because they are really the ones [who know the localities] ... Winrock could not have done that by themselves."

A member of CODEC's senior management articulated the situation thus: "One thing I must say is that CREL was much more democratic in nature. When they developed several papers and briefs, they always had a discussion with us. Much more, they want to hear from us ... When they tried to consolidate these [CMOs], then they tried to hear more from the field about how it will be ... It is my own perception is that CREL was much more friendly in nature to hear from the grassroot level."

Furthermore, Bangladeshi Winrock staff maintained relationships with national NGOs after the end of the project. This was confirmed by a USAID staff member, who explained: "So Firas, who is now the Washington counterpart of mine for CREL, is based

<sup>127</sup> Sultana, P. and Thompson, P. 2010. "Natural Resource Conflicts and Community Organizations in Bangladesh." in International Workshop on Collective Action, Property Rights, and Conflict in Natural Resources Management, Siem Reap, Cambodia, June (Vol. 28).

<sup>128</sup> Muzaffar, S.B., Islam, M.A., Kabir, D. S., Khan, M. H., Ahmed, F. U., Chowdhury, G.W., Aziz, M.A., Chakma, S. and Jahan, I. 2011. "The Endangered Forests of Bangladesh: Why the Process of Implementation of the Convention on Biological Diversity is Not Working." *Biodiversity and Conservation*, 20(7): 1595.

<sup>129</sup> T. K. Nath, M. Jashimuddin, and M Inoue, 2016. "Community-Based Forest Management (CBFM) in Bangladesh." *Switzerland: Springer*, p. 176.

in Winrock US. He is still in touch with those three local NGOs. And Firas told me that he is working with NACOM, the Cox's Bazaar based NGO, to submit a proposal for a funding opportunity for US\$50,000. So, they are still maintaining that liaison and that relationship and that momentum to keep those local NGOs running ...That was a new thing to me. That an INGO is still supporting local NGOs."

Some of the personnel who had been hired by Winrock International from IRG had close working relationships with individuals from CODEC going back several years. These individuals were not merely project staff, but had personally invested considerable time and effort in implementing the idea of co-management with one another. Over the years, CODEC had run six projects in tandem with IRG, with the former's management appreciating the latter's approach: "They really think that we are not contractors. We are the partners. That is the main important thing here. I am not blaming other donors. Some donors thought that we are contractors in nature. They are giving the task and we have to do that. That is the pitiful part of it. But some of organizations are working as a partnership relationship. IRG was one of them."

A respondent from CODEC's leadership explained that his relationship with Winrock's Chief of Party for CREL went back more than three decades. For him, this personal relationship was far more valuable than anything contractual stemming from a project. As he put it: "... [these] sorts of people they have a root in Bangladesh, because most of them their lifetime they spent here." There was a mutual respect between the two organizations, and this ethos and practice continued – according to interviews – with Winrock International. When queried about whether the freedom they were granted came from USAID or Winrock, CODEC's senior management understood it to having come from Winrock, while emphasizing that "... it depends on the leadership. It is always the person. It is not the institution." Indeed, the relationship was described by a CODEC staff member – who had been involved in managing the CREL project across different sites in both Chittagong and Khulna – as "... facilitation, not administration.

The result was national NGOs buying into a project that they then felt they had ownership of. Furthermore, communities regarded Winrock as a secondary actor, highlighting the light-touch approach adopted by the organization, as well as the considerable trust granted to CODEC by Winrock's leadership.

On the issue of capacity, CODEC personnel gained technical expertise in biodiversity from IRG, which they then passed on to Winrock, which was now implementing another program related to aquafarming. There was a symbiotic relationship between the international entity and the national NGO. In this case, a two-tier process of capacity development can be observed – the INGO passes on knowledge and expertise to the national NGO, in return receiving technical knowledge, albeit informally, that is highly

context-specific, as well as knowledge about the culture and localities. Furthermore, as an offshoot of the CREL project, Winrock implemented the USAID Transition Grant Program Forward, which was focused on developing the capacity of national NGOs. CODEC was one of the finalists in this program and received training from Winrock.<sup>130</sup> Thus, as part of its programmatic work with CMOs, which obviously entailed capacity building, Winrock also helped develop the capacity of CODEC.

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## Outcomes and impact of the transition

This section presents findings on a range of outcomes and emerging impacts of the transition from CREL to Bangladeshi entities, grouped into four key areas:

### Sustainability beyond the project

According to CREL's leadership, the head of the BFD – the Chief Conservator of Forests – initially expressed skepticism project about the CMOs' ability to plan and manage the funds that would eventually be allocated to them. Although the previous two projects had run for several years, the sustainability of the CMOs remained a critical question.<sup>131</sup> As a consequence, Winrock's leadership put in extensive efforts to define the concept of sustainability during the early phases of CREL.<sup>132</sup> As an interviewee from Winrock put it: "And I asked a simple question: sustainable to what? You cannot make an organization sustainable until you know what you are trying to do. What is the target? What is the outcome? How do you define sustainability?"

These internal deliberations not only influenced the project design, but determined what it was envisaged would be left behind once the project had been completed. As the Winrock interviewee said: "... sustainability exit[ing] is not just walking away. It is walking away leaving an agreed upon result, and an agreed upon level of self-performance and self-capacity that that is where you decided you were going to go. And if that is not there then you have got nothing."

Thus, CREL team members examined project operations in order to understand the role they and other implementing organizations were playing. For example, facilitating dialogue between local communities and the BFD – an essential project activity – was seen in a different light. CREL, with organizational sustainability in mind, asked itself

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<sup>130</sup> Winrock International. 2015. "Final Report on CREL Transition Grant Program, Dhaka, Bangladesh: Climate Resilient Ecosystems and Livelihoods (CREL)."

<sup>131</sup> Muzaffar, S.B., Islam, M.A., Kabir, D. S., Khan, M. H., Ahmed, F. U., Chowdhury, G.W., Aziz, M.A., Chakma, S. and Jahan, I. 2011. "The Endangered Forests of Bangladesh: Why the Process of Implementation of the Convention on Biological Diversity is Not Working." *Biodiversity and Conservation*, 20(7): 1595.

<sup>132</sup> Winrock International. 2014. "Defining, Measuring and Validating CMO Sustainability, Dhaka, Bangladesh: Climate-Resilient Ecosystems and Livelihoods (CREL)."

who within the CMOs would take responsibility for facilitating conversations with the BFD when the project ended. This then prompted the question of whether the chosen individuals had the requisite skills and experiences, and what training would be necessary to help with this. In this way, achieving organizational sustainability and exiting became almost synonymous.

Eventually, Winrock arrived at the understanding that sustainability involved CMOs protecting and sustaining "... biologically significant ecosystem units" while "... improving the lives of people dependent on those areas."<sup>133</sup> It was also decided that, due to CMOs being voluntary organizations, a different set of sustainability indicators was needed. In the first iteration, CREL developed a set of 102 individual questions for assessment purposes. However, CREL deemed this unwieldy for regular monitoring, as it "... lacked intuitive appeal as a tool or output to be shared with co-management stakeholders in guiding their capacity development."<sup>134</sup> After a participatory process with communities and national NGOs; five sustainability criteria emerged, each with its own set of indicators: legitimacy (three indicators); organizational capacity (four indicators), governance and inclusiveness (four indicators); adaptive management (four indicators); and resource mobilization, i.e. finances (two indicators).<sup>135</sup> These concepts formed the basis of CREL programmatic and organizational capacity development training efforts with CMOs.

## Changing the legal regime around forests

One report suggests that adaptation solutions to climate change have not been successful for several reasons, one of which is that "... such participatory, community-led actions are not sustainable unless they are supported by public policies, strategies and plans, and implemented."<sup>136</sup> Other research asserts that "... [c]reating a favourable policy environment assists the emergence of functional co-management arrangements."<sup>137</sup> With these issues in mind, CREL advocated for changes in the legal regime surrounding forests.

While these efforts had begun during the NSP and IPAC periods, during the CREL period such advocacy and influencing processes increased exponentially. The result of these efforts was the passage of the 2017 Protected Area Management Rules and the 2016

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<sup>133</sup> Thompson, P.M., Chowdhury, R.M., Uddin, M.S. and Dutta, U. 2018. "Capacity and Sustainability of Co-management Organizations." CREL, p. 20.

<sup>134</sup> Ibid

<sup>135</sup> For further descriptions of each of these, see Thompson, P.M., Chowdhury, R.M., Uddin, M.S. and Dutta, U. 2018. "Capacity and Sustainability of Co-management Organizations." CREL, p. 20.

<sup>136</sup> Selim, S.A., Khanom, A., Bhowmik, J., and Rahman, M. 2018. "Evidence of Ecosystem Based Adaptation to Climate Change in Coastal Bangladesh." CREL, p. 6.

<sup>137</sup> Berkes, F. 2009. "Evolution of Co-management: Role of Knowledge Generation, Bridging Organizations and Social Learning." *Journal of Environmental Management*, 90(5): 1693.

Environmentally Critical Area Rules, which gave CMOs formal legal recognition. As noted by a representative from a national partner: “Then when the CREL period came the main objective was how this institutional formation – this coordination committee, CMC – can have state recognition. That is the time when we got the gazette, where the government recognizes them. It is a law now. You have to give some part of your earning, which is coming from some activities and 50 percent of that should go to the CMC so they can operate by themselves.

CREL went about achieving this change in several ways. First, it assembled a government liaison team, which included senior personnel with extensive government experience, to advocate with the various departments about issues of policy. Although not an unusual practice in Bangladesh, USAID was impressed with Winrock’s recruitment approach and how the team managed to improve relations with the BFD. Winrock’s leadership recognized that the CMOs’ sustainability was contingent on CREL’s relationship with the government bureaucracy. In the case of the BFD, the relationship was initially strained, “... due to unmet promises and lapsed relationships from the last year of IPAC and during the design of CREL.”<sup>138</sup> The senior leadership at Winrock nevertheless reminded the CREL team that, despite any frustrations that might arise from working with government departments, having them onboard ultimately meant “... life is going to be a lot easier.” Once CREL obtained government buy-in, it got “... everybody into lockstep, working together in a very efficient and a very compatible manner.” This was not easy, with bureaucratic inertia within the BFD acting against the wholesale internalization of co-management and the devolution of power it embodies.<sup>139</sup>

While CREL’s leadership accepted that passing the law on PAs was imperative, the legislation also needed to be internalized by various government departments, each of which had their own internal directives. As the CMOs are quasi-governmental organizations, in order to ensure their sustainability it was necessary to have input and continued involvement from various departments, most notably the BFD.<sup>140</sup> This made generating government buy-in to the CREL project vital. CREL, therefore, took the necessary time to develop formal agreements, while also conducting informal meetings to keep the various departments abreast of developments and garner their input to workplans. This ongoing dialogue about the rules and guidelines governing the co-management of PAs socialized the policy within the government even before it was

<sup>138</sup> Winrock International, 2018, “Climate-Resilient Ecosystems and Livelihoods (CREL) – Final Performance Report 2012–2018.” p. 25.

<sup>139</sup> Ibid, p. 9

<sup>140</sup> CODEC was able to introduce Peace Direct to the Conservator of Forests of the Chittagong division. He had been involved with IPAC from 2010 onwards, rising to his current position from being a local officer. Consequently, while he admitted there were challenges with respect to PAs, he was fully committed to the concept of co-management. When Peace Direct visited him, his very first comment was how grateful he was for the efforts of USAID, which were crucial in passing the 2017 Protected Area Management Rules, the legal basis for CMOs.

officially submitted.<sup>141</sup> Importantly, though the CREL project was completed in the middle of 2018, the BFD department secretary has continued to lead internal conversations about the sustainability of CMOs, which has lent the initiative significant clout. Indeed, due to the success of the co-management model with PAs, the BFD has since chosen to apply it to Reserve Forests, which have special protection.

The second important component of the PA Rules pertains to a CMO's financial well-being, specifically: "... a provision that the Government will allocate funds to CMCS based on revenues collected in the previous year."<sup>142</sup> Each CMO will be entitled to charge a fee to tourists and other individuals visiting the site, with the funds raised given to the Ministry of Finance, which later allocates them back to the BFD. The BFD is, in turn, required to divide funds equally between itself and the various individual CMOs. The Chief Conservator of Forests signs off on the distribution with the district forest officers (DFOs), allocating each CMO its allotted portion of funding. DFOs must ensure that CMOs are spending their funds according to the guidelines developed by the BFD. Further assurance for the mechanism's implementation comes through an audit of DFOs.<sup>143</sup> The benefit-sharing mechanisms and legal terms of the PA Rules bind the different actors to one another through accountability mechanisms: the BFD can hold CMOs accountable through assessment and financial processes, while CMOs can hold the government to account in terms of the distribution of funds.

The financial mechanism alters a community's livelihood relationship with the forest from one of exploitation to one of preservation and entrepreneurship. This is a crucial source of revenue for a CMO, which it can use to pay the accountant and members of the CPG, and for reinvestment into various income-generating projects. Although it took 15 years for the law to be passed, it is a source of pride for the various organizations that worked on the project, and it also a reference point for communities – both groups continuously speak of it and can lean on its clauses to put pressure on the bureaucratic system. However, when the research visits took place in late January 2019, CMOs had yet to receive their funds from the previous year. This is because CMOs only receives their money after the Ministry of Finance, as the central clearing house for government revenue, has completed its budget. The upshot of the delay was that CMOs were somewhat in limbo.

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141 Winrock International, 2018. "Climate-Resilient Ecosystems and Livelihoods (CREL) – Final Performance Report 2012–2018." p. 17.

142 Ibid, p. 23

143 According to one CREL interviewee, DFOs pushed back against this prospect but were overruled.

## **Annual assessment and financial management**

CREL put considerable effort into developing the CMOs' capacities in long- and medium-term planning, as well as in financial management. The first part of the process was training CMOs in how to plan for the long-term protection of the forest, and to help them develop – as mandated by the PA Rules – a ten-year plan of activities to be submitted to the BFD. The plans are then matched with the BFD's Protected Area Management plans.

According to interviews at the Chunati Wildlife Sanctuary, this practice began with CREL, rather than with either NSP or IPAC. Additionally, CMOs are mandated to produce Annual Development Plans, which are "... the vehicle whereby CMCs propose activities and levels of funding."<sup>144</sup> Aside from the mandate, planning acts as an exercise in discipline, obliging CMOs to think ahead, consider various scenarios, and set goals. This serves as an energizing force.

Additionally, each CMO is meant to manage an annual self-assessment process using the 17 sustainability indicators co-developed by the implementing consortium and communities. A member of CREL's leadership explained the need for self-assessment: "Are you still sustainable according to the definition to which your capacity was developed? Are you still sustainable? Are you slipping? Are you making progress? Unless that is assessed, we do not know."

Should a CMO determine it is lacking in any one indicator, members can deliberate on how to improve their performance. Moreover, the BFD is mandated to monitor whether CMOs are following up on this. Indeed, the PA Rules require that CMOs submit their assessments to the BFD, which publishes the results and rewards the best CMOs. This creates an added financial and competitive incentive for CMOs to excel. It is therefore not merely a box-ticking exercise, but rather a means for a CMO to reflect on its current status, especially in relation to its long-term plan and goals.

CREL also sought to develop CMOs' financial management capacities. Specifically, as a member of Winrock's senior management reported, they had "... three rounds of small grants to the CMOs and those ranged anywhere from US\$5,000 to about US\$24,999 ... And those grants were to help them implement elements of their annual development plan, as well as build their capacity toward those 17 sustainability indicators. So the grants program was directed at helping them achieve a passing score in those 17 indicators categories that we had defined, and, secondly, to give them experience in managing money, and, thirdly, those grants helped them develop income-generating activities."

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<sup>144</sup> Collectively, these are supposed to provide "... a comprehensive and interconnected set of milestones that lay out the long-term strategy for conservation and NRM through co-management in these PAs." Winrock International, 2018. "Climate-Resilient Ecosystems and Livelihoods (CREL) – Final Performance Report 2012–2018." p. 9.

In this way, and through various planning and financial exercises, CREL addressed the Chief Conservator of Forests' concerns about the sustainability of the CMOs.

## Ownership of CMOS by communities

Aside from technical skills, the CREL project fostered a sense of ownership of the forest among communities empowered by CMOs, making them feel that "... the forests around them are by the community and for the community."<sup>145</sup> This mindset aids the sustainability of CMOs. During interviews in Hazarikhil, it was stated that, prior to CREL, villagers lacked this sense of responsibility toward the forest – they did not think of it as "theirs." As far as they were concerned, it was government land and therefore the government's responsibility. Previously, for example, if villagers saw somebody cutting down a tree, they would not attempt to stop them. Given the forest was not considered village property, even if someone had objected, their opinion would have been deemed void. Following CREL's intervention, however, communities gained a sense of social status, legacy, and pride in their mission. As a result, communities now felt willing and able to summon the police (a member of whom is part of the CMC) and, with the support of the BFD, bring court cases against illegal loggers and poachers.

Additionally, while recognizing that the funding came from USAID, CMOs even so felt ownership of the project and its accomplishments, with the source of the money deemed secondary to the fact that the work was theirs. Asked whether they were waiting for a follow-up project to begin, a member of the CMO in Chunati said: "Projects will come, projects will go; we cannot wait for them. Whatever we need to do we will do." A major challenge facing the CMO of Chunati Wildlife Sanctuary is the planned Chittagong-Cox's Bazaar railway line. Despite the likely damage the trainline will do to the forest ecosystem, the Chunati Wildlife Sanctuary CMO is prepared to continue with its work and has not lost hope.

Another method utilized by CREL to ensure the sustainability of CMOs was to raise awareness about the environment among CMO members and surrounding villages. CODEC and the other national partners conducted a series of training sessions on the environment for VCF members. These bodies, as mandated by the PA Rules, are meant to spread this awareness within their respective communities. When interviewed, the leadership of the CMO in Hazarikhil pointed out that for a long time people had relied on the forest's resources for their livelihoods, and despite Hazarikhil being declared a Wildlife Sanctuary in 2010, the local community had no notion that they needed to conserve the forest. CREL taught them about the environmental impact of logging and

<sup>145</sup> While it was published in 2016, the data and analyses predate that, and therefore the work of CREL is not included in its entirety. Nath, T. K., Jashimuddin, M., and Inoue, M. 2016. "Community-Based Forest Management (CBFM) in Bangladesh." *Switzerland: Springer*.

the importance of conservation, helping foster an awareness embodied in their oft-repeated expression: “If the forest survives, we survive.” A similar sentiment could be seen in Chunati, confirmed by survey research conducted in 2015,<sup>146</sup> though the origins of this understanding could be traced back further to the efforts of NSP and IPAC, which were then continued under CREL. One individual, for example, tied environmental conservation to a religious ethic.<sup>147</sup>

Other research, conducted in Khulna and other sites, reinforces this point about the impact of raised community awareness regarding conservation, with one participant asserting: “Due to the CREL project we have been able to understand the necessity and importance of protecting Sundarban [a mangrove area in the Bay of Bengal]. CREL has taught us that Sundarban rescues us from natural calamities like cyclones and floods. So we have to stop cutting down trees in Sundarban.”<sup>148</sup> Another participant in Nijhum Dwip added: “CREL has trained us with a complete knowledge about how trees provide us with oxygen and why it is very important for us.”<sup>149</sup>

Environmental knowledge, once internalized within local societies, fosters support for the continued existence of CMOs as a means to manage and conserve the forest. While this is undoubtedly a longterm process, it is anticipated that this knowledge will translate into a set of environmental norms, which will in turn become environmental practice – in this case, political practice manifested through support for the conservation activities of the CMOs. This is, of course, contingent on their economic sustainability, which highlights the importance of funding from the BFD, and the alternative income-generation activities (AIGAs) CREL helped establish.

CREL put extensive efforts into these AIGAs, aimed at villagers who had previously depended on the forest for their livelihood.<sup>150</sup> Non-extractive livelihoods were taught, including aquaculture, cow rearing, vegetable cultivation, handicrafts, and other enterprises. All of these activities are climate resilient and are meant to decouple community livelihoods from exploiting forest resources. According to CODEC personnel, there was no hard and fast rule about training, and overall they provided 22 types of training. However, as was pointed out during interviews, they did not impose training packages on individuals. Rather, through consultations with CMOs, as well as asking individuals what professions they would like to develop, they determined different

<sup>146</sup> Nath, T. K., Jashimuddin, M., and Inoue, M. 2016. “Community-Based Forest Management (CBFM) in Bangladesh.” Switzerland: Springer.

<sup>147</sup> The Vice President of the Chunati CMO thinks that saving trees is the “sawab” (right) thing to do – Allah is pleased when one saves trees. This was initial motivation for wanting to join the CMC.

<sup>148</sup> Selim, S.A., Khanom, A., Bhowmik, J., and Rahman, M. 2018. “Evidence of Ecosystem Based Adaptation to Climate Change in Coastal Bangladesh.” CREL, p. 19.

<sup>149</sup> Ibid, p. 20

<sup>150</sup> For further discussion of their financial situation, see Thompson, P.M., Chowdhury, R.M., Uddin, M.S. and Dutta, U. 2018. “Capacity and Sustainability of Co-management Organizations,” CREL, p. 20.

areas of expertise within villages and sought to amplify them.<sup>151</sup> The Vice President of the Hazarikhil CMO saw this dual effort as key to the CREL project's success. The consultative process, and the resultant training opportunities, ensured that the AIGAs would be part of the fabric of their lives. Collectively, these activities ease the pressure on the forest, while also making the protection work of CMOs easier.

Overall, the story of CREL's development of CMOs is one in which sustainability went hand in hand with Winrock International's programmatic transition. The financial, political, and legal elements augmented and reinforced one another, creating a sustainable initiative that represented a win for all the stakeholders involved.

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## Key lessons

For INGOs thinking about transitions to locally led development, the overarching lesson to take away from the CREL project is that significant efforts must be put into thinking very early on about the organizational sustainability of local entities in their own context.

**Organizational sustainability should be understood within the context of the social, financial, political, and legal system in which it exists.** Organizations exist in a constantly changing social, bureaucratic, financial, and political context, which makes influencing that system a crucial element in cementing a project's structures. Power mapping is important for INGOs to understand entry points in local systems, and specifically, in the Bangladesh CREL case, the concept and implementation of the co-management model. The co-management approach recognizes that empowering local organizations and sustainability go hand in hand.

Changes, instigated by CREL, that helped create an enabling environment for CMOs, include: raised awareness at the community level about environmental concerns, meaning that CMOs have become a key vehicle for remedying environmental and social issues; the transformation of existing power structures, both official and unofficial, into a coherent whole, turning CMOs into forums where stakeholders have a platform to translate their preferences into outcomes; an improvement in the bureaucratic system in which CMOs operate, through policy socialization work with the BFD that changed the internal cultural toward one of co-management rather than top-down decision-making; and the passing into legislation, aided by advocacy efforts in Dhaka, of the PA Rules, which recognized CMOs and codified the financial redistribution of the income they earned from managing the forest.

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<sup>151</sup> For example, those with expertise in net-making were given further training in that skill, while those wanting to keep cows were given that opportunity. Communities received the training in the areas they felt most comfortable in. This point is further confirmed by Selim, S.A., Khanom, A., Bhowmik, J., and Rahman, M. 2018. "Evidence of Ecosystem Based Adaptation to Climate Change in Coastal Bangladesh." CREL.

**Continuous consultations with national partners and local communities is imperative.** For INGOs contemplating transitioning to community-led initiatives, iterative consultations with both communities and national implementing partners should be placed front and center. Such “feedback loops” allow for constant communication from both sides, without which a project runs the risk of becoming a side activity set apart from the everyday lives of the local community, rather than embedded within its social fabric. For example, through consultations with national partners and local communities, the CREL team worked to understand what precisely sustainability meant in the context of the CMOs. Rather than imposing a collection of sustainability metrics, CREL recognized that the CMOs were unique in their role and requirements, and instead developed fit-for-purpose indicators in close coordination with local actors.

Similarly, capacity development activities were devised through a consultative process with the communities, making it far more likely they would be internalized and put to use. Whether regarding AIGAs or individual capacities, there was a concerted effort to help those within CMOs develop skills they deemed useful. Moreover, training increased the technical capacities CMOs in terms of planning and financial management acumen, while also creating social capital within communities. Members of CMOs interviewed for this case study felt empowered as representatives of their communities, and by the role that they now played in conserving the forest.

**It is better to work with available local instruments, such as co-management, rather than imposing external ones.** CREL sought to remedy a longstanding problem in Bangladesh, namely, conflicts between the BFD and local communities over the use of forest resources. In this case, a foreign solution was not modified to fit a local context. Rather, the concept of co-management had a history going back decades in Bangladesh, had been developed by Bangladeshis, and – though not being ingrained in the bureaucratic culture – had been formally been adopted by the BFD as its approach to the management of forest PAs.

Co-management arrangements, under the name “social forestry,” had already been implemented on government land, which communities had long relied on a source of livelihood. The fact that the BFD and the government were not only familiar with the co-management concept but had developed and implemented it themselves, meant that CREL did not need to attempt to impose a novel concept. Rather, it worked with what was already available and focused on facilitating bureaucratic change within the BFD. Co-management, easily recognizable to the BFD and taught in its colleges, was therefore a more viable model for translating policy into actual practice. Thus, understanding policy and social mechanisms already available in-country, and building on these as part of an intervention, is more likely to generate buy-in than a foreign construct that

may provoke bureaucratic push-back. Similar thinking by INGOs about the intellectual policy environment they encounter in different countries can aid transitions to locally led development, and the longevity of interventions after a project's closure.

**Equal partnerships should be created with national NGOs in order to gain both trust and buy-in.** Bangladeshi NGO personnel interviewed for the case study frequently argued that there was ample capacity in the country, and that all they needed was funding to push ahead with the work. They did not want to be micro-managed by a foreign NGO, an approach that only serves to heighten existing power dynamics and imbalances. In contrast, the CREL project stands as an example of a healthy relationship between international and national NGOs. In this case, Winrock International recognized that it

was better served focusing on advocacy activities in Dhaka, trusting CODEC – which already had ample expertise in biodiversity and strong ties to local communities – to focus on implementation at site locations. As a result, CODEC staff felt empowered to do the work they were good at. Such mutual trust is not easy to come by – efforts to develop relationships with national NGOs not only have considerable utility in the short and long run, but serve as the foundation for cultural and behavioral changes that require years to achieve. Such relationships also serve as psychosocial support for communities after a project has ended.

The key lesson for INGOs working with national partners is that, where possible, efforts should be exerted to nurture organizational relationships beyond the duration of a project. Such relationship management fosters trust and respect, acknowledging the potential pitfalls of a project ending without the national NGO having been provided with the necessary information or capacity to continue its community-led work. Moreover, the case of CODEC demonstrates that learning is not a one-sided process: national NGOs can be in possession of knowledge that is simply unavailable to INGOs. Empowering national NGOs to act on such knowledge and demonstrating trust in their agency can foster more productive projects, serving as a basis for locally led development.



## Chapter 5

# World Vision transition to the Iloilo City TB Taskforce Federation Inc., Philippines

By Christopher Millora and Farzana Ahmed

### Acronyms

BHW	Barangay Health Workers
CIDA	Candian International Development Agency
CoMSCA	Community Managed Savings and Credit Association
CSO	Civil Society Organization
DAC	Development Assisting Center
DOTS	Directly Observed Treatment, Short Course
GFATM	Global Fund to Fight AIDS, TB and Malaria
ICTTFI	Iloilo City TB Task Force Federation, Inc.
IEC	Information, Education and Communication
INGO	International Non-Governmental Organization
LGU	Local Governmental Unit
NGO	Non-Governmental Organization
NTP	National Tuberculosis Society, Inc.
SEC	Security and Exchange Commission
SMT	Social Mobilization on Tuberculosis
TB	Tuberculosis
WVDFI	World Vision Development Foundation, Inc.
WHO	World Health Organization
USAID	United States Agency for International Development

#### Type of transition

SMT is an example of a programmatic transition, whereby World Vision contributed to the creation of a Filipino umbrella entity called Iloilo City TB Taskforce Federation, Inc. Despite facing challenges when funding came to an end, the Federation successfully lobbied for a policy shift that led to direct government support, allowing their work to continue.

## Introduction

This report documents the handover of World Vision's Social Mobilization on Tuberculosis (SMT) project (2005–11) in Iloilo City, Philippines, positioning the case study within the Philippines' broader civil society and international aid context. The report looks beyond technical aspects to consider how partnerships between international and local actors evolve during transition processes.

The report draws on a number of conversations, interviews, and focus group discussions conducted in Iloilo City and Manila over three weeks in April 2018. Two members of the Stopping As Success team spoke with 56 local and international aid actors in one-to-one interviews and focus group discussions, which were held with community volunteers in project sites around Iloilo City. In addition, relevant documents were analyzed, including World Vision's SMT evaluation reports and key policy documents.

A separate learning exchange on locally led development and partnerships was held with 20 aid actors from INGOs, donor agencies, academia, youth organizations, social movements, and volunteer organizations. This provided space for participants to critically discuss aid effectiveness and share their experiences of working with international actors.<sup>152</sup>

## Context

The Philippines is an archipelago composed of some 7,641 islands and is currently home to a population of 100.9 million. Although the World Bank classifies the Philippines as a lower middle-income country, according to the country's National Economic and Development Agency<sup>153</sup> and the European Union,<sup>154</sup> the country is on track to become an

<sup>152</sup> Ahmed, F. 2018. "Perspectives on Aid from the Philippines." Peace Direct. Accessible via <https://bit.ly/33eXJbK>

<sup>153</sup> Dela Paz, C. 2018. "PH can Become Upper Middle-income Country by 2019 – NEDA." Rappler. Accessible via <https://bit.ly/2UXoKvV>

<sup>154</sup> The Philippine Star. 2016. "Philippines on track toward upper mid-income status, says EU." *The Philippine Star*. Accessible via <https://bit.ly/3nQTKKg>

upper middle-income country by 2020. More recently, several analysts have stated that the Philippines is one of the fastest growing economies in Southeast Asia.<sup>155</sup>

The country has a diverse civil society landscape, with most organizations falling under two main umbrellas: non-governmental organizations (NGOs) or people's organizations. People's organizations are typically community groups made up of marginalized individuals advocating for civil and political rights. NGOs, which may be local, national, or international (INGOs), are intermediate agencies and institutions.

The Philippines is recognized as having one of the most vibrant and dynamic civil societies in the world,<sup>156</sup> which can be traced back to the People Power Revolution of 1986. The proclamation of martial law in 1972, under the dictatorship of Ferdinand Marcos, led to many development workers and civil society advocates being imprisoned.<sup>157</sup> Despite this, civil society activism strengthened over time, playing a significant role in toppling the Marcos regime. When Corazon Aquino took over the presidency after the 1986 revolution, the number of CSOs in the country grew exponentially.

Since the mid-1980s, civil society has benefited from state legislation that is highly supportive of their activities.<sup>158</sup> State permission is not required to establish an organization and there are very few controls on foreign funding. The landmark Local Government Code of 1991 paved the way for stronger partnerships between civil society and government, which can be observed at the national, provincial, and local levels.

The presence of INGOs in the Philippines can be traced back to the Spanish colonial period beginning in the 16th century, when religious orders brought with them welfare institutions such as orphanages, asylums, and parochial schools, many of which persist to this day. Later, during the era of American intervention in early 20th century, NGOs such as the American Red Cross and American Tuberculosis Society established local branches in the country. Today, many of the key INGOs and networks are based in the Philippines and headed by Filipinos.<sup>159</sup>

Foreign aid is channeled into the Philippines in a variety of different ways. In 2017, total overseas development assistance amounted to US\$14.77 billion, which consisted of US\$12.30 billion in loans and US\$2.47 billion in grants, a slight decrease from 2016. Japan and the US are the largest bilateral donors, the former providing 45 percent of loans and

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<sup>155</sup> O. de Vera, B. 2018. "PH to Remain Fastest-growing Economy in Asean — World Bank." The Philippine Daily Inquirer. Accessible via <https://bit.ly/2HBVGHc>

<sup>156</sup> Aldaba, F., Atenaza, P., Valderrama, M. and Fowler, A. 2000. "NGO Strategies Beyond Aid: Perspectives from Central and South America and the Philippines." *Third World Quarterly*, 21(4): 669–83.

<sup>157</sup> Amnesty International. 1976. "Report of an Amnesty International Mission to The Republic of the Philippines, 22 November – 5 December 1975." *Amnesty International Publications*. p. 33

<sup>158</sup> For instance, the Philippine Constitution of 1987 recognizes the role and rights of NGOs and peoples organizations in the country (see Article II, Section 23; Article XIII, Section 5; and Section 6).

<sup>159</sup> Asian Development Bank. 2013. "Civil Society Briefs: Philippines." Available via: <https://bit.ly/3735tyJ>

the latter 40 percent of grants. Infrastructure development projects accounted for 56 percent of loans, with 36 percent of grants going toward social reform and community development projects.<sup>160</sup>

A large portion of foreign aid is given directly to local groups, with, for instance, 98.5 percent of the estimated PHP15 billion (US\$289 million) received for relief and rehabilitation following Typhoon Yolanda in 2013 going to Filipino organizations.<sup>161</sup> The Typhoon Yolanda humanitarian response sparked conversations around accountability and corruption both within the Philippines and internationally.<sup>162</sup> In our interviews, many local NGOs described a lack of coordination in the humanitarian response, which led to aid being distributed unequally.

## Dependence on foreign aid and its implications for exits and transitions

The vast majority of local and national NGOs in the Philippines continue to rely on foreign aid. According to informal estimates, in many cases NGOs source 50– 95 percent of their annual budgets from international funders.<sup>163</sup> Most of our interviewees stressed the need for better coordination between INGOs and the state, including closer collaboration with local government units (LGUs), which are sometimes left to implement projects that did not include their input at the planning stage.

In Iloilo City, the research team found that aid is often structured around short-term projects, with some as short as three months. Very few donors are willing to make long-term commitments and extensions of funds are often dependent on fulfilling strict and complex regulations. Thus, raising funds locally continues to be a challenge for many Filipino NGOs.<sup>164</sup>

Insecurity surrounding funding sources creates anxiety among local NGOs, driving them to appeal to funding agencies outside the country.<sup>165</sup> Two interviewees spoke about how NGOs tend to strategically prioritize the development sector’s “flavor of the month” in order to ensure continued funding, rather than finding ways to sustain themselves without recourse to foreign funding.

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<sup>160</sup> Figures taken from: National Economic Development Agency (NEDA), 2017. “ODA Portfolio Review 2016.” Available via: <https://bit.ly/3q2os5g>

<sup>161</sup> Serafica, R. 2014. “Who Will Audit Yolanda Donations Sent Via Private Sector?” *Rappler*. Accessible via: <https://bit.ly/3fAdQp9>

<sup>162</sup> For instance, there was the Pork Barrel Scam, whereby policy-makers apportioned development funds to bogus NGOs, only for the money to find its way into their pockets. Sabillo, K.A. 2013. “COA Presents 8 Dubious NGOs Linked to Naples,” *Philippine Daily Inquirer*. Accessible via: <https://bit.ly/3m44fcN>

<sup>163</sup> Aldaba, F., Atenaza, P., Valderrama, M. and Fowler, A. 2000. “NGO Strategies Beyond Aid: Perspectives from Central and South America and the Philippines.” *Third World Quarterly*, 21(4): 669–83.

<sup>164</sup> Ibid

<sup>165</sup> Asian Development Bank. 2013. “Civil Society Briefs: Philippines.” Available via: <https://bit.ly/3735tyJ>

These challenges form part of a wider national debate around aid exits and transitions. The Philippines' current president, Rodrigo Duterte, has been a vocal critic of foreign aid,<sup>166</sup> especially when it is accompanied by the political agenda of a specific donor.<sup>167</sup> His narratives have brought to the surface debates among local and international aid actors on whether the Philippines should receive foreign aid at all.

## Localization agenda in the Philippines

There has been wide recognition within the international aid sector of the importance of working with pre-existing local capacity.<sup>168</sup> The Philippines is one of the sites host to a series of localization projects co-implemented by the START Network – a global consortium of 42 INGOs founded in 2010 that aims to make the humanitarian aid system more responsive, innovative, and effective.<sup>169</sup> These projects fall under the three-year Disasters and Emergencies Preparedness Programme (DEPP),<sup>170</sup> funded by UK Aid.

“Financial Enablers” and “Transforming Surge Capacity” were two such projects implemented in the Philippines. The Financial Enablers project focused on supporting the autonomy of local NGOs closest to those affected by crises in making decisions related to humanitarian aid. To do this, the project helped develop national partnerships and “... provided flexible grants for those partnerships to decide what capacity development to invest in.”<sup>171</sup> The Transforming Surge Capacity project, meanwhile, aims through collaboration to improve the effectiveness of surge capacity<sup>172</sup> across the Philippines’ humanitarian sector.<sup>173</sup> Over three years, its components included networking, providing platforms for collaboration, and capacity development. One of our interviewees described the initiative as “... building a pool of humanitarian professionals from the local context.” In the Philippines, there was a decision to shift power to a national NGO network rather than work through an INGO.<sup>174</sup>

<sup>166</sup> See: Ranada, P. 2016. “Duterte to EU, US: Withdraw Aid, We Will survive.” *Rappler*. Accessible via: <https://bit.ly/3kX6GfO>

<sup>167</sup> See, for instance, the analysis of: Purushothaman, C. 2017. “Why Is the Philippines Turning Away Foreign Aid?” *The Diplomat*. Accessible via: <https://bit.ly/3q2pEWi>

<sup>168</sup> David Jones, in his blog, explores the notion of localization as the “future,” see: Jones, D. 2017. “Unlocking Localisation.” *Start Network*. Accessible via: <https://bit.ly/3o6BCwJ>. The START Network has also released a 2017 report on the localization agenda: Patel S. and Van Brabant, K. 2017. “The Start Fund, Start Network and Localisation: Current Situation and Future Directions.” *Start Network*. Accessible via: <https://bit.ly/3o6BNaX>

<sup>169</sup> Start Network. “A History.” Accessible via: <https://bit.ly/362tWol>

<sup>170</sup> Start Network. “Disasters & Emergencies Preparedness Programme. Accessible via: <https://bit.ly/3m4AM2f>

<sup>171</sup> Start Network. “Financial Enablers.” Accessible via: <https://bit.ly/3fAfN4X>

<sup>172</sup> According to their project website: “Surge capacity measures how quickly and effectively this surge of temporary aid can be brought to a disaster zone, and how smoothly it can be scaled down again afterwards.” See: Start Network. “About the Project.” Accessible via: <https://bit.ly/39quoID>

<sup>173</sup> See this one-page summary of the project: Start Network. “Transforming Surge Capacity.” Accessible via: <https://bit.ly/2UVAmzk>

<sup>174</sup> Start Network. 2017. “Localisation of Aid: Are INGOs Walking the Talk?”. Accessible via: <https://bit.ly/39htwMX>

These initiatives show that while there have been challenges in working with international actors, there are initiatives that recognize and support locally led development. As such, the Philippines presents a fascinating opportunity to gain a more nuanced and process-based understanding of what exists and transitions look like on the ground.

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## World Vision® International: history in the Philippines

World Vision started working in the Philippines in 1957, just seven years after it was founded.<sup>175</sup> In the first two decades, its work focused on service provision, including activities such as running orphanages, prison ministry (work with incarcerated people), food relief, health assistance, and donating musical instruments and books to children.

In 1976, World Vision's approach to development took a different turn with the launch of the Development Assisting Center (DAC). Unlike their earlier development approaches, the DAC was envisaged as being “community-based,” focusing on empowering poor families to “manage their development.” In 1987, when World Vision closed its offices in the Philippines for two years, the management of pre-existing projects was passed to their Asia Regional Office, with local community volunteers continuing to support implementation.

In 1989, World Vision re-opened in the Philippines, appointing a Filipino as executive director for the first time. A greater focus was put on strengthening service provision and empowering local communities. In 1990, World Vision piloted the Provincial Development Approach, which focused on networking, capacity building, and partnerships with stakeholders. Its goal was strengthening capacity at the provincial level.

In 1995, World Vision's country office in the Philippines devolved into a separate legal entity known as World Vision Development Foundation, Inc. (WVDFI).<sup>176</sup> According to interviews with WVDFI staff members in Manila, by becoming an officially recognized local NGO, WVDFI was able to gain a certain degree of independence from international management. They continue to work in partnership with World Vision International but have certain privileges, such as the right to raise funds in-country, something an INGO is not legally allowed to do. Being able to appeal to both international and national donors was a particular advantage for World Vision Philippines, as they were able to access to a diverse range of funding sources.

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<sup>175</sup> World Vision Philippines. “2018 Annual Report.” Accessible via: <https://bit.ly/2JbTUN7>. An interactive timeline of World Vision's history in the Philippines can be accessed here: [www.worldvision.org.ph/about-us/](http://www.worldvision.org.ph/about-us/)

<sup>176</sup> Reports and interviewees use WVDFI and World Vision Philippines interchangeably, with both terms referring to the same entity. For consistency, we will use World Vision Philippines in this report.

As a legally recognized national institution, World Vision Philippines has its own board of trustees. The board prioritizes the development needs of the country, while keeping in mind the general mission and goals of World Vision International. One interviewee shared that the devolution allowed World Vision Philippines to venture into other projects relevant to the local context, such as child sponsorship programs. World Vision Philippines' activities now fall under the areas of education, economic development, health and nutrition, disaster risk reduction and management, and child protection. World Vision Philippines also manages "special projects," which are non-sponsorship projects funded by various agencies (such as USAID, the US Department of Labor, and the Global Fund) instead of "support offices."<sup>177</sup> One such project was the SMT project, the focus of this case study.

In 2017, World Vision Philippines celebrated its sixtieth year in the country. Between 2014 and 2017, 2.7 million children were impacted by World Vision's programs and advocacy activities, while today the organization has 38 program areas in operation across the country, including in Iloilo.<sup>178</sup> World Vision Philippines' work in Iloilo started almost twenty years ago, with the continuation of its programs there made possible by funding from World Vision Canada. However, this funding is likely to come to an end in the next couple of years, with staff members at the Iloilo office currently preparing partners and communities for the possible closure of the area program. Activities conducted in preparation have included training community leaders, strengthening partnerships with local institutions, and mapping local resources.

## **World Vision's social mobilization on tuberculosis (SMT) project**

In 2003, World Vision Philippines launched its SMT project, a nationwide initiative focused on community mobilization, tied to the government's National Tuberculosis Program (NTP). Launched in 1987, the NTP is the country's overarching strategy for the prevention, management, and treatment of tuberculosis (TB). It is put into practice by 17 regional offices and involves INGOs, such as World Vision, as implementing partners. The project was funded by the Global Fund to Fight AIDS, TB and Malaria (GFATM).

TB is a highly contagious airborne disease that is more prevalent in densely populated areas and poor, urban communities, and has been a major health problem in the Philippines in recent years, with a reported 38 Filipinos dying as a result of it every day.<sup>179</sup>

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<sup>177</sup> Located in 20 countries, "Fundraising/Support Offices" are focused primarily on raising funds and securing grants to support the work of other World Vision offices/program areas. See: World Vision, 2020. "World Vision Fundraising/Support Offices." Accessible via: <https://bit.ly/2Jarrp>

<sup>178</sup> World Vision Philippines. 2017. "2017 Annual Report." Accessible via: <https://bit.ly/3pZetzb>

<sup>179</sup> International Committee of the Red Cross (ICRC). 2017. "Philippines Unite to End Tuberculosis." Accessible via: <https://bit.ly/362ISEn>

This makes the disease the sixth leading cause of death in the country,<sup>180</sup> and, according to the 2017 Global Tuberculosis Report, Philippines ranks fourth for TB globally.<sup>181</sup> TB is highly stigmatized in the Philippines, which is as a result, as our some of our interviewees suggested, of a lack of understanding of the disease and its treatment. This stigma impacts patients' willingness to access TB testing and treatment, despite it being a preventable and treatable disease.

In an official commendation in 2007, the Philippines Senate declared World Vision a "... major stakeholder in the fight against TB." World Vision's work on TB dates back to 1998 and the Kusog Baga (Healthy Lungs) tuberculosis program, then funded by the Canadian International Development Agency (CIDA). Kusog Baga focused on the technical training of health care workers – mostly nurses and doctors – and, according to a country report by CIDA in 2004, the project led to the TB cure rate rising to 87 percent and failure rates dropping to 1 percent in nine provinces. One of the program officers shared that by the time Kusog Baga ended in 2004, technical capacity had been significantly strengthened

According to many of our interviewees, SMT builds on the accomplishments of the Kusog Baga program, shifting the focus from technical training to community mobilization and relocating its efforts from rural areas to urban communities.

## The role of TB task forces and volunteers

At the heart of the SMT project are the TB task forces, which are organized groups of barangay health workers (BHW), council officials, volunteers, and former TB patients. A barangay is the smallest administrative structure in the Philippines, and many of these groups were already volunteering in local health programs long before their participation in SMT. When the Local Government Code of 1991 led to a decentralized health system, BHWs, composed mostly of female volunteers, were instrumental in the delivery of health services, including TB programs.

The SMT project placed TB task forces at the forefront of local TB advocacy, communication, and social mobilization. Broadly speaking, they do this in three ways:

1. Volunteers conduct health education classes and house-to-house awareness campaigns to raise community members' awareness about TB. Given TB is highly stigmatized, the aim is to demystify strongly held misconceptions and encourage potential clients to attend health teachings, report symptoms, get tested, and seek treatment. As noted by one TB task force leader: "Before, even though we already knew that someone had symptoms of TB, it took us so much time

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<sup>180</sup> World Health Organization (WHO). "Tuberculosis, Major Health Problem in the Philippines."

<sup>181</sup> World Health Organization (WHO). 2017. "Global Tuberculosis Report 2017." Accessible via: <https://bit.ly/3l3BpaU>

and effort to reach them. They are embarrassed about their disease. However, because of our persistent health teaching, we feel that we have somehow broken that stigma, and they are now able to seek help from us.” A TB task force volunteer explained the approach: “We were trained to be strategic so people attend our health classes. When we conducted a health class with a group of pedicab drivers, there was less resistance because they were coming into our classes as friends and colleagues. We also conducted bench conferences where we gather mothers and young people in benches or under a tree to talk about TB.”

2. Volunteers accompany community members to health clinics for check-ups and examinations, with the SMT project providing transportation and food expenses. Volunteers stated that this practice helped increase their TB detection rate, as potential patients were unlikely to get tested alone. According to a City health officer: “The patients have stigma, and some are scared … they don’t go to health centers. That’s why there is a massive educational campaign and support. And the volunteers are the ones doing campaigning and bringing the patients to health centers.”
3. Volunteers serve as treatment partners under an approach known as “directly observed treatment, short course” (DOTS). DOTS requires a treatment partner to directly observe that a patient takes their medication, in order to “… ensure that the drugs are taken in the right combinations and for the appropriate duration.”<sup>182</sup> A former TB patient found this approach to be effective: “The TB task force come to my house every day and always remind me to take my medications. Without them, I probably would not be able to take my medication correctly, and I wouldn’t get better.”

Between 2003 and 2013, World Vision trained 538 TB task forces across 29 cities in the Philippines.<sup>183</sup> In the same ten-year period, the task forces identified over 16,000 TB patients, with around 12,000 of these directly supervised by a volunteer. The TB task forces also launched an awareness campaign, which reached over 295,000 households via house-to-house visits, and more than 18,000 people through health classes.

As a national project, SMT’s overall direction and strategy were envisaged as being uniform across all project cities. However, implementation was tailored to the particular context, as was the case in Iloilo City – the project site this report is based on.

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<sup>182</sup> World Health Organization (WHO). 1999. “What is DOTS? A Guide to Understanding the WHO-recommended TB Control Strategy Known as DOTS.” p. 15. Accessible via: <https://bit.ly/2HBiDu4>

<sup>183</sup> World Vision Development Foundation, Inc. 2013. “10 Years, 10 Lessons: Social Mobilization on Tuberculosis Project August 2003–December 2013.”

## **Setting up SMT in Iloilo city**

SMT in Iloilo City – a highly urbanized city in the Western Visayas region – was implemented in 2005. It began with 4 pilot sites within the city, later expanding to 28 in 2011 when World Vision handed over the SMT project. Iloilo City has 180 barangays and, according to the Department of Health, a population of almost 465,000. In 2016, over 3,100 individuals were tested for TB in Iloilo City, with just under 16 percent of those tested diagnosed as positive. At the same time, the case detection rate<sup>184</sup> increased to 70.20 percent from 46 percent in 2015. However, it is unclear if this progress can be attributed directly to World Vision's SMT program.

Many interviewees noted that Iloilo City government's commitment to fighting TB predated World Vision's SMT project, with the City Health Office long recognized as a top-performing institution in the implementation of the TB DOTS program. As one city health officer reported: "My program before SMT was already doing well. We were already awarded by the World Health Organization and the Department of Health because we already surpassed the CDR and cure rate targets at the national level."

Programs and structures for responding to TB had already been set up by the local government body, with significant results, meaning SMT complemented pre-existing efforts as opposed to creating entirely new structures. Nonetheless, it is worth noting that the city's TB program city faced challenges in terms of limited human resources, funding, and technical expertise. The dominant view from interviewees was that World Vision enhanced and supported preexisting practices by trying to fill some of the previous system's gaps.

World Vision has a long history in Iloilo City, working on both child sponsorship and health programs. Many of the development actors we interviewed, especially those in the health sector, spoke highly of World Vision's work on TB. This work dated back to the Kusog Baga project, many program officers for which continued to work for SMT. As such, the relationships between World Vision, the Iloilo City government, and local CSOs have roots in the late 1980s. As a former Kusog Baga and then SMT program officer reported: "The Local Government Unit and the Department of Health are familiar with World Vision because of the successful implementation of the Kusog Baga project. So, when the SMT project was implemented, it was very welcomed. World Vision has a good reputation since the previous project."

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<sup>184</sup> According to WHO, case detection rate is "... calculated as the number of cases notified divided by the number of cases estimated for that year, expressed as a percentage."

World Vision originally secured a partnership with the Iloilo City government through the City Health Office and the office of the city councilor in charge of health. Figure 1 shows the various government institutions and actors World Vision partnered with for the SMT implementation. After securing formal partnerships with the local government unit, World Vision proceeded to get in touch with the heads of barangay councils, known as “captains.” World Vision secured the captains’ buy-in by outlining the support it would provide, as well as the support it would request from the council. As a TB task force volunteer reported: “We did not have any doubts about World Vision’s intention because they had a courtesy call with our barangay captains and barangay officials – especially the councilor on health. That was important.”

**Table 1: Institutions and individuals involved in the delivery of SMT**

Levels	Structures/Government Bodies	Individuals
National level	National Government Department of Health	
City level	City government Iloilo City Health Office TB Task Force Federation	City Mayor City councillor in charge of the Committee on Health, Sanitation and Hospital Services TB Task Force Federation officers and members
Barangay level	Barangay Council Barangay Health Centers TB Task Force	Barangay Captain Barangay Councillor in charge of health Barangay health workers 17 volunteers as treatment partners and community educators

World Vision then partnered with the preexisting barangay health volunteers to form TB task forces, each consisting of about 17 members. In some barangays, the recruitment process was straightforward, as health volunteers played an active role in the community. However, World Vision was met with suspicion by some other barangays, with a TB task force volunteer and barangay councilor describing the initial response as follows: “When we started, most people were not committed. Many were suspicious of the work. Why should they participate in an activity where they won’t gain anything? So, World Vision suggested that we mobilize barangay health workers and local volunteers. Because they have been serving the barangay for a long time, it was easy to recruit them.”

World Vision delivered a range of training programs in the process of setting up the task forces. While many volunteers were already involved in advocating for a better response to TB, capacity development was still vital to provide volunteers with the technical

competence necessary to deliver treatment and health classes.<sup>185</sup> As community educators, it was essential that they understand disease progression, transmission, and treatment.

World Vision also provided IEC (information, education, and communication) materials such as flyers, flipcharts, newsletters, and information sheets, as well as food and transportation allowances to support volunteers' health training and community education classes. It also introduced various incentives, with, for example, TB task forces that performed particularly well rewarded with television sets for their offices and grocery packages. Volunteers were also given uniforms, which many interviewees felt gave them a sense of a shared identity.

The interviewees felt the provisions offered to the taskforces were important in mobilizing volunteers to keep up the momentum, thereby contributing to increased success in identifying and treating TB patients. Many interviewees shared how such provisions streamlined the operations of TB task forces and made them "more organized." Moreover, the training given to volunteers boosted their confidence, ensuring they felt well-equipped to explain the symptoms and treatment of TB to others. This was particularly significant to volunteers who had no formal schooling, who told us the training made them feel on a par with their "educated" peers.

The project's "exit," however, meant that many of these provisions were cut. This impacted both the working dynamics of the local volunteers, as well presenting challenges for multiple relationships involving the communities, barangay councilors, taskforces, and the local government.

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## Mapping the transition

### Transition triggers

The SMT program in Iloilo City came to an end in 2011, with interviewees citing two main reasons: funding and satisfactory performance.

For some, it was clear the project's lifespan was dependent on the funder's commitment of five years – a common situation for World Vision when it comes to special non-sponsor projects such as SMT. Also, the funding from GFATM came via a primary recipient: first the Tropical Disease Foundation (TDF)<sup>186</sup> and later the Philippines Business for

<sup>185</sup> World Vision Development Foundation, Inc. 2013. "10 Years, 10 Lessons: Social Mobilization on Tuberculosis Project August 2003–December 2013," p. 17.

<sup>186</sup> Founded in 1984, TDF is a private, non-stock, non-profit organisation in the Philippines that "... seeks to control and prevent the spread of infectious diseases with public significance through research, training, and the provision of timely and relevant service." TDF, "About Tropical Disease Foundation (TDF)." Accessible via: <https://bit.ly/33f34Qk>

Social Progress (PBSB).<sup>187</sup> As a sub-recipient, it was difficult for World Vision to request a funding extension. A former SMT program officer elaborated: “The project ended because the funding ended. The commitment was only for five years. We were working for an extension, but World Vision was only the sub-recipient, so we are just following whatever it was that was submitted by the primary recipient.”

Although funding extensions did come, it was not enough to allow all the country’s SMT projects to continue implementing further phases. There was some confusion about whether Iloilo City’s SMT program would be one of the programs benefiting from the funding extension. As a city health officer described the situation: “When the project was ending, we lobbied for an extension. It was not approved because we have been doing well so they would transfer the project to an area that is not doing well. I thought when you are doing well; you should be incentivized and supported. However, the opposite happened: we were doing well, so the support ended.”

Another dominant narrative from our interviews was that good performance was also a trigger for the exit. A former program officer, for instance, said the exit was appropriate because “... referrals were booming” and “... the cure rate passed the target.” One of the local volunteers, meanwhile, shared that “... the reason [for the exit], they told us, was that we could already stand on our own two feet.” Thus, it seems that stopping was regarded, to a certain extent, as a sign of success by World Vision.

## Communicating the exit

We heard conflicting opinions on World Vision’s effectiveness in communicating the exit. Many interviewees shared that they were only informed of, but not consulted on, the exit decision. Some volunteers said that World Vision met with every barangay task force in early 2011 to inform them the project was folding up. It was only during this meeting that they learned of the exit, and some were surprised by the decision. Other volunteers noted it had always been clear that the project would end in 2011, with one pointing out that their mission and vision statements indicated 2011 as the project’s final year.

There was some uncertainty around management and funding. Volunteers were especially concerned about the continuity of logistical support that World Vision had been providing, and that the volunteers had “gotten used to.” The uncertainty triggered many questions, such as what would happen to the task forces; who would fund the project; and who will oversee the task force operations. These reflected a broader uncertainty on the future of the SMT project. As one TB Task Force Federation leader reported: “We felt sad. We were given financial support in most things like meetings,

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<sup>187</sup> Established in 1970, PBSP is “... the largest business-led social development NGO at the forefront of corporate citizenship that contributes to sustainable development and poverty reduction.” PBSP, “We Are United to End Poverty!” Accessible via: <https://bit.ly/39eQu7s>

community health classes – we felt like we were taken-cared of. Most of these were discontinued.” Another interviewee commented that: “At the start, we felt like we were not ready. We lobbied that they [World Vision] continue working with us, but that did not happen. We did not have much choice but to walk on our own two feet.”

Interviewees also expressed an expectation that the government would continue funding and managing the SMT project. The transfer of responsibilities to the local government unit was significant to key actors, given the government’s limited resources. As a city health officer reported: “When it comes to the budget, the local government unit has this much money only [gestures ‘small’ using his hands]. There’s always a money matter. [The exit] has to be slow so the local government unit could prepare. We couldn’t prepare that time – we thought all the while that it would expand and continue. However, when it ended suddenly, I panicked and had to think quickly about what I can do.”

As with other exits and transitions observed in the Philippines, we saw minimal consensus as to when various actors believed the exit was going to happen. We also found that decision-making related to the exit occurred at the national level. However, despite gaps in communicating the exit process, local actors were increasingly involved in the process, and ultimately this influenced the sustainability of the program.

## **Creating a local entity: the Iloilo city TB task force federation, Inc.**

By 2011, World Vision had organized 28 active barangay-based TB task forces, which were federalized before the exit to form an umbrella entity called the Iloilo City TB Task Force Federation, Inc. (ICTTFI, or referred to here as “the Federation”). This meant forming an overarching body to oversee the various sub-groups. According to World Vision, bringing the task forces together into one entity “... amplifies their voice in their NTP advocacy efforts.” Although the exit decision may not have been directly communicated to local entities, preparing for the exit actively involved local actors, such as the Federation. More importantly, volunteers claimed that the Federation, to a certain extent, took over the role once occupied by World Vision. As one former SMT program officer described it: “We [World Vision] focused on the sustainability of the TB task force because we have seen their positive contribution to the TB program. Much of the efforts during the exit concentrated on how they can be sustained.”

The Federation is made up of representatives nominated by each barangay task force. From this pool, an election is conducted to determine the set of representatives. All Federation officers are unpaid. The Federation in Iloilo City is officially registered at the Security and Exchange Commission (SEC), meaning it is a legally recognized entity that can engage in formal partnerships. Many TB task force volunteers expressed that

the Federation served as their voice when advocating to city government and other stakeholders: “Being federated gave us confidence in communicating with the city government. Just like when World Vision was still with us, we felt like we can go to the city if we have any concerns. Without the Federation, who will we – as barangay TB task forces – go to?”

In Iloilo City, the Federation sits in committee and cross-sectoral meetings with the Department of Health and other local government unit departments, and is also part of the City Health Office’s TB service delivery network. In addition, the Federation works closely with other NGOs and CSOs in the sector. For instance, it conducts several partnership events with the Philippine Tuberculosis Society, Inc. (PTSI), which is the country’s largest private national NGO, as well as being the longest serving medical institution engaged in the detection, control, and treatment of TB. The Federation’s office is based in the PTSI building in Iloilo City. Its rent and utility bills are waived – an agreement, according to one of the Federation’s leaders, facilitated by World Vision before its transition.

Interviewees also shared that the Federation bolstered the group’s management and organizing capacity, leading to more streamlined operations. Since World Vision’s transition, the Federation has served as the overseeing body of all the barangay TB task forces. One TB task force volunteer reported: “We have regular meetings and group sharing, and that’s where we engage in dialogue among each other on how to best deal with certain issues we were facing on the ground.” Another volunteer said: “As the youngest task force organized by World Vision, it was difficult for us to connect with other, older task forces. The Federation was instrumental in creating connections between us.”

The Federation spearheads a number of income generating activities, including fun runs, raffles, community bingo, and sports tournaments. It also supervises record management and reporting systems, generating grassroots and up-to-date statistics that are then fed into the city’s database. As a Federation officer outlines: “On a daily basis, we compile reports, we continue doing house-to-house visits and then we plan for huge events like the World TB day. We already have a system in place and people in charge of the different reporting. This reporting and documentation are critical because they are proof that we are doing our work.”

Eight years after the transition, the Federation has become an active and crucial actor in the city’s health sector. As a result of its contribution to patient referrals and treatment, it is highly thought of by the various actors we spoke to.

While a number of factors may have influenced the Federation’s journey from fragmented grassroots volunteer groups to essential player in the city’s TB advocacy, our interviews

suggest that World Vision employed several strategies to “prepare” the task forces for this evolution. These strategies went beyond concretizing partnerships and SEC registration to focus on organizational learning and development.

## **Social and organizational preparation: thinking about transition from the start**

World Vision officers and staff we spoke with reported that “thinking with the end in mind” underpinned the organization’s transition strategy. Preparing communities and partners for the transition was embedded in a number of activities, even during the implementation phase.

One such activity was strengthening the technical competence that the task forces and Federation had already managed to achieve. For World Vision, this “... enhanced their capacity to manage their group even without GFATM and World Vision support.”<sup>188</sup> As a TB task force volunteer put it: “It was good that before World Vision left us, we were built as a team. We were trained in how to work together – we had loads of capacity development, leadership training, team-building activities.”

Under the organizational development program, World Vision helped task forces define their organizational structure, as well as formulate their vision, mission, and goals. It also conducted training on financial, strategic, and operational management, as well as training Federation leaders in filling out necessary government forms, record management, and referrals. All of these were essential responsibilities that the task forces and Federation needed to master as they “took over” the management role previously fulfilled by World Vision. Conversations with interviewees made clear these capacity development efforts were found to be valuable. In Iloilo City, such efforts included teambuilding activities, as well as psychology and emotional support. One former SMT program officer said: “We included values formation training. We invited a pastor to bring out the values in us. Our trainees felt empowered – like they have a responsibility because they are part of a community.” Meanwhile, a TB task force volunteer stressed that “... the support was not only financially but also emotionally ... they often conduct team building sessions with so it would enhance our relationship with each other not only with volunteers in our barangay but also with those from other barangays.”

Structured team-building activities strengthened relationships between volunteers and World Vision staff, which were founded on respect and recognition of each other’s capacities. This was further facilitated by the fact that all World Vision staff working on the project were themselves from Iloilo City. Volunteers we interviewed shared that they

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<sup>188</sup> World Vision Development Foundation, Inc., 2013. “10 Years, 10 Lessons: Social Mobilization on Tuberculosis Project August 2003–December 2013.

could relate with the World Vision staff, and that their concerns were well understood. The relationship between program staff and volunteers remained even after the project, with the former readily accepting invitations to be trainers and resource persons. They also continue to communicate informally, updating each other of news and developments.

## **Resource mapping and seed funding**

World Vision facilitated resource mapping exercises with the Federation. Central to this was identifying key individuals and institutions with whom potential partnerships could be facilitated – if needed, with the help of World Vision. As a World Vision staff member described it: “One of the sessions for social preparation was to gather community volunteers and leaders to identify their needs and then agencies that could support them. We ask them to think about the partners they need, and then World Vision will facilitate these linkages.” A Federation leader expressed their appreciation for such efforts: “Before they [World Vision] left us, I felt that they put us in place by helping us network with other institutions. Linking us to people who can support us even when they were about to leave was helpful.”

Strategies for attaining financial sustainability also became part of World Vision’s exit activities, with all task forces trained in a CoMSCA (Community Managed Savings and Credit Association) scheme, whereby interested members contribute toward a common fund. In turn, members can borrow money (based on a pre-determined amount), while paying a minimal service charge and interest rate. The “profit” is then distributed equally among members after a certain period. Unfortunately, except in the cases of seven or eight task forces, the CoMSCA schemes have not been maintained.

World Vision also donated P75,000 (approx. US\$1,300) to start the fund. Instead of giving the funds directly to the Federation’s management, however, World Vision decided to put the money in a microfinance program. According to Federation leaders, they planned to use the money to collectively start a business, thereby generating a steady stream of income and enabling financial independence. Unfortunately, the microcredit company mismanaged the fund, resulting in it no longer being available for the organization to use. When asked what aspect of the transition World Vision could have done better, many cited that the seed money should have been given directly to the Federation rather than a third-party microfinance organization.

## **Looking forward: institutionalizing government support through policy**

World Vision became a key advocate lobbying for legislation at the national and local level, with policy and structural support a component in the SMT's national strategy. By 2013, at least five TB ordinances were passed in the Philippines, including one in Iloilo City. Other contextual factors contributed to these policy-level shifts, including the fact that TB was already a priority area for the Department of Health.

On 13 July 2011, the same year that SMT ceased operations, the Iloilo City council passed Regulation Ordinance No. 2011-572, which created the Iloilo City Local Tuberculosis Council. The TB council is under the supervision of the local chief executive, with the mayor sitting as chairman, and the councilor in charge of the Committee on Health, Sanitation, and Hospital Services sitting as vice-chairman. The council aims to be truly cross-sectoral, incorporating members from the City Health Office, Department of Education, youth council, and NGOs. Both World Vision and PTSI are named in the ordinance as NGO members, while the Federation president also sits as a member of the council. The ordinance has a provision mandating an annual budget for the Federation's operations, currently set at P500,000 (approximately US\$8,500) per year.

At the heart of the ordinance is adopting the Advocacy, Community and Social Mobilization Approach – the foundation of the SMT project – in the overall TB prevention, management, and treatment strategy. In this regard, the ordinance recognizes that "... the Social Mobilization on tuberculosis [SMT] project with its volunteers, TB Health Workers in Iloilo has been proven to be an effective strategy in TB control." As such, the ordinance strengthens the integration of the Federation into a wider, cross-sectoral service delivery network.

The ordinance also mandated the formation of the Barangay Tuberculosis and Development Council, chaired by the barangay chairman and vice-chaired by the barangay councilor who heads the committee on health. The body includes barangay health workers and barangay task forces, among others, further localizing the initiative. Even before the city-wide ordinance was enacted, several barangay councils had already passed localized resolutions, such as providing their TB task force with a share of the barangay's development fund (which is about US\$85 per year).

The implementation of these ordinances, however, was not free of problems. The issue most commonly identified by interviewees was the lengthy time lag in funding being received. While the ordinance was enacted in 2011, interviewees reported that it was only around 2016 that funding was made available. Volunteers expressed that operating without funds was problematic, especially following the relatively steady funding stream

that had come from World Vision. However, many volunteers – most of whom also come from resource-poor backgrounds – continued working, spending their own money on house-to-house trips and accompanying clients to clinics. As one volunteer described it: “We need funding for mobility, for expansion and other strategies … when our patients go to the health clinic to follow up for their treatment and their medication, we are the ones spending for their transportation costs – that comes from our own pockets because the Federation does not cover that.” Meanwhile, a city health official acknowledged that “Before the city [government] was able to release the money – there is this two-year decision time – the task force continued their work. Most stayed and worked even without financial support. With World Vision, they had incentives, food, Christmas parties. However, with the government? Nothing for the first two years after [World Vision] exited.”

Although passing legislation was part of the overall SMT strategy, the successful enactment of the ordinance in Iloilo City was the result of a concerted effort among various actors, such as the Federation and the program’s allies in the City Health Office. Many interviewees said it was helpful that relationships between these actors had existed at the beginning of the project, with some working together since Kusog Baga (Healthy Lungs). This government–INGO relationship was founded on managed expectations, with a focus on clarity regarding which aspects of the program each institution was responsible for.

This long-standing relationship, according to many interviewees, allowed World Vision to identify and work with local champions, who were instrumental in providing leverage and support. Partnering with the local government unit, including the barangay councils, meant that World Vision was working with a familiar and – to many of the volunteers we spoke with – trustworthy vehicle. This has enhanced volunteers’ confidence regarding the program, as well as helping facilitate the successful lobbying for and enactment of the ordinance.

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## Key lessons

The transition story of World Vision’s SMT program presents several lessons for the wider international aid community that might be applied to other contexts. At the core of these lessons is the importance of building and strengthening the relationship with various stakeholders at different levels of the entire development network in the Philippines

**It is more effective to work with pre-existing structures than to create parallel ones.** World Vision showed the importance of tapping into the volunteer structures and values already in place in Filipino communities. The volunteers’ commitment throughout the

process helped sustain the project in many ways, especially during several bouts of funding gaps.

Due to the project contributing to an issue that was of concern both to the government and local communities, there was much enthusiasm about working with the project, and later adapting and institutionalizing several of its activities and approaches. Even so, World Vision did not introduce a program that was entirely unfamiliar to the people and institutions it worked with. Instead, they built upon, enhanced and supported activities that were already in place.

This has a particularly significant impact on sustainability. According to a development worker who participated in the Stopping As Success workshop, it is crucial that international groups to not build “parallel systems” alongside those already in place in partner communities. The key, she claims, is in systems strengthening and INGO-government partnerships.

**It is important to nurture partnerships and relationships at all institutional levels.** World Vision’s SMT program developed and nurtured linkages across all levels of government, as well as with various actors in the broader development ecosystem. Being a national program, SMT directly worked with and was integrated into the NTP implementation. In Iloilo City, World Vision worked closely with the city government and local CSOs. Moreover, at the heart of SMT was working with grassroots-level actors through barangay councils and local volunteers. It is these partnerships that seem to have facilitated the successful passing of local ordinances in Iloilo City and other project sites, institutionalizing support for the program’s future. This case presents an example of what an aid exit can potentially look like, and what types of relationship may be established, if the INGO regards local communities as “partners” rather than simply “beneficiaries” or “recipients.”

**Transition can be thought of as an ongoing process rather than an end goal.** World Vision engaged in various transition approaches, rather than having one overarching transition strategy or having a distinct, programmatic exit stage in the project implementation. Instead, many interviewees identified activities at various stages of the program life-cycle that, in retrospect, prepared communities and partners for the transition. The way World Vision “entered” (for example, partnering with local government and paying courtesy calls to local barangay captains) influenced the way it exited. Furthermore, the organizational development activities, relationship building, resource mapping, and finance mobilization undertaken by the groups all seem to have contributed to the empowerment of the Federation and the many task forces it oversees.

**National staff and champions within an international organization are important to driving local programs.** Many of the government officials and institutional leaders we spoke with – including World Vision staff – consider the organization to be an international entity. However, at the interface between World Vision and its local and national partners were staff members who came from the same locality and spoke the same language. Having national staff and champions at the frontline gave the impression that actors were working with a localized version of the global entity. According to program officers, this perception was beneficial, as there was a tendency for some local actors to think of INGOs as having significant amounts of money, which could have affected partnerships. Furthermore, many of those we spoke to cited how national staff understood their situations more, because they, too, were Filipinos. As one volunteer shared: “... they have the heart of a Filipino – they understand what it means to give to a fellow Filipino.” Interviewees also said that Filipino staff seemed to have had a better understanding of the nuances of how local government operates.



## Chapter 6

# CARE Morocco transition from CARE International, Morocco

By Salem Osseiran

### Acronyms

AIGA	Alternative Income Generation Activity
BFD	Bangladesh Forest Department
CMC	Co-Management Committee
CMO	Co-Management Organization
CPG	Community Patrolling Group
CODEC	Community Development Centre
DFO	District Forest Officer
ECA	Ecologically Critical Areas
INGO	International Non-Governmental Organization
IPAC	Integrated Protected Area Co-Management
IRG	International Resources Group
NACOM	Nature Conservation Management
NGO	Non-Governmental Organization
NSP	Nishorgo Support Project
PA	Protected Area
SAS	Stopping As Success
USAID	United States Agency for International Development
VCF	Village Conservation Forum

### Type of Transition

CARE Morocco's organizational evolution is an example of a transition from the local to the global. The transition entails a local association (which received financial support) gaining membership of an international confederation in order to increase its independence and financial autonomy, as well as to contribute to global objectives and strategy.

## Introduction

This is a case study of CARE Morocco's transition from local association founded by CARE France in 2007 to candidate for membership of CARE International's confederation in 2017. CARE Morocco has operated autonomously since its inception, with the impetus for applying for confederation membership coming from its Moroccan leadership. This report maps the extensive application process required to become a member of the international confederation, including a four-year transition period during which CARE Morocco received support from CARE International. Most importantly, the transition has enabled CARE Morocco to ensure the voice of its host country and the Global South more broadly features prominently in the work of the global confederation.

This report is based on a brief desk review and data collected through 13 key informant interviews with staff members based in Morocco and France, as well as civil society actors in Rabat and Casablanca.

## Context

With a population of approximately 34 million, Morocco stands on the western shoulder of North Africa, within sight of the south coast of Spain. Despite significant efforts to expand its productive sectors,<sup>189</sup> Morocco remains a largely agrarian economy and society. A significant proportion of Moroccan society falls below the poverty line,<sup>190</sup> with women and children constituting most of this group. Moreover, Morocco has a youth bulge, with those aged 15–24 constituting roughly 18% of the population.<sup>191</sup> Key developmental challenges include high unemployment, illiteracy, and poverty, especially in peripheral rural areas.

<sup>189</sup> See World Bank. 2018. "The World Bank in Morocco." Accessible via: <https://bit.ly/39gE7aW>. For discussion of Morocco's macroeconomic issues and their policy prescriptions see Fabiani, R. 2018. "Morocco's Difficult Path to ECOWAS Membership." *Sada*. Accessible via: <https://bit.ly/2J8NZK>

<sup>190</sup> According to the World Bank, in 2014, 4.8 percent of the population was below the national poverty line. World Bank. 2018. "Poverty and Equity Brief – Morocco." Accessible via: <https://bit.ly/2HDOeel>

<sup>191</sup> Morocco is a demographically young country with 27 percent of its population under the age of 15, and 18 percent between the ages of 15 and 24. World Population Review. 2018. "Morocco Population 2018." Accessible via: <https://bit.ly/2UYjh7V>

In Morocco, several forms of CSO operate, each with a unique legal status: cooperatives or collectives, associations, and public utility organizations. Associations most closely resemble non-governmental organizations (NGOs) in other countries, though they are not an exact match. Historically, NGOs were viewed with a measure of suspicion, though this has changed since the late 1990s, and especially since King Mohammed VI ascended the throne. Since then, NGOs have been given significant freedom of activity and support.<sup>192</sup> Although significant issues remain – most notably a lack of funding and professionalism<sup>193</sup> – collectively these changes have led to a flourishing associative sector, with approximately 116,800 official associations covering themes ranging from poverty reduction to health initiatives to democratic accountability.

## National initiative for human development

In 2006, the government implemented the National Initiative for Human Development (INDH), a large-scale program aimed at empowering associations to become service providers. Moreover, the program is based on a decentralized model, with regions rather than the central government responsible for distributing funds.

Initial funding for the first five-year phase of the INDH (2006–10) was US\$1 billion. With public support from the King, it became a highly visible program and, with a further US\$1.9 billion allocated, the third phase covers the period 2019 to 2023 is scheduled to commence in 2019.<sup>194</sup> Given the sector's financial issues,<sup>195</sup> this represented a significant step-change in funding. The INDH, however, is not without complications, namely the unwillingness of a government "... accustomed to centralized decision-making"<sup>196</sup> to implement the participatory and decentralized approach originally envisioned.

## The 2011 constitution

In response to pro-democracy protests that erupted in Morocco during the Arab Spring, the King ordered a new constitution be written. The 2011 Constitution was subsequently put to a popular referendum, and, by expanding the legal space available, substantially increased civil society's role in policymaking and the public sphere.<sup>197</sup> As has been observed: "Morocco's legal framework for civil society could be considered among the

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<sup>192</sup> Sater, J. 2002. "The Dynamics of State and Civil Society in Morocco." *The Journal of North African Studies* 7(3): 101.

<sup>193</sup> Akesbi, A. 2011. "Civil Society Index – Analytical Country Report for Morocco." *CIVICUS and Espace Associatif*, p. 10.

<sup>194</sup> Moroccan Ministry of the Interior, Coordination Nationale de l'Initiative Nationale pour le Développement Humain. Accessible via: <https://bit.ly/2UVCTk>

<sup>195</sup> Akesbi, A. 2011. "Civil Society Index – Analytical Country Report for Morocco." *CIVICUS and Espace Associatif*, p. 10.

<sup>196</sup> Independent Evaluation Group. 2014. "ICR Review – National Initiative For Human Development Support Project." p. 6.

<sup>197</sup> Specifically see Articles 12, 13, 29, and 139 of the Constitution for more detail.

most enabling in the Arab world and a model for other countries.”<sup>198</sup> The issue remains, however, of whether there is the will to implement it fully and meaningfully. While analysts consider these opportunities for increased political participation advantageous for civil society, they also express a measure of caution, as the 2011 Constitution follows a similar blueprint to the INDH in its facilitation of “... greater state control of these non-state actors.”<sup>199</sup>

## Funding, professionalism, and the political environment

One crucial difference, which cannot be understated, between charities and NGOs in Europe or the US and associations in Morocco is that the latter must pay taxes, including Value-Added Tax (VAT).<sup>200</sup> This is despite the fact that associations are not allowed to make a profit,<sup>201</sup> and means that their operating costs are higher than equivalent NGOs in many other countries. Furthermore, a report from CIVICUS and Espace Associatif paints a bleak picture, concluding that many organizations cannot access a variety of funding sources.<sup>202</sup> As discussed below, however, associations recognized as having public utility have greater access to varied funding streams.

Another key concern stems from the need for further resources to support professionalization of associations. According to a Moroccan civil society actor interviewed for this report, much of the sector has not gone through the professionalization process. However, two interviewees stressed that associations have to navigate the need to dedicate resources to core costs in order to become more professional, while at the same time operating in a funding environment where the percentages they are allowed to dedicate to core costs are decreasing.

It should also be noted that there is a certain measure of suspicion toward associations, as they are perceived by the population as being politically motivated or instrumentalized for self-serving ends by political actors. Historically, the associative movement was “divided into alliances either with opposition parties or with the monarchy.”<sup>203</sup> In the face of political pressures, certain actors within the sector struggle to demonstrate their apolitical character.

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<sup>198</sup> The International Center for Not-For-Profit Law (ICNL). “Civic Freedom Monitor: Morocco.” Accessible via: <https://bit.ly/2Vc8ozH>

<sup>199</sup> Engelcke, D. 2016. “Morocco’s Changing Civil Society.” *Sada*. Accessible via: <https://bit.ly/2V1euCC>

<sup>200</sup> The standard rate of VAT in Morocco is currently set at 20%.

<sup>201</sup> Associations are defined in the Decree on the Right to Establish Associations as “... an agreement to achieve constant cooperation between two or more persons using their information or activities for a non-profit purpose.”

<sup>202</sup> Akesbi, A. 2011. “Civil Society Index – Analytical Country Report for Morocco.” *CIVICUS and Espace Associatif*, p. 40.

<sup>203</sup> Sater, J. 2002. “The Dynamics of State and Civil Society in Morocco.” *The Journal of North African Studies* 7(3): 101.

## INGOS

A consensus emerged from interviews on the important role INGOs can play in helping associations build capacity, as well as addressing other challenges such as advocacy, governance, or technical expertise. However, while associations acknowledged that INGOs could contribute in these areas, they felt support should be tailored to local needs and not simply imposed. Some of those interviewed viewed INGOs as unwilling to provide Moroccans with the necessary training, as this would make international actors irrelevant. Instead, they were perceived as using their access to funds and technical expertise as a means to maintain a favorable (to the INGOs) asymmetry.

Interviewees in Morocco also identified the Arab Spring as a watershed moment, which had brought about a massive influx of donor funding (that has since been in decline) and a “... shift in funding approaches and preferences” toward political accountability from INGOs. This change led to a measure of local hostility, rooted in the idea that INGOs – at least those concerned with political issues such as human rights or democracy promotion – cause disruption to the political status quo. As one local civil society actor claimed: “For example, some communities that want nothing to do with USAID ... My guess is you would see a relatively clear positive geographic distribution around NGOs that request authorizations not to advertise that they are funded by US government.” Challenges for INGOs were also noted. Despite Morocco being perceived as a permissive environment where INGOs are encouraged to work, the existing legal regime exerts control over their activities through financial and legal strictures, and it is not unheard of for regional or local authorities to harass foreign actors.

## Association Reconnue D'utilité Publique (ARUP)

The status of having public utility can be conferred on an association following a lengthy vetting process by the authorities. Once designated an Association Reconnue d'Utilité Publique (ARUP), an association gains “... a degree of financial autonomy”<sup>204</sup> and significant material benefits. For example, donations from Moroccan individuals and corporations to ARUPs are considered tax deductible. In addition, ARUPs are exempt from paying VAT, and are also able to apply for previously inaccessible public funding.<sup>205</sup> According to a Moroccan civil society actor: “Public utility status is the gold standard: if you are an NGO, and you can get your hands on that then you've made it. And it guarantees a lot of funding that is impossible for other organizations to get.”

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<sup>204</sup> Cavatorta, F. and Dalmasso, E. 2009. “Liberal Outcomes Through Undemocratic Means: The Reform of the Code de statut personnel in Morocco.” *The Journal of North African Studies* 47(4): 494.

<sup>205</sup> The International Center for Not-For-Profit Law (ICNL). “Civic Freedom Monitor: Morocco.” Accessible via: <https://bit.ly/2J6rl3Z>

Furthermore, as the number of ARUPs is small (227 out of 116,836 local associations),<sup>206</sup> holding ARUP status holds great prestige. This prestige creates a positive feedback loop, whereby the additional funding streams enable further projects, which in turn reinforce the ARUP's status.

However, in addition to an arduous application process,<sup>207</sup> ARUP status involves continuous monitoring from relevant authorities, which are tasked with ensuring that high standards are maintained (under the threat of ARUP status being revoked) and that public funding is used for agreed-upon goals.

The consensus of those interviewed was that the very concept of public utility is vague, and that the vetting process is opaque<sup>208</sup> and liable to favoritism.<sup>209</sup> Considering that a number of governmental bureaucracies have to approve the application, some felt that attaining this status entails "... some kind of formal or informal ties to power."<sup>210</sup>

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## Care Morocco's transition: a global trend meeting local initiative

### Establishment of Care Morocco by Care France

Founded as a local association on 28 September 2007 by CARE France, CARE Morocco seeks to address inequality in urban and rural areas with a focus on gender equity for women and girls, through education, economic development, and inclusive governance programming focused on the needs of "... youth and disadvantaged rural and peri-urban groups" and "... individuals and families in the most vulnerable communities."<sup>211</sup> According to an interviewee, CARE Morocco was set up as a result of the permissive legal environment, the existence of a vibrant civil society, and to capture the opportunity presented by the INDH.

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206 Secretary General of the Government. 2018. "Liste des Associations Reconnues D'Utilite Publique." Accessible via: <https://bit.ly/39dLYWl>

207 Bergh, S. 2009. "Constraints to Strengthening Public Sector Accountability Through Civil Society: The Case of Morocco." *International Journal of Public Policy* 4(3-4): 364.

208 The National Council for Human Rights (CNDH) has recommended clarifying the concept of "public utility" and reining in executive prerogatives in this situation. It has also lobbied to have the system of tax exemptions, deductions, and reductions that apply to RUPs applied to the associative sector as a whole.

209 Akesbi, A. 2011. "Civil Society Index – Analytical Country Report for Morocco." *CIVICUS and Espace Associatif*, p.9.

210 Academics went further in positing that to gain this status, an organization would have to demonstrate its adherence to the status quo, forsaking overt challenges to authority. Cavatorta, F. and Dalmasso, E. 2009. "Liberal Outcomes Through Undemocratic Means: The Reform of the Code de statut personnel in Morocco." *The Journal of North African Studies* 47(4): 494.

211 CARE International Morocco. Accessible via: <https://bit.ly/3l9PWI>

From the beginning, CARE Morocco was formally registered as a local association with its own board of directors (as per Moroccan law), rather than as a country office. This meant it could be fully part of Moroccan civil society, while also benefiting from international expertise and networks, best practices, and the diversification of its sources of funding. It has always, therefore, been a local entity evolving in both local and international spheres.

CARE France, while assisting CARE Morocco develop its own model, has always respected the national identity of the board, providing a support role in terms of sharing best practice. It has also provided support through a collaborative governance structure and various memorandums of understanding, as well as technical expertise and funding. In other words, from the outset CARE France maintained a measure of support in order to ensure its working standards, and more broadly those of CARE International, were met. This gave CARE Morocco the space needed to develop as an organization, without creating unnecessary operational dissonance with CARE France. Most importantly, according to interviewees, the decision of CARE Morocco to become a completely autonomous entity was made during this founding period. As noted by a CARE Morocco staff member: “The vision is that we are local and we should be local and we should not be dependent on CARE France.”

This was implemented successively over the course of ten years, with French members of the board replaced by Moroccans to the point where only two individuals from CARE France remain (in a largely advisory position rather than a decision-making one). Accordingly, CARE Morocco has become more and more autonomous, with the organization developing in terms of governance and operational capabilities. Indeed, CARE Morocco prides itself on the independence, flexibility, and agility it possesses in comparison to country offices that have to report back to international headquarters.

## **Care International: diversifying its membership**

CARE International is a global confederation of 14 national members and 4 affiliate members, its overarching mission being to defeat poverty. The addition of the four affiliate – Chrysalis (Sri Lanka), CARE Egypt, CARE Indonesia, and CARE Morocco members – stemmed from a recognition that the bulk of CARE International’s work takes place in the Global South, and therefore that there was an acute need to include more Southern voices within the confederation. This in turn gave birth to an action plan whereby membership was opened up to local country offices, as well as local NGOs affiliated or partnered with CARE offices. The secretariat’s drive to become more inclusive was in line with emerging thinking within the development sector on the importance of local ownership. As a result, the leadership of CARE Morocco, “...knowing its identity, knowing its history, knowing

where they are going, and their own goal,” decided to formally embark on becoming a CARE affiliate member.

The process of applying required the support of CARE France, which acted as CARE Morocco’s sponsor.<sup>212</sup> According to a CARE Morocco staff member: “... the fact of having the support of CARE France was key, because they could have said ‘You should not go through this process’ or ‘We do not support this.’ So CARE France could have said no.” After an extensive application and vetting process, on 9 June 2017, CARE International’s Council voted to bring CARE Morocco into the confederation as a candidate.

## Strategy sessions and internal communications

Much of the impetus behind the decision to apply for membership, according to our interviews with CARE Morocco, came from director Hlima Razkaoui and the board of directors, whose engagement with the process was a source of inspiration for staff. Both Razkaoui and the board felt that, although CARE Morocco was already independent from CARE France, membership was the logical next step. However, before embarking on the application process, CARE Morocco conducted a weeklong internal strategy session, with input solicited from staff. Discussions included everything from the advantages and disadvantages of membership to how they would actually go about becoming financially independent. In addition, staff were regularly kept abreast of developments by Razkaoui. As one staff member put it: “... it was the whole team involved in this project. It was important because at the end the director can take the decision herself, and start with it, but then she will find [herself] alone in this process. She shouldn’t be the only one doing it ... I think if I was not involved, now I would not care. But because we were involved in every step [we do care].”

By taking this collaborative approach to decisionmaking, Razkaoui was able to gain buy-in for a decision that would mean greater workloads for staff due to the introduction of novel monitoring systems and additional work being required to gain financial independence and promote CARE Morocco internationally.

## The application process

As part of its application, CARE Morocco had to present several documents, which included, first, a business case outlining why they should be a member, including their contribution at national, regional, and global levels; and, second, a transition plan setting out key steps to attaining financial self-sufficiency and building new capacity for playing a broader role, as well as timing and investment requirements for the transition period.

<sup>212</sup> As part of the CARE International Code, such applications needed to be sponsored by an existing Care International member, who will act as a mentor. CARE International. 2018. “The CARE International Code,” p. 16.

CARE Morocco's plan included a transition period of four years as a candidate, with CARE International providing investment during this time in order to strengthen identified areas of focus, introduce new roles and capacities, and build up fundraising.

The CARE International Code, which governs the confederation, says all members should "... demonstrate accountability, good governance and leadership in the running of the organization."<sup>213</sup> Having been established as a local Moroccan association, with clear governance and operational structures, CARE Morocco had already passed this hurdle, giving them a unique advantage over country offices that had to register as a local NGO in order to join the confederation.

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## Outcomes of the transition

While recognizing the challenges ahead, CARE Morocco staff were nevertheless upbeat about the prospects of membership, and by and large the transition to membership has moved ahead seamlessly, impacting the organization in the following ways. First, in order to become financially self-sustaining, CARE Morocco exerted significant efforts on diversifying its funding portfolio. Second, the transition process resulted in additional staff and functions being taken on, as well as increased professionalization. Last, and most important, the transition process has generated a newfound ability to influence the global confederation and bring the voices of Morocco and North Africa into its discussions.

### Diversified funding portfolio

One criteria for gaining membership status is to have "Demonstrated financial viability and due and proper responsibility in all financial matters."<sup>214</sup> The drive to membership resulted in CARE Morocco diversifying its funding portfolio to include partnerships with the private sector, face-to-face fundraising, government funding, and donor funding. This was already an objective within CARE Morocco's Business plan, but membership accelerated the process and formalized the drivers.

International donors in Morocco are giving increasing priority to working directly with Moroccan civil society. One of the ways CARE International is contributing to the financial viability of candidates and affiliates is the "donor access protocol," which was approved as part of the updated 2018 CARE International Code. The aim of the protocol is to ensure consistency, equity, and quality between members, candidates, and affiliates in accessing and managing donor relations, while remaining flexible

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<sup>213</sup> CARE International. 2018. "The CARE International Code," p. 14.

<sup>214</sup> Ibid, p. 18

enough to accommodate the diversity of donors and opportunities available to CARE. For example, as a locally registered entity, CARE Morocco is able “to access directly institutional funding, but only following consultation with the CI Member responsible for managing CARE’s global relationship with the donor in question. Any financial benefit accruing to the CI Member should be linked to the value-add it brings.” Therefore, as a candidate, CARE Morocco can access a donor such as USAID directly, albeit with the consent of CARE USA, who would receive a portion of any funding received due to its previous efforts in developing the donor relationship. The latter would also play a supportive role with regard to grant management and donor compliance. As described by a CARE Morocco staff member: “The good thing about CARE Morocco is that we have the choice: access to local funding because we are local but if we want French funding we can go through CARE France. If we want US funding we can go through CARE USA, etc. So it allows you to be more flexible in accessing funds, because you can have any nationality with so many members in the federation.”

As a candidate for affiliate membership, CARE Morocco was also able to access the Moroccan diaspora. Additionally, being recognized as an ARUP opens up further avenues for government funding, while being exempted from paying VAT means CARE Morocco is able to re-allocate the savings made, making them a more viable partner for private sector companies looking to conduct corporate social responsibility activities. In order to accommodate the demands of membership, CARE Morocco has expanded its staff, hiring a coordinator to work on faceto-face fundraising (and building a team of individuals to conduct public fundraising drives) and a Communications and Private Sector Partnerships Manager. The latter role includes the development of partnerships within Morocco’s private sector, raising awareness about CARE Morocco’s role as a conduit for commercial companies looking to engage with charitable work. As noted by a CARE Morocco staff member: “What we aim to do is to have some funds from the private sector to match donors claiming co-funding to cover awarded projects.”

## Raising awareness

The other key responsibility of the Communications and Private Sector Partnerships Manager is raising awareness of the organization’s brand within the network, in order to encourage collaborations and invite support from potential national donors. As a staff member put it: “So this is one [of] the challenges, we really have to be there and remind them that we are here and remind them of the kind of projects we work on.”

Before becoming a candidate, CARE Morocco was largely an unknown entity within the confederation, content simply host a CARE International event. Now, though, it feels the

need to develop a clear presence in people's mind, ensuring they are a visible port of call for collaboration and expertise

## **Unwinding from care France**

As part of becoming a member, CARE Morocco is unwinding the various mechanisms tying it to CARE France. For example, there is a licensing agreement with CARE France that entitles CARE Morocco to use the CARE brand, which is in fact owned by CARE USA. CARE Morocco is therefore establishing a brand licensing agreement of their own with CARE USA directly. Once this unwinding is complete, CARE France will withdraw from its financial responsibilities vis-à-vis CARE Morocco, switching to a purely collaborative and operational partnership.

## **Professionalization**

While CARE Morocco already had demonstrable capacity, several staff members pointed out that being a member of the confederation granted access to the broader CARE International reservoir of thematic and technical expertise. For example, one program officer noted that CARE Morocco could now communicate directly with the network (rather than through CARE France) about issues of gender, thereby gaining knowledge that could improve its own work. A staff member described some of the benefits of having access to CARE International: "We exchange the best practices. We communicate. We do workshops online. So we feel we are part of an international network, not just by ourselves. I can also ask questions sometimes to the communications directors, how they did something, for example an event, how they would communicate in this situation. So it is very helpful to be part of the network."

One of the monitoring tools CARE Morocco was obligated to work with is CARE International's Program Information and Impact Reporting System (PIIRS)., A CARE Morocco project officer reported the introduction of the system "... helps us to account our beneficiaries, and it has a lot of specific and detailed information, which leaves little room for a mistake." These tools help streamline and consolidate data from across the confederation. As data must be provided on an annual basis, the system obliged staff to account for who is benefiting from projects throughout their lifecycle, rather than such an assessment being left to the end.

## **Organizational identity**

CARE Morocco has productive relationships with a wide range of stakeholders, including beneficiaries, local associations, government ministries, members of the confederation, and international donors. Undoubtedly, some Moroccan associations present themselves

selectively to funders to ensure a steady flow of money. Interviews indicate that compared to associations that have a relatively fixed identity – either local or foreign – CARE Morocco enjoys a flexible profile whereby elements of its identity can be redefined or even combined as required. As a local civil society actor noted: “... in a case like CARE, they have the best of both worlds with this set-up.”

Through its communications and interactions, CARE Morocco can now simultaneously assert their credentials as both a local association with positive attributes such as local understanding and empathy, and an international entity with the credibility and capabilities that local associations may lack. Thus, they are able to build significant trust with multiple stakeholders without alienating any of them.

## **Local influencing the global**

What makes this transition unique is that CARE Morocco has, through a confluence of diligence and circumstance, not only embraced localization but attempted to globalize it. It is an example not of devolution but of ascension, with the local seeking to influence the global. Interviews with CARE Morocco’s leadership and staff found, beyond the financial benefits of membership, genuine pride in becoming a voice of the Global South within the confederation, and specifically a voice from Northern Africa. As one of two candidates from Africa (Egypt being the other), CARE Morocco felt obliged to voice “... the issues and context of Africa in the confederation.” A member of CARE Morocco’s senior leadership noted: “I am much more concerned today, feeling much more responsible for not being only a voice for Morocco but making sure that when CARE Morocco is on the table with the other members, then when we speak we really represent the South and we are better informed as well about the specificity and about other countries, at least African countries.”

From a practical standpoint, CARE Morocco’s director is now part of the confederation’s governance discussions. These include regular online discussions among national directors, annual face-to-face meetings, as well as council meetings once a year. As a CARE Morocco staff member stated: “I think the fact of us now being part of the confederation would allow us to influence more than before, because Hlima is now at the table with the other national directors. And she was not there before. So now the arena where all these strategic discussions are made, we are going to be at the table. And we can be putting forward ideas that are important for us and for other countries too.”

CARE Morocco’s candidature also expanded the space for staff more broadly to influence the confederation, with one staff member noting: “I also participate in the annual meeting of communication directors and the private sector engagement meetings. So we try to

influence and give an idea about needs in Morocco.” It is worth noting here that CARE Morocco has a seat on the Board of CARE France.

This opened up opportunities for CARE Morocco to influence the confederation in two areas: first, the internal mechanisms governing confederation members; and, second, the type of work that the confederation embarks on. Regarding the first area, when the CARE International Code was revised in 2018, CARE Morocco (along with other candidates and affiliates) saw this as an opportunity to put the question of donor access on the table, negotiating for the right to keep the entirety of single project funds that do not pass a certain threshold (€100,000). Their argument is that if they, or other small CARE members, could keep these sums, the money could be invested in their own organization, benefiting the confederation as a whole in the long run.

Regarding the second area, having a seat at the table means CARE Morocco can influence how important questions and issues are addressed.

Given CARE’s 2030 program strategy is currently under development, CARE Morocco saw this as an opportunity to contribute its ideas and experiences about poverty reduction, with a view to shaping the confederation’s priorities for the coming ten years

During our interviews, one theme CARE Morocco staff frequently came back to when discussing their newfound influencing opportunities was education as an intervention: “... we can bring education on to the table. We can question. We can challenge the confederation.”

CARE Morocco adopted education as an organizational focus as it is one of the UN Sustainable Development Goals (SDGs) and it adheres to the developmental ethos of the Moroccan state as articulated in the INDH.<sup>215</sup> Consequently, CARE Morocco has devoted significant time, effort, and funding to educational projects, such as its work on primary school education. Education is not a core focus of the confederation’s 2020 Program Strategy, which prioritizes issues such as promoting gender equality and women’s voices, building inclusive governance, and increasing resilience.<sup>216</sup> Interestingly, this divergence in priorities has not been met with a desire for wholesale organizational change from CARE Morocco. Rather, CARE Morocco staff see themselves as trailblazers: “It means that CARE Morocco can be a pilot for CARE International.”

CARE Morocco feels it has an opportunity to argue its point that education can alleviate and address the causes of poverty, and by doing so it has the potential to bring about a change in the strategic priorities of CARE International. CARE Morocco is, therefore,

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<sup>215</sup> Ministry of Interior – Kingdom of Morocco. “INDH: Goals, Values and Principles.” Accessible via: <https://bit.ly/2UWkNrI>

<sup>216</sup> CARE International. “Working for Poverty Reduction and Social Justice: The CARE 2020 Program Strategy,” p. 5. Accessible via: <https://bit.ly/3nRvxD>

planning to put together a case explaining how its experiences have led it to focus on education-related strategies and projects that “tackle the underlying causes of poverty.” In this way, CARE Morocco’s leadership and staff view their membership as a genuine opportunity to lobby for and influence change at a higher level.

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## Key lessons

Through the transition process toward becoming an affiliate member, CARE Morocco has managed to elevate the association beyond the national level. While certain issues remain in flux – namely the ability to generate sufficient funding within Morocco – a firm base has been established on which to grow. Coupled with the ample support from the international secretariat, CARE Morocco appears well on its way to becoming a full-fledged member of the confederation.

**Developing a vision as well as a concrete plan from the outset is crucial to ensuring a seamless transition.** A decision was made by CARE France at the very inception of CARE Morocco that it would eventually become a fully autonomous organization. This became an embedded aspiration, manifested in an innovative governance structure – a split board – that gave CARE Morocco the time and space it needed to develop. This approach enabled the local organization to undergo a collaborative learning experience that eventually brought about an enthusiastic and committed local board. CARE France, meanwhile, progressively moved from control to collaboration to support. Consequently, when the opportunity for candidature presented itself, CARE Morocco was already in a position to take advantage as it had matured in terms of its capacity and finances. Moreover, it already thought of itself as both a global and local organization due to its history and governance structure.

**Local leadership and clear communication are essential for inspiring staff to support the transition.** The transition would not have been possible without confident and competent leadership. Both CARE Morocco’s board and director put in extensive work applying for membership and inspiring the staff to go along with the transition. This included garnering input from across the team on the advantages and disadvantages of membership, and how to go about becoming financially independent. The corollary of this is that internal communications and the consultation of staff by local leadership is key to generating buy-in.

**While CARE France offered key support during the application process, the process of transition was a locally led effort.** CARE International’s support to candidates in terms of finance (through the “donor access protocol”), branding use, and greater access to the confederation’s technical expertise, had important value for the transition. CARE France

supported CARE Morocco in its application, and will continue to offer support through a collaborative and operational partnership

Even so, it was CARE Morocco that drove the transition, conducting an internal strategy to garner input on the advantages and disadvantages of affiliate membership from staff and the steps involved in the process. Regular communication was prioritized to ensure buy-in. CARE Morocco developed its business case and financial strategy, and, through self-reflection and assessment, was able to put forward a strong case (that is would provide a voice for Morocco, North Africa, and the Global South) for why it should be a member of the confederation.

**The locally led development movement has the potential to “localize the global,” ensuring global structures and processes take into account local priorities.** How willing INGOs and donors are to accommodate the localization of the international space, even at the expense of their own maneuverability, will go a long way in determining how the movement is embraced overall.



## Chapter 7

# Catholic Relief Services transition to Escuelas de Campo para el Desarrollo Integral (ECADIs), Guatemala

By Marlon Motha Hurtado and Adriana Smith

### Acronyms

CRS	Catholic Relief Services
CSO	Civil Society Organization
ECADI	Escuelas de Campo para el Desarrollo Integral (Integral Human Development Field Schools)
FFP	Food For Peace
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
SAS	Stopping As Success
SEGAMIL	Seguridad Alimentaria Enfocada en los Primero Mil Días (Food Security Focused on the First Thousand Days)
USAID	United States Agency for International Development

### Type of transition

This case study is an example of the transition of project activities from an international organization (Catholic Relief Services) to community organizations. It focuses on the example of the creation and strengthening of integral human development field schools in Guatemala, which aim to improve food access.

## Introduction

This report examines the transition of project activities in Guatemala from Catholic Relief Services (CRS) to community organizations over the course of the seven-year (2012–18) Food Security Focused on the First Thousand Days (Seguridad Alimentaria Enfocada en los Primeros Mil Días/SEGAMIL) project. SEGAMIL, funded by USAID's Food for Peace (FFP) initiative, sought to improve food security in marginalized areas of Guatemala through three strategic objectives:

- Improve food access for farmer households.
- Reduce chronic malnutrition among vulnerable rural populations in targeted micro watershed.
- Improve local and municipal food security resilience systems.

Given SEGAMIL's significant scale, this report will focus on the transition as it relates to the first of these strategic objectives. This objective involved the creation and subsequent strengthening of integral human development field schools (*escuelas de campo para el desarrollo integral/ECADIs*) in order to train producer families in good agricultural practices (such as animal vaccination), provide nutrition counseling and growth monitoring, and receive food distribution. ECADIs were critical to the larger project—as CRS's SEGAMIL exit strategy notes: “The ECADIs are the key structure to integrate all learning activities and behavior change promotion from the three strategic objectives and a principle strategy in the design and sustainability of the SEGAMIL program.”<sup>217</sup> The SEGAMIL sustainability plan, developed in close consultation with target communities, called for capacity building and support to institutionalize these ECADIs within local communities, thereby ensuring their survival beyond project close.

A total of six semi-structured key informant interviews and four large focus group discussions were conducted with CRS staff and ECADI participants in the departments of San Marcos and Totonicapán, Guatemala. Focus group discussions were carried out with the following ECADIs: Rayitos de Sol, María Guadalupe, La Montañesa, and Las Floresitas.

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<sup>217</sup> Catholic Relief Services. “SEGAMIL Sustainability and Exit Strategy, June 2016–September 2018,” p. 10.

## Context

Guatemala is a Central American country of some 17 million inhabitants bordering Mexico, Belize, Honduras, and El Salvador.<sup>218</sup> It is divided into 22 departments and 340 municipalities, with Guatemala City as its capital. Guatemala's official language is Spanish, though 23 indigenous Mayan languages are constitutionally recognized. Its main exports are coffee, sugar, bananas, and clothing items. The 2016 Human Development Index ranked Guatemala 125th in the world, with a life expectancy at birth of 72.5 years. The Index has grown at an annual average rate (2006 to 2014) of just under 0.3 percent per year, representing very slow growth. According to the most recent National Survey on Living Conditions,<sup>219</sup> 53 percent of the population did not earn enough to cover the cost of a basic monthly food basket (about US\$470 for a family of five), while 76 percent did not earn enough for a basic package of household goods and services (about US\$1,000). Accordingly, as of 2018, the country had the fourth highest rate of chronic malnutrition in the world, with almost 70 percent of the population in indigenous areas chronically malnourished.<sup>220</sup>

A large majority of the population lives in rural areas, relies on subsistence agriculture livelihoods, and participates in the informal economy. Some regions have experienced consecutive years of drought, while others are characterized by severe dryness. This has resulted in poor harvests of staple crops and food insecurity. Most of the country's population lacks social security and does not make a living wage (the official minimum wage is US\$370 per month). According to the most recent data available, the poverty rate in 2014 was 49 percent, an increase from the rate of 43 percent recorded in the previous household survey in 2006.<sup>221</sup> Approximately 10 percent of households receive remittances from abroad, which, in 2018, amounted to US\$9 billion, equivalent to about 12 percent of GDP. Income from remittances is growing at an annual rate of 3 percent. While this is insufficient to overcome poverty rates, remittances from the estimated 1.2 million Guatemalans living abroad often sustain the family economy, which have suffered from a reduction in labor income and purchasing power over the last 15 years.

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<sup>218</sup> Instituto Nacional de Estadística de Guatemala. Accessible via: <https://www.ine.gob.gt/>

<sup>219</sup> República de Guatemala: Encuesta Nacional de Condiciones de Vida (ENCOVI). 2014. Accessible via: <https://bit.ly/2HB4mOO>

<sup>220</sup> USAID. 2018. "Food For Peace Fact Sheet: Guatemala." Accessible via: <https://bit.ly/2J5Evyp>

<sup>221</sup> World Bank. 2019. Accessible via: <https://bit.ly/35Zc6Tl>

## Aid context

Guatemala has received international development aid for nearly a century, including bilateral and unilateral aid; refundable loan and non-refundable donations; North–South cooperation grants; South–South cooperation grants; and tied aid. This has come from government agencies; private entrepreneurial investment; philanthropic support; international NGOs and foundations; religious groups; municipal councils (for example, from Spain); among other sources.

In brief, post-Second World War global reconstruction efforts and the launch of the United Nations (UN) in 1945 kick-started the era of international development efforts. Development aid to Guatemala continued to flow in the 1950s and 60s, particularly in the form of capital flows, mainly from the US. Following the 1976 earthquake, Guatemala was subject to a heavy influx of international aid for infrastructure and reconstruction projects. It was then that NGOs and CSOs began to form in order to manage international relief funds. Prior to this, CSOs were mostly farmer, union, religious, guerrilla, or political party-affiliated groups.

At the end of the 1970s, with the intensification of armed internal conflict and the outbreak of widespread political violence, Guatemala began receiving international aid from the US for counterinsurgency efforts; humanitarian aid for victims and displaced populations; and support from international advocacy groups toward social and political protests. However, the Guatemalan government made it difficult for the latter two types of aid to enter the country. In 1985, Guatemala returned to free elections and a constitutional regime, and peace talks began. During this time, the government permitted more open international relations, and allowed international donations to be more freely accepted. Much of these international funds focused on achieving peace through dialogue, respect for human rights, protection of the displaced population, and assistance to war victims.

The signing of the 1996 Peace Accords was a historic milestone, and marked a huge increase in international investment and presence in the country. These were aligned with country development strategies for economic, institutional, and political progress. The UN created a commission—the UN Mission for Guatemala—which supported the international aid influx and triggered various new trends: unmonitored and loosely measured capital funds; a spike in the number of CSOs formed from social movement groups during the war; and the formal recognition of NGOs as legal entities to administer international funds. This explosion of aid was focused on strengthening the state, the rule of law, and CSOs.

Through the 1990s and the turn of the century, increasing numbers of funds focused on community and economic development, aligning with the Millennium Development

Goals. In the current century, international aid has become less focused on solidarity funds, with much more emphasis placed on resultsbased programming, and transactional agreements with reporting and compliance verification of results. International cooperation programs have grown stronger and further established their missions within the country (USAID, European Union, Canadian, Swedish Cooperation, etc.). This has invited a much larger INGO presence in Guatemala, including for-profit development companies that would benefit from more rigorous accountability standards and compliance with international regulations. In addition, this has created more resources for INGOs such as Save the Children, World Vision, Mercy Corps, CRS, Population Services International, and local universities. This shift toward larger projects with more complex administrative procedures has made it increasingly difficult for smaller NGO and CSOs to compete with large INGOs. As a result, many local NGOs and CSOs have lost funding or become entirely dependent on support from INGOs managing large international cooperation grants.

Recent trends in international support have been toward pushing local CSOs and NGOs to increase their administrative and financial capacity, offer results and evidence-based programming, and diversify their funding sources. Many small Guatemalan CSOs and NGOs are struggling to meet such expectations. Instead, they are looking for alternative ways—such as consultancy work, forming cooperatives to sell related professional services, or joining other struggling CSOs to form coalitions—to continue working in their fields. However, competition for international resources remains extremely high and CSO collaboration is difficult.

In an effort to encourage more collaboration, USAID and other international development agencies are requiring project proposals be submitted in consortium (for example, through Broad Agency Announcements). In order to support local implementation of selected project strategies, INGOs have responded by embedding sub-grant mechanisms into their project designs. This has further increased competition among local CSOs/ NGOs.

During the period 2008–16, Guatemala reported receiving approximately US\$1.54 billion in non-reimbursable international development funds through 27 different sources, including

- **Bilaterals** US, Spain, China-Taiwan, Germany, Japan, Canada, Venezuela, Korea, Italy, Sweden, Brazil, Morocco, and Russia.
- **Multilaterals** WFP, UNEP, UNDP, FAO, UNICEF, UNFPA, PAHO, and other UN Agencies, EU, Global Fund, and OEA.
- **Financial Entities** IDB, BCIE, and BIRF.

In 2017, the governments of Guatemala, Honduras, and El Salvador signed the Alliance for Prosperity—a development agenda designed by these, with support from the US government and the Interamerican Development Bank. The agenda sought to increase economy-wide productivity in strategic sectors through attracting investment, broadening access to finance, and improving connectivity. This increase in productivity would in turn—through institutional strengthening and increasing citizens’ trust of government—create economic opportunities, develop human capital, and improve citizens’ security and access to justice. USAID, historically the agency with the most bilateral funds committed to Guatemala, has pledged several million dollars toward the initiative and the US government remains an important bilateral aid partner. However, beginning in March 2019, some US government officials began to link aid commitments to immigration policy considerations which has led to uncertainties related to continued bilateral aid.<sup>222</sup>

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## Background to USAID and Catholic Relief Services in Guatemala

USAID’s FFP office executes emergency and development programs in Guatemala. In the 2018 financial year, FFP provided US\$21.5 million in assistance to the country, 40 percent of which went to cash transfers for food; 53 percent to development programs; and 7 percent to complimentary services. Through December 2018, FFP supported two multi-year development programs in Guatemala, one of which was implemented by CRS.<sup>223</sup>

CRS has operated in Guatemala since 1963. From 2012 to 2018, CRS implemented the SEGAMIL project, which focused on reducing chronic malnutrition in eight municipalities in the departments of Totonicapán and San Marcos. The program’s first strategic objective was to improve food access for farmer households, and one of the ways it worked toward achieving this was by training producer families in ECADIs. Over the course of the project, CRS made significant investments in strengthening ECADIs through organizational and strategic development activities.

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<sup>222</sup> New York Times. 2019. “Trump Turns US Policy in Central America on its Head.” <https://nyti.ms/3kWhPgY>; Center for Global Development. 2019. “What Will the White House’s Halt to Aid Mean for the Northern Triangle?” Accessible via: <https://bit.ly/3o6rVxV>

<sup>223</sup> USAID. 2018. “Food For Peace Fact Sheet: Guatemala.” Accessible via: <https://bit.ly/33f4F8E>

## The transition

In mid-2016, CRS began developing a sustainability strategy in order to maintain the benefits of the SEGAMIL program after its official close-out. This sustainability strategy was based on five pillars:

1. Institutionalization of project platforms and interventions.
2. Market-driven demand for project interventions.
3. Accreditation of local human resources.
4. Formation of partnerships.
5. Behavior change communication

As CRS thought through its sustainability strategy, it developed an exit plan to "... outline the steps CRS will take to transition key program elements to local actors." The exit plan documented the sustainability mechanisms selected (phase down, phase over, and phase out), what actions would be taken toward sustainability, and the benchmarks CRS hoped to achieve. For example, one benchmark was "... institutionalization of the project formalized through signed agreements with 60% of ECADIs."

CRS supported institutionalization of the ECADIs in several ways. First, it worked with municipal governments to foster ownership and support for the ECADIs. Additionally, CRS and implementing partners sought to institutionalize ECADIs at the community level. CRS also invested in organizational and strategic development activities. Significantly, some of the ECADIs were supported by local CRS partners that had received long-term institutional capacity-strengthening training over a period of approximately four years, while others were supported by CRS implementing partners that had not received such training. One line of inquiry in terms of the case study was whether there was any difference between ECADIs working with local partners that had participated in capacity-strengthening trainings versus those working with other CRS partners after the end of the SEGAMIL program.

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## Outcomes and impact

### Inclusivity

One of SEGAMIL's strengths was that it focused on women within communities as change actors for food security and nutrition. Women served as ECADI leaders, health and agricultural promoters, new mother monitors, and savings group participants. Moreover, many ECADIs became tight-knit centers of solidarity in a traditionally patriarchal society, with, for example, a woman in the Maria Guadalupe ECADI sharing a story about how her

daughter lost her child and found comfort in the all-female savings group. This savings group seemed the most important part of the ECADI—they met regularly, with many women participating in other savings groups. The group's participants also reported that on an ongoing basis they receive many requests from women in the community wanting to join. When a cycle ends, they decide which of these women can join based on their trustworthiness

This inclusive aspect of ECADIs also works to improve gender relations. In the La Montañesa ECADI, women in the focus group emphasized how participation in SEGAMIL had helped improve their relationships and communication with their partners. One woman indicated that her husband now recognized her leadership and respected her decisions more. Others agreed that the community had seen changes in the behavior of husbands, who were starting to help around the house and take care of their children when their wives attended group meetings or had other things to do. Similarly, the woman who hosted the Las Floresitas ECADI talked about how she had initially had to beg her husband to participate, but that once he saw the benefits of her participation, he became involved and was eventually hired as a program educator for the SEGAMIL project. This woman, a health promoter, also reported that one of her major responsibilities as a leader was to help recruit women whose husbands opposed their participation.

## **Local leadership**

SEGAMIL staff point to the emergence of robust local leadership as a key factor determining the survival of ECADIs post-SEGAMIL. One of the strengths of the ECADI system is that the leadership is chosen from program participants. Families only received food if they had children under two, meaning that once their children were older than this, participants often withdrew from trainings and activities. This resulted in the leadership, as well as the ECADI rules and regulations, being renewed almost every year. This in turn prevented the monopolization of program activities by a single leader, ensuring shared responsibilities and more democratic, sustainable practices.

## **Building trust**

In order to best position ECADIs for long-term sustainability, CRS was strategic about building trust and local respect in the communities targeted for support. At the beginning of the project, strong emphasis was placed on food distribution as a means of establishing SEGAMIL's brand and gaining entry to the communities. Over time, with an appropriate level of trust established, SEGAMIL was able to switch from direct food distribution to voucher food distribution. Generally, communities were pleased with this change as it

gave them more food choice—they could select from different food basket options and collect from local distributors, which also supported the local economy.

This process takes time. However, one of SEGAMIL’s built-in strengths was its seven-year timeline, which allowed for the building of trust and relationships. A project working to a more typical three- to five-year timeframe would likely have difficulty achieving similar results.

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## Plan for sustainability

SEGAMIL’s project sustainability strategy was developed after the midterm evaluation. Many initiatives that were not considered sustainable (defined as the institutional survival and continued activity of ECADIs) were dropped. This planning provided a significant window to prepare for project close-out, with activities including institutionalization of program activities; formation of partnerships with municipalities and local NGOs and CSOs; and deepening access to markets. Alongside this sustainability strategy, SEGAMIL developed an exit plan in order to prepare ECADIs for CRS’s withdrawal. Five benchmarks signaling readiness were designed:

- Institutionalization of project to be formalized through signed agreements with 60 percent of ECADIs.
- 80 percent of agriculture promoters and 70 percent of health promoters to complete formal certification.
- 30 percent of COCODEs (community development councils, which ultimately took over management of ECADIs), eight OMMs (municipal women’s offices supporting ECADIs), and eight OMAS (water and sanitation offices supporting ECADIs) to acquire public or private external resources.<sup>224</sup>
- 60 percent of ECADI members and 70 percent of SILC (savings group) members to participate without project interventions.<sup>225</sup>
- Six UTAMs (municipal agriculture support offices, which support ECADIs with agricultural activities) to be formalized and funded through municipal budget allocation.<sup>226</sup>

This multifaceted strategy, incorporating both sustainability and exit planning, allowed SEGAMIL to effectively transition program activities to local leadership.

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<sup>224</sup> COCODE is Consejo Comunitario de Desarrollo (Community Development Council); OMM is Oficina Municipal de la Mujer (Municipal Office for Women); OMAS is Oficina Municipal del Agua y Saneamiento (Municipal Office for Water and Sanitation).

<sup>225</sup> SILC is Savings and Internal Lending Community.

<sup>226</sup> UTAM is Unidad Técnica Agropecuaria Municipal (Municipal Agriculture and Livestock Technical Unit).

## Key lessons

While it is too early to draw final conclusions, it is clear that CRS took the transition seriously right from project's initiation, investing in local capacity as a result. As one SEGAMIL program director said: "A responsible exit is giving sufficient time to people, showing the communities what they were able to accomplish, and helping them to become resilient and responsible."

**Inclusivity lays the groundwork for sustainability.** A program director explained: "One of the lessons learned during the process was to work with both mothers-in-law and male partners to encourage their support for best practices in health care and child nutrition, and to offer support for the women to participate in the program activities."

**Strong leadership is key to the sustainability of outcomes.** Allowing for a rotating leadership—especially when this rotation is built into the activities themselves—can avoid organizations becoming dependent on a single leader. Some ECADIs found an annual rotation useful, though the timing of such a rotation will vary depending on institutional context.

**Building trust over time, rather than around a single project cycle, is a critical first step to sustainability.** This may mean sacrificing efficiency, or pursuing short-term strategies—such as distributing food—that seemingly detract from long-term goals.

**Investments in institutional capacity strengthening can cascade through local partnerships.** Over a period of four years, CRS headquarters invested in intensive, repeated capacity-strengthening activities, composed of trainings and technical accompaniment with eight local partners. This capacity development was well received by participants. ECADIs from the SEGAMIL project benefited from these capacity-strengthening activities, as the local partners involved subsequently executed organizational development activities.

**Programs can benefit from distinct sustainability and exit plans.** Although "sustainability" and "exit plans" are sometimes used interchangeably, the terms are not the same. CRS conceptualized sustainability in terms of the benefits resulting from the program. In contrast, the exit plan consisted of a series of steps to be taken by the program in order to achieve these desired sustainability outcomes.

## Chapter 8

# Trickle Up transition to Village Savings and Loan Associations (VSLAs), Guatemala

By Marin O'Brien Belhoussein and Adriana Smith

### Acronyms

CSO	Civil Society Organization
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
SAS	Stopping As Success
UN	United Nations
USAID	United States Agency for International Development
VSLA	Village Savings and Loan Association

### Type of transition

This case study is an example of a transition in which an INGO phased over ownership of a program to an informal entity. Trickle Up supported the creation of La Sabiduria savings group, working intensively with the group during an initial phase then gradually and purposefully providing space for the group to function independently.

## Introduction

This report describes the graduation approach employed by Trickle Up—an international NGO headquartered in New York, with projects in Africa, Asia, and the Americas—to create independent village savings and loan associations (VSLAs). The case study will highlight how Trickle Up has adapted aspects of the VSLA model to the Guatemalan context in order to establish and then “graduate” individual savings groups. The graduation approach involves working intensively with a group during an initial phase, then gradually and purposefully providing space for the group to function independently.

The VSLA model and graduation approach are not unique to Trickle Up. VSLAs originated in Africa, and organizations worldwide have developed the model to address extreme poverty in a variety of contexts, seeking to elevate households above a “graduation” poverty threshold. Savings groups are common in Guatemala, with other INGOs interviewed over the course of the case study research also describing their experiences establishing and supporting such groups. However, the savings groups established by Trickle Up have unique characteristics, which have contributed to the groups growing and scaling up over time. This case study highlights the importance of capacity building, collective leadership, and local decision-making in enabling the phase out of external support to local savings groups, many of which continue to thrive for years afterwards.

Research for this case study consisted of a document review, key informant interviews, and focus group discussions. In total, 14 in-person key informant interviews were conducted with Trickle Up staff; VSLA leadership and members; leadership of organizations working on international development throughout the department of Alta Verapaz; and representatives from the municipal government. Focus group discussions were also conducted with members of the La Sabiduría savings group in Chimalón, within the municipality of Tamahú, as well as one other savings group from the area. Staff from Trickle Up’s Americas regional office worked closely with the case study writers to coordinate key informant interviews and focus group discussions. Trickle Up staff members kindly translated key informant interviews and focus group discussions from Poqomchí—the predominant Mayan language spoken in Tamahú—into Spanish. It

should be noted, however, that their participation in key informant interviews and focus group discussions may have affected some respondents' answers.

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## Context

Guatemala is a Central American country of some 17 million inhabitants bordering Mexico, Belize, Honduras, and El Salvador.<sup>227</sup> It is divided into 22 departments and 340 municipalities, with Guatemala City its capital. Guatemala's official language is Spanish, though 23 indigenous Mayan languages are constitutionally recognized. Its main exports are coffee, sugar, bananas, and clothing items. The 2016 Human Development Index ranked Guatemala 125th in the world, with a life expectancy at birth of 72.5 years. The Index has grown at an annual average rate (2006 to 2014) of just under 0.3 percent per year, representing very slow growth. According to the most recent National Survey on Living Conditions,<sup>228</sup> 53 percent of the population did not earn enough to cover the cost of a basic monthly food basket (about US\$470 for a family of five), while 76 percent did not earn enough for a basic package of household goods and services (about US\$1,000). Accordingly, as of 2018, the country had the fourth highest rate of chronic malnutrition in the world, with almost 70 percent of the population in indigenous areas chronically malnourished.<sup>229</sup>

A large majority of the population lives in rural areas, relies on subsistence agriculture livelihoods, and participates in the informal economy. Some regions have experienced consecutive years of drought, while others are characterized by severe dryness. This has resulted in poor harvests of staple crops and food insecurity. Most of the country's population lacks social security and does not make a living wage (the official minimum wage is US\$370 per month). According to the most recent data available, the poverty rate in 2014 was 49 percent, an increase from the rate of 43 percent recorded in the previous household survey in 2006.<sup>230</sup> Approximately 10 percent of households receive remittances from abroad, which, in 2018, amounted to US\$9 billion, equivalent to about 12 percent of GDP. Income from remittances is growing at an annual rate of 3 percent. While this is insufficient to overcome poverty rates, remittances from the estimated 1.2 million Guatemalans living abroad often sustain the family economy, which have suffered from a reduction in labor income and purchasing power over the last 15 years.

## Aid context

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227 Instituto Nacional de Estadística de Guatemala. Accessible via: <https://www.ine.gob.gt/>

228 República de Guatemala: Encuesta Nacional de Condiciones de Vida (ENCOVI). 2014.

229 USAID. 2018. "Food For Peace Fact Sheet: Guatemala." Accessible via: <https://bit.ly/33f4F8E>

230 World Bank. 2019. Accessible via: <https://bit.ly/35Zc6Tl>

Guatemala has received international development aid for nearly a century, including bilateral and unilateral aid; refundable loan and non-refundable donations; North–South cooperation grants; South–South cooperation grants; and tied aid. This has come from government agencies; private entrepreneurial investment; philanthropic support; international NGOs and foundations; religious groups; municipal councils (for example, from Spain); among other sources.

In brief, post-Second World War global reconstruction efforts and the launch of the United Nations (UN) in 1945 kick-started the era of international development efforts. Development aid to Guatemala continued to flow in the 1950s and 60s, particularly in the form of capital flows, mainly from the US. Following the 1976 earthquake, Guatemala was subject to a heavy influx of international aid for infrastructure and reconstruction projects. It was then that NGOs and CSOs began to form in order to manage international relief funds. Prior to this, CSOs were mostly farmer, union, religious, guerrilla, or political party-affiliated groups.

At the end of the 1970s, with the intensification of armed internal conflict and the outbreak of widespread political violence, Guatemala began receiving international aid from the US for counterinsurgency efforts; humanitarian aid for victims and displaced populations; and support from international advocacy groups toward social and political protests. However, the Guatemalan government made it difficult for the latter two types of aid to enter the country. In 1985, Guatemala returned to free elections and a constitutional regime, and peace talks began. During this time, the government permitted more open international relations, and allowed international donations to be more freely accepted. Much of these international funds focused on achieving peace through dialogue, respect for human rights, protection of the displaced population, and assistance to war victims.

The signing of the 1996 Peace Accords was a historic milestone, and marked a huge increase in international investment and presence in the country. These were aligned with country development strategies for economic, institutional, and political progress. The UN created a commission—the UN Mission for Guatemala—which supported the international aid influx and triggered various new trends: unmonitored and loosely measured capital funds; a spike in the number of CSOs formed from social movement groups during the war; and the formal recognition of NGOs as legal entities to administer international funds. This explosion of aid was focused on strengthening the state, the rule of law, and CSOs.

Through the 1990s and the turn of the century, increasing numbers of funds focused on community and economic development, aligning with the Millennium Development Goals. In the current century, international aid has become less focused on solidarity funds, with much more emphasis placed on results-based programming, and

transactional agreements with reporting and compliance verification of results. International cooperation programs have grown stronger and further established their missions within the country (USAID, European Union, Canadian, Swedish Cooperation, etc.). This has invited a much larger INGO presence in Guatemala, including for-profit development companies that would benefit from more rigorous accountability standards and compliance with international regulations. In addition, this has created more resources for INGOs such as Save the Children, World Vision, Mercy Corps, CRS, Population Services International, and local universities. This shift toward larger projects with more complex administrative procedures has made it increasingly difficult for smaller NGO and CSOs to compete with large INGOs. As a result, many local NGOs and CSOs have lost funding or become entirely dependent on support from INGOs managing large international cooperation grants.

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In 2017, the governments of Guatemala, Honduras, and El Salvador signed the Alliance for Prosperity—a development agenda designed by these, with support from the US government and the Interamerican Development Bank. The agenda sought to

increase economy-wide productivity in strategic sectors through attracting investment, broadening access to finance, and improving connectivity. This increase in productivity would in turn—through institutional strengthening and increasing citizens’ trust of government—create economic opportunities, develop human capital, and improve citizens’ security and access to justice. USAID, historically the agency with the most bilateral funds committed to Guatemala, has pledged several million dollars toward the initiative and the US government remains an important bilateral aid partner. However, beginning in March 2019, some US government officials began to link aid commitments to immigration policy considerations which has led to uncertainties related to continued bilateral aid.<sup>231</sup>

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## Background to Trickle Up in Guatemala

Extreme poverty—which international standards currently define as those living on less than US\$1.90 per day<sup>232</sup>—is a persistent challenge in Guatemala. The World Bank estimates 8.7% percent of the population experienced extreme poverty in 2014, with the number of people living in poverty expected to increase between 2019 and 2021.<sup>233</sup> Of Guatemala’s departments (or administrative units), Alta Verapaz had the highest rates of extreme poverty, which was concentrated in rural areas and more prevalent among indigenous populations.<sup>234</sup>

Trickle Up is an INGO that has been working to address extreme poverty since 1979 and is recognized as a leader in the application and adaptation of graduation approaches. In 2008, Trickle Up established a regional office for the Americas in Cobán, the capital of Alta Verapaz. This office now supports programming in Guatemala, Mexico, and Paraguay.

### Graduation approach

Organizations worldwide have developed and adapted ‘graduation’ approaches designed to address extreme poverty, seeking to elevate households above a set poverty threshold. As described by de Montesquiou et al.:

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<sup>231</sup> New York Times. 2019. “Trump Turns US Policy in Central America on its Head.” <https://nyti.ms/3kWhPgY>; Center for Global Development. 2019. “What Will the White House’s Halt to Aid Mean for the Northern Triangle?” Accessible via: <https://bit.ly/3o6rVxV>.

<sup>232</sup> de la O Campos, A. P., Villani, C., Davis, B., and Takagi, M., 2018. “Ending Extreme Poverty in Rural Areas: Sustaining Livelihoods to Leave No One Behind.” *Food and Agriculture Organization of the United Nations*. Accessible via: <https://bit.ly/39eFTfc>

<sup>233</sup> World Bank. “The World Bank In Guatemala.” Accessible via: January 30, 2020. <https://bit.ly/3fumCF8>

<sup>234</sup> World Bank. 2004. “Poverty in Guatemala: World Bank Country Study.” Accessible via: <https://bit.ly/39eGDPO>

“The breakthrough innovation of the graduation approach is the way it blends elements of social protection with those of livelihoods support to help extreme poor people move toward economic self-sufficiency. At the heart of graduation’s theory of change is the insight that a person perpetually trapped in survival mode cannot engage in the creative thinking or planning necessary for a longer-term strategy to escape extreme poverty—that a person facing chronic hunger is unlikely to be able to focus on anything else ... The elements of the graduation package, which also include mentoring, skills training and transfer of an asset to generate income, and access to financial services, all work together to help participants escape the constant pressure for survival and begin the climb up the ladder of economic well-being.”<sup>235</sup>

Extreme poverty is recognized as multidimensional. Factors that both contribute to and result from extreme poverty include poor living conditions; social marginalization and exclusion; and lack of access to resources and opportunities.<sup>236</sup> As such, traditional economic development or microfinance approaches have not typically proven effective in addressing extreme poverty. Thus, graduation approaches have been developed to provide an integrated response to issues of extreme poverty at the individual or household level.

Graduation approaches focus on the establishment of what were historically called village savings and loans associations and are now commonly referred to as savings groups. Savings groups comprise approximately 10–20 individuals, who together contribute savings into a single pool, from which they can take small loans. These loans enable individuals to execute income-generating or productive activities.<sup>237</sup>

In addition to these economic activities, savings groups have important social functions. At the individual level, participation in savings groups builds business skills, as well as confidence and self-esteem. Participation in savings groups also offers individuals the opportunity to improve their families’ well-being, for example through attaining better nutrition and health outcomes. It is also common for individuals to use their income to pay their children’s school fees and purchase school supplies. Finally, by participating in savings groups and running businesses, individuals have an opportunity to establish themselves within the community, on top of which savings groups set aside a portion of the savings pool as a “social fund” (discussed below), which may be used to address the

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<sup>235</sup> de Montesquieu, A., Sheldon, T., and Hashemi, S.M. 2018. “From Extreme Poverty to Sustainable Livelihoods: A Technical Guide to the Graduation Approach – Second Edition.” *Partnership for Economic Inclusion*. Accessible via: <https://bit.ly/2UY6WAD>

<sup>236</sup> de la O Campos, A. P., Villani, C., Davis, B., and Takagi, M. 2018. “Ending Extreme Poverty in Rural Areas: Sustaining Livelihoods to Leave No One Behind.” *Food and Agriculture Organization of the United Nations*. Accessible via: <https://bit.ly/39eFTtc>

<sup>237</sup> Allen, H., and Staehle, M. 2015. “Village Savings and Loan Associations (VSLA): Field Officer’s Training Guide,” Version 1.06, VSL Associates. Accessible via: <https://bit.ly/362nKN>

needs of community members. In these and other ways, participation in savings groups supports social integration of individuals, families, and communities.<sup>238</sup>

## **La Sabiduría savings group**

Trickle Up has supported the creation of numerous savings groups in Guatemala. One unique aspect of these savings groups is their focus on working with people with disabilities and indigenous women. Through the application of the graduation approach, Trickle Up phases out its engagement with savings groups over time.

In order to explore the process in detail, it is helpful to focus on the experience of an illustrative case: La Sabiduría savings group in Chimolón, in the municipality of Tamahú. Chimolón is an indigenous community, and the population primarily speaks the Mayan language Poqomchí.

La Sabiduría can be considered a successful savings group for a number of reasons. First, it has grown from 16 participants when it was formed to 50 participants at the time the research was conducted. Second, not only has La Sabiduría continued its activities independently of Trickle Up, members of the original group have engaged family members and neighbors to create five additional savings groups over time.<sup>239</sup> Third, the members of La Sabiduría have improved their economic well-being, which has, in turn, enabled them to make other advances. For example, by participating in capacity-building activities provided by Trickle Up related to livelihoods development and savings, members of the group have diversified their productive activities (into, for example, weaving and selling chickens); provided educational opportunities for their children; gained access to healthcare; improved their homes; and been able to purchase goods such as televisions and sewing machines.<sup>240</sup>

While the graduation approach employed with La Sabiduría is illustrative of Trickle Up's model, it should be noted that the municipality of Tamahú was unique in how it bought into the vision for savings groups, thereby creating an enabling environment for them to thrive.

## **The transition**

Trickle Up's exit process is best understood as a transition or phase out. Its interventions are designed to last 24 to 36 months, depending on the needs of the group in question.

<sup>238</sup> 2017. "Guía Methodológica: Sistema de ahorro y crédito de asociaciones locales (ALAC), Trickle Up, Cobán, Alta Verapaz, Guatemala."

<sup>239</sup> Specifically, in July 2016, 34 individuals formed Grupo el Almacén I; in July 2017, 27 individuals formed Grupo Flor de Zapote; in March 2018, 30 individuals formed Grupo Flor del Quetzal; in July 2018, 27 individuals formed Grupo El Almacén 2; and in August 2018, 14 individuals formed Grupo Río Polochic.

<sup>240</sup> Macz, H. 2019. "Diagnóstico Grupal SAS: Chimolón, Tamahú." Trickle Up.

Right from the start of an intervention, a plan is in place for Trickle Up to exit. Trickle Up has developed a rigorous intervention methodology, which is divided into three broad phases:

- Community engagement, participant selection, and formation of savings groups;
- Capacity building and accompaniment of savings groups; and
- Phase out of accompaniment leading to independent savings groups

La Sabiduría savings group was founded on 20 May 2013. Trickle Up worked through its phased intervention methodology, providing support to La Sabiduría until December 2014. La Sabiduría has thrived in the years since Trickle Up ended its accompaniment, and members of the savings group have maintained personal relationships with members of Trickle Up's staff.

The vision behind the graduation approach is to create a multiplier effect. This has been the case with La Sabiduría, with individuals moving on from the original savings group in order to start new groups that operate with the same practices and principles. Savings groups in Guatemala have formed the Community Network for Integrated Development (la Red Comunitaria para el Desarrollo Integral). La Sabiduría and the five groups that evolved out of it all participate in the Network, with the current president of La Sabiduría serving as the Network's treasurer. The Network represents more than 1,000 women, prompting many individuals—including political candidates—to take notice of it.

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## Outcomes and impacts

### Community engagement and selection process

As noted above, many INGOs in Guatemala establish savings groups as part of their program model. One of the unique aspects of Trickle Up's approach is the way in which it initiates savings groups, working intensively within a municipality to ensure that the participants selected fit the criteria of extreme poverty. As one Trickle Up staff member explained: "The first phase is determining the possible participants—this is the most important part. Everything else will fail if the selection is not done right."

The first step in initiating a savings group is to approach the municipality, including the office of the mayor. Trickle Up makes a request to work in the municipality, emphasizing that it engages those in extreme poverty (although a mayor may try to influence who is included in the savings groups). Trickle Up will then work with municipal officials to set up a community meeting about the savings group program. Trickle Up staff report that it is rare for a mayor to prevent the organization working in a community.

At the community meeting, Trickle Up presents the savings group concept, explaining that the project is not for everyone, and they would like to work with those in extreme poverty or with young women aged 14–18. Sometimes, Trickle Up will be asked such questions as “Why are you working with girls and not boys?” and a staff member will seek to explain.

Trickle Up has criteria to identify the poorest individuals within a community. It is also sensitive to the fact that very localized economies exist in Guatemala due to the isolation of many indigenous communities, which have limited access to roads, transportation, and other infrastructure. Therefore, the meaning of extreme poverty may differ from one community to the next. Trickle Up will ask community members to define the characteristics of the poorest individuals (for example, community members might describe such an individual as someone who does not own pigs). Trickle Up will then ask community members for the names of people in the area who fit these characteristics.

Trickle Up will then begin house visits to these identified individuals. Staff will look to see if an individual has a motorcycle, pig, or other marker indicating they are not among the extreme poor. Sometimes Trickle Up will find that while a family as a whole has resources, an individual within it—such as someone with a disability—does not. In this case, the individual would be considered for participation. Additionally, Trickle Up has an 11-question diagnostic for potential participants. Savings group participants are selected on the basis of these house visits and the results of the diagnostic.

This intensive community engagement process is critical to ensuring that Trickle Up selects participants who fit the programmatic criteria. Additionally, it contributes to an enabling environment in which savings groups are widely accepted and can thrive. In other words, it creates a setting in which savings groups are supported regardless of whether Trickle Up maintains its presence.

## **Accompaniment**

The next step in Trickle Up’s approach is to provide education and training to the selected savings group participants, with a field officer from Trickle Up explaining what it means to form a savings group and introducing the organization’s methodology. This phase of initiating a savings group and providing training lasts approximately three months. The field officer who works with the savings group at this stage will continue to accompany the group until it “graduates” from the program.

Key activities in the initial phase of the savings group include electing the leadership committee; writing a constitution; training on how to buy shares and take loans from the group; and training on productive activities. The field officer will work with individual

members of the group to develop a plan for productive activities, meaning what activity or activities the member will undertake to generate income. As one Trickle Up staff member observed: “After participants have a productive plan and training, they have two arms to defend themselves. They now can start saving.”

Once a group is established and has received initial training, the field officer will visit it every two weeks. This is another aspect of Trickle Up’s approach that sets it apart from other organizations working with savings groups, where the norm for visits is once a month. The field officer will observe savings group meetings in which members buy shares, as well as take and repay loans. They will also provide mentoring or coaching to participants, for example taking 30 minutes at the end of a meeting to provide instruction on topics such as public or sexual health. This phase typically lasts a further three months.

During the next phase of the savings group, the field officer will begin to visit less regularly. By this point, participants are saving more and are likely buying more shares. Meetings start to last longer, typically taking two hours rather than one. Savings group members may also try different productive activities during this phase.

The savings group process culminates with the closing of a cycle. Savings are distributed in proportion to the shares a member has purchased. Though the field officer will have previously explained how savings are distributed, disagreements or conflict may arise at this point. For example, some members may want to split the savings equally rather than proportionally according to shares. While the leadership committee is responsible for resolving conflicts and mediating between members, a field officer is also present for the closing of the cycle. Finally, savings group members decide whether they wish to stay together as a group and start a new cycle.

## Collective leadership

There are five positions within the leadership committee of every savings group: President, Registrar, Box Keeper, and two Money Counters. The field officer will explain the required qualities and responsibilities for each role:

- The President’s responsibilities include creating meeting agendas, leading discussions within the group and bringing discussion to a conclusion, solving conflicts within the group, and making sure rules are respected. The President also may represent the group in external activities.<sup>241</sup>
- The Registrar’s responsibilities include taking control of credit and capital, recording who receives credit, registering interest and payment of credit, and

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<sup>241</sup> 2017. “Guía Methodológica: Sistema de ahorro y crédito de asociaciones locales (ALAC), Trickle Up, Cobán, Alta Verapaz, Guatemala.”

providing a report on savings and loans during each meeting. The registrar must be able to write and have knowledge of numbers and records.<sup>242</sup>

- The Box Keeper's primary responsibility is to protect the box in which the group stores its savings. The box keeper brings the box to each meeting and enters savings into the box. Meetings are typically held in the box keeper's house as the box is heavy. There is a risk of theft and to the box keeper herself if she must transport the box some distance.<sup>243</sup>
- The Money Counters verify the placement of money into the box and removal of money from the box. They count money during every transaction and keep the registrar informed. They announce each transaction to the group so that all members are aware of each individual's contribution of savings and requests for credit.<sup>244</sup>

Also elected at the start of a group are three key carriers, who cannot be in the leadership committee (though they can change role after a cycle has closed). The key carriers must be prompt and reliable, as there cannot be a meeting if it is not possible to open the savings box.

All members of the savings groups are invited to stand for a position on the leadership committee. The members of the group then hold a democratic election. Individuals standing for a position are each assigned a color, with group members given a chip to place in correspondingly colored bags.

The individuals elected to these positions take up their roles immediately upon the formation of the group. Although a field officer is present throughout the development of a savings group, its members lead the group from the outset. This means there is minimal disruption to a group's activities during the phase-out period, as the group operates with the same leadership committee and under the same rules throughout the transition.

## Collective responsibility

Participation in the savings group typically creates bonds between group members through a variety of activities, from the formulation of a group constitution to regular meetings to collective saving. The group members hold each other accountable for upholding rules established in the constitution, such as being on time to meetings and no use of cell phones during meetings, as well as for savings activities.

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<sup>242</sup> Ibid

<sup>243</sup> Ibid

<sup>244</sup> Ibid

The establishment of a social fund is another critical element of savings groups that fosters a sense of collective responsibility. Savings group members contribute to a social fund each round, in addition to contributing savings or requesting loans from the general fund. Group members may draw from the social fund for different reasons. For example, if someone is sick or experiences a family emergency, the savings group may provide financial support the individual from the social fund. In other cases, groups view the social fund not for savings group members themselves but for the community at large. Some groups decided to finance community needs through the social fund. Young women from one savings group decided to purchase cinder blocks to help build a school at the end of a savings cycle. Participation in savings groups therefore not only builds a sense of collective responsibility within a group itself but also within a broader community.

## **Capacity building**

Participation in savings groups builds capacities at different levels. At an individual level, savings group members build the capacity to save. Such capacity is incredibly powerful, especially for those who are in extreme poverty as savings group members begin to improve their economic circumstances as well as the circumstances of their families. Members of La Sabiduría savings group used their savings in various ways, including purchasing concrete blocks in order to improve their homes, paying school fees for their children, and buying chickens to support nutrition and further productive activities.

At a community level, the fact that savings groups build the capacity to invest in their communities through the social fund and in other ways can be incredibly powerful. Trickle Up also builds the capacity of savings group members to form other savings groups, teaching the methodology to neighbors and friends. Through such capacity building, savings groups have the ability to scale.

The savings groups in and around Alta Verapaz have shown the power of scaling through the formation of the Community Network for Integrated Development (la Red Comunitaria para el Desarrollo Integral). As noted above, La Sabiduría and the five groups that evolved out of it all participate in the Network, and the current president of La Sabiduría serves as the Network's treasurer. The Network represents more than 1,000 women who can be reached and potentially mobilized for specific activities or causes.

## **Conclusions**

This case study illustrates how the graduation approach employed by Trickle Up in Guatemala leads not only to sustainable savings groups, but the empowerment of individuals within communities to establish their own savings groups. The fact that these groups have multiplied and even formed a regional network highlights that—when local

actors are given an opening to drive their own agenda—locally led development can foster economic, social and potentially political development.

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## Key lessons

**Programs should be initiated with a plan to graduate groups in place from the outset.** Trickle Up's intensive selection process targets the extreme poor, building the capacity of participants, then thereby providing them space to learn and grow.

**Intensive community outreach and participant selection processes can create an enabling environment.** In Trickle Up's case, this fostered the continuation of savings groups, as well as the establishment of new groups, after the organization has phased out its support. The value of savings groups is reflected in the fact that two municipalities are currently paying for technical support specialists to continue working with them.

**Strong dedication to a core methodology helps.** In Trickle Up's case, it enabled savings groups to learn the approach and then replicate it with others in the community.

**Ensure appropriate resources are invested at the outset.** The resources contributed by Trickle Up at the start of the initiative take the form of staff time, which goes into securing buy-in for the concept from local authorities and leaders, as well as identifying savings group participants. Equally important is the fact that members of savings group contribute their own savings to start groups.

**It is important that savings group members are allowed to drive the process for themselves.** Members of the savings groups established by Trickle Up select their own leadership, decide on which productive activities to pursue, and are able to purchase shares of the group according to their means.

**While the savings and loan process is a central element of VSLAs, individuals continue to participate in them for a variety of reasons.** As can be seen in Trickle Up's case, VSLAs can serve as a **platform** to gather and consult; build self-esteem and group solidarity; and address individual as well as community needs.



## **PART 3**

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# **Leaders and Champions**

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The unity of our team played a more significant role than external support. It is vital in situations like this, that everybody has a sense of ownership.

BRIDGE STAFF MEMBER – GEORGIA

## Introduction

Throughout the Stopping As Success case studies, the concept of ‘leaders’ and ‘champions’<sup>245</sup> consistently emerged as a key theme and factor in successful transitions. Numerous case studies in this chapter and others discuss how both of these actor types played fundamental roles; ensuring smooth transitions and post-transition processes and helping shift the power within the system to better support and facilitate the success of local actors.

The Stopping As Success project showed that **leaders are often local actors who worked directly with an INGO to shape the transition, collaborate with staff members to motivate ownership, and in some cases engage the community to develop a local entity to carry forward post-transition.** Additionally, leaders are often the ones who go on to serve as the Executive Director or other senior leadership roles within the local entity after the transition.

In contrast, ‘champions’ are discussed in the Stopping As Success cases as **actors who use their passion, vision, and practical experience to advocate for and lead the work in which they participated.** Champions are shown to serve two primary roles in transition processes: 1) advocate for ethical, locally led transitions and 2) coach other staff members to ensure competence. Notably, champions were also credited with ensuring the ethical direction, locally led nature and overall success of transitions in nearly every Stopping As Success case study.

However, the role of leaders and champions in transitions is of course not devoid of power dynamics. There were two main power imbalances noted in the case studies: 1) decision-making on aspects of the transition tended to be made by international headquarters staff and tended to downplay the role of local leaders and champions, and 2) the way a leader or champion’s identity was perceived in their context at times presented obstacles to a successful transition or the ongoing success of the local entity.

As with the other key themes discussed within this book, we encourage readers to review the corresponding “Leaders and Champions in Responsible Transitions”<sup>246</sup> issue paper to gain a more in-depth understanding of these actors in the context of transitions. The following key takeaways have been adapted from this resource and should be considered when reading the case studies under this theme:

- Work alongside local staff and partners to support a local leader who will lead the local entity post-transition. In most cases, an influential local leader or a group

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<sup>245</sup> This introduction draws content and at times direct quotations from the following SAS resources: Boone, G., Jean, I., and Barnard-Webster, K. 2020. “Leaders and Champions in Responsible Transitions.” Accessible via: <https://bit.ly/33f4WIZ>

<sup>246</sup> Boone, G., Jean, I., and Barnard-Webster, K. 2020. “Leaders and Champions in Responsible Transitions.” Accessible via: <https://bit.ly/33f4WIZ>

of leaders (e.g., the Board of Directors) were credited with the success of the transition from an INGO to a local entity. The case evidence suggests that having a charismatic, committed, and technically and managerially competent leader allows for a successful transition;

- Trust local leaders and champions who come up with innovative ideas about the transition. Transitions are compiled of multiple moving parts over a period of time and the original transition plan may need to change and adapt as the context develops. Trusting the ideas and suggestions of local leaders and champions is a critical part of this change;
- Viewing and engaging local actors as partners and agents of change and not passive implementers of decisions is essential to a successful transition. Additionally, local leaders and champions are often viewed as more trustworthy than foreigners and can gather greater buy-in and support from the community;
- Communicate at all levels. Staff and partners, at every stage, should be aware of the transition and be equipped to support as needed. Additionally, communication has to trickle down to every level of leadership in the organization; and
- International funders and partners have responsibility for advocating and inviting local organizational leaders and champions into decision-making spaces.

### **The cases profiled in this chapter are, in order:**

Chapter 9: Interpeace transition to Centre of Studies for Peace and Development (CEPAD), Timor-Leste

Chapter 10: CARE USA transition to Raks Thai Foundation, Thailand

Chapter 11: Mennonite Central Committee transition to various Local Initiatives, India



## Chapter 9

# Interpeace transition to Centre of Studies for Peace and Development (CEPAD)

By Farzana Ahmed, Eugenia Correia and Alex Martins

### Acronyms

CSO	Civil Society Organization
CEPAD	Centre of Studies for Peace and Development
PAR	Participatory Action Research
FAR	Frameworks for Assessing Resilience
INGO	International Non-Governmental Organization
MISEREOR	German Catholic Bishops' Organisation for Development Cooperation
MoU	Memorandum of Understanding
NGO	Non-Governmental Organization
PDF	Peace and Democracy Foundation
PRDP	Program of Research and Dialogue for Peace
SAS	Stopping As Success
UNMIT	United Nations Integrated Mission in Timor-Leste
UN	United Nations
USAID	United States Agency for International Development

#### Type of transition

The partnership between Interpeace and CEPAD is a case of progressive financial disengagement, with the former having contributed for many years to the organizational development of the latter. The financial transition began around 2014 and was fully completed by September 2016. Interpeace provides ongoing support in other areas.

## Introduction

In countries emerging from long-standing and intensive conflict, partnerships with international organizations that can provide access to resources and case studies of what has worked in other conflict resolution and peacebuilding contexts can prove invaluable. Timor-Leste, as a country that not only emerged from long-standing occupation and war but fought for its independence, is an interesting case study through which to examine how such partnerships can best be constructed.

This case study provides an overview of the partnership between Interpeace, an INGO, and the Centre of Studies for Peace and Development (CEPAD), a local organization established in Timor-Leste. Interpeace provided ongoing financial, technical, and capacity building support to CEPAD from its creation in 2007 through to its transition from program-driven entity to fully-fledged NGO. In 2015, Interpeace made the decision to phase out its financial support to CEPAD, but remains engaged in an advisory capacity as and when it is called upon. This transition provides a useful example of how an INGO can support the creation and growth of a locally led organization.

This case study is based on a brief desk review and data collected through 21 key informant interviews with CEPAD and Interpeace staff members, UN agencies, government representatives, civil society actors and international NGOs. The majority of interviews were conducted in Timor-Leste by Peace Direct's Senior Researcher, Farzana Ahmed, and Timorese researcher, Eugenia Correia.

## Context

The Democratic Republic of Timor-Leste, with a population of around 1.3 million people, emerged as an independent nation-state in May 2002. This followed decades of conflict and a long history of occupation by Portugal (1500–1975) and then Indonesia (1976–1999). During Portuguese rule Timor-Leste was largely considered a poor and insignificant colony, and as such little focus was put on its social and economic development.<sup>247</sup>

<sup>247</sup> Cummins, D. 2014. "Local Governance in Timor-Leste: Lessons in Postcolonial State-building." *Abingdon: Routledge*, p. 24.

Toward the end of the Portuguese colonial era, some investment was made in the education sector, although this reached only a small section of the population and was mostly tied to the Catholic Church's mission to "civilize" the Timorese.<sup>248</sup>

In December 1975, soon after the Portuguese left Timor-Leste, and just nine days after the Revolutionary Front for an Independent Timor-Leste (Fretilin) declared independence, the Indonesian military invaded. The following year, Indonesia declared Timor-Leste its twenty-seventh province. Although Indonesian forces put in place some degree of infrastructure development, this was offset by extreme cultural and political repression. Indonesian rule was characterized by forced displacement and mass migration, with thousands fleeing their homes to resettle in rural and mountainous areas that lacked basic amenities for survival. Many Timorese found themselves caught up in the violent conflict taking place between Timorese groups and the Indonesian military. In total, repressive measures led to the deaths of around one-fifth (as many as 200,000 people) of the population.

The Timorese population campaigned tirelessly against the Indonesianization of their institutions, culture, and society. In November 1991, 200 protestors were killed by the Indonesian military in what became known as the Santa Cruz massacre. From that point on, the Timor-Leste independence movement began gaining traction and support internationally, including from the United Nations (UN). In a UN-sponsored referendum held in August 1999, 78.5 percent of the population voted for independence. The United Nations Transitional Administration in Timor-Leste (UNTAET) was then set up to oversee the transition period, which extended until the country's first democratic elections in May 2002.

In 2006, Timor-Leste experienced its first major political crisis since independence. This initially involved clashes between army factions in the capital Dili, but eventually led to unrest throughout the country and the displacement of 150,000 people. The creation of CEPAD came as a direct response to this political crisis (explored further in Section 4 below).

## Aid context

International assistance to Timor-Leste precedes the country's independence. In the early 1990s, foreign aid was mostly targeted at providing humanitarian assistance to displaced populations. When the vote for independence took place in 1999, there was an influx of aid agencies into Timor-Leste. The United Nations Mission of Support in East Timor (UNMISET) operated between 2002 to 2006, later replaced by the United

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<sup>248</sup> CDA Collaborative Learning. 2008. "Listening Project – Field Visit Report, Timor-Leste." Accessible via: <https://bit.ly/2Hwy7Pr>

Nations Integrated Mission in Timor-Leste (UNMIT), which operated as a peacekeeping mission from 2006 to 2012. Between 1999 and 2006, around US\$3 billion entered the country through UN missions and other INGOs. Prior to 2002, aid money was mainly focused on humanitarian assistance, and the international community's presence was largely welcomed. Then, from 2002 onwards, aid agencies shifted their focus to longer-term development and state-building work. Despite billions of dollars in aid being channeled into Timor-Leste, some have claimed that only a limited portion of the aid money reached ordinary Timorese citizens.<sup>249</sup> In 2018, official development assistance to Timor-Leste was approximately US\$244.8 million (\$181.73 million in grants and \$61.6 million in concessional loans).

In 2012, UNMIT ended its peacekeeping operation. This had knock-on effects for other INGOs, with fewer funding opportunities available due to the international development community deprioritizing the country. Many have questioned the effectiveness of programs implemented by the UN and other aid agencies during this period. One interviewee from the government noted that sustainability was not a focus for international actors, and that much of the aid money was spent either on short-term relief projects or funding the lifestyles of international consultants and aid workers. For one president of a long-standing Timorese CSO, the UN's decision to close down its office came as a surprise: "... they suddenly stopped funding. We had to restructure ourselves. We resized from 500 staff to 20."

The withdrawal of the UN and other aid actors from Timor-Leste also impacted the local economy. According to one interviewee, an increased international presence meant "... economic circulation in the country ... expats were renting rooms and houses at the district and municipality level." Another interviewee described the mass exodus of international aid actors as leading to economic instability and financial pressures on the restaurants, cafes, and landlords that had relied on the flow of funds. Moreover, many young people who had worked for international organizations found themselves suddenly unemployed.

## **The role of civil society**

Civil society in Timor-Leste has been shaped by various historical and political events. Before the Portuguese colonial era, Timorese society was structured mainly around traditional kingdoms. These local power structures persisted to some extent with the arrival of the Portuguese, but over time civil society activities became closely linked to the increasingly influential Catholic Church. During the Indonesian occupation, CSOs focused on the struggle for independence, with many going underground to mobilize

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<sup>249</sup> Neves, G. 2011. "Timor: Where Has All the Aid Gone?" Foreign Policy in Focus. Accessible via: <https://bit.ly/33cyEhq>

resistance. These movements were mainly student-led and supported by the Timorese diaspora community abroad.

The influx of foreign aid money into Timor-Leste provided new opportunities for civil society. Many organizations previously at the forefront of the independence struggle were now part of the growing movement of international and local organizations seeking to build strong institutions and structures, as well as to respond to the socioeconomic needs of the population. Some have claimed that, during this time, Timorese CSOs who once focused on advocating for political change, took on a more service delivery-oriented role.

According to the director of a national CSO that was a major player before and after independence, Timorese CSOs had to step up and provide shelter, food, and health care to the entire population, as there was no budget after independence and the government had not yet been formed. As the director put it: “We were practically running the country.

New Timorese organizations started to form in direct response to the international funding opportunities presented. Some have questioned the sustainability of such organizations, with one UN employee observing: “If you came here in the early 2000s, you’d see that there were many registered CSOs in this country. But when the UN left only a few sustained themselves.”

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## The partnership between Interpeace and CEPAD

Interpeace is an INGO, headquartered in Geneva, that supports locally led peacebuilding initiatives in 21 countries across Latin America, Africa, Europe, the Middle East, and Asia (with an exclusive focus on TimorLeste). Interpeace describes itself as an organization that “... tailors its approach to each society and ensures that the work is locally driven. Interpeace believes that every society has what it needs to build peace. Our role is to support societies to harness their strengths. Together with local partners, we jointly develop peacebuilding programs.”<sup>250</sup>

The origins of Interpeace provide an interesting parallel to CEPAD’s own organizational journey. In May 1994, the UN created the War-torn Societies Project to assist international and national actors in better responding to the challenges of countries emerging from war. The project initially operated in Eritrea, Mozambique, Guatemala, and the Somali regions of Somaliland and Puntland, transitioning from a UN initiative to an independent NGO in 2000. In 2006, it changed its name to Interpeace to reflect the new scope and scale of its work.

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<sup>250</sup> Interpeace, 2020. “About Us.” Accessible via: <https://bit.ly/2J0oA4A>

Interpeace began its work in Timor-Leste in 2007, with CEPAD established the same year as a direct response to the country's 2006 political crisis, as well as to tackle ongoing issues of instability and corruption. Focused primarily on issues of anti-corruption and accountability, CEPAD works to increase community access to information and influence public servants to operate with transparency and openness.

## **The Program of Research and Dialogue for Peace (PRDP) in Timor-Leste**

The origins of CEPAD lie in a joint peacebuilding program with Interpeace. Interpeace began its work in Timor-Leste with a Timorese NGO called the Peace and Democracy Foundation (PDF), led by José RamosHorta, a Nobel Peace Prize laureate who was one of the leaders of the resistance movement during the Indonesian occupation. As part of Interpeace's initial connection with PDF, it shared experiences of its work in Rwanda, which were seen by Timorese stakeholders as highly relevant to their own situation. In response to the violent crisis of 2006, Interpeace shifted its support to the creation of the Program of Research and Dialogue for Peace (PRDP).

The driving question behind the formation of the PRDP, as described by CEPAD's director João Boavida, was why, despite numerous efforts at dialogue spearheaded by the Church, government, and civil society, TimorLeste had suffered crises every two years since independence. The objective of the PRDP program was therefore to bring Timorese communities faceto-face with key stakeholders in order to discuss the obstacles to peace facing the country, and what could be done to address them. The PRDP was implemented in three phases between 2007 and 2009:

- Phase 1 consisted of mapping the key obstacles to peace and development. These included the promotion of individual and party interests over the national interest; an ineffective formal judicial system; a culture of impunity; a historical review of the resistance and the occupation; and corruption, collusion, and nepotism (known in Timor-Leste as KKN).
- Phase 2 consisted of the formulation of recommendations based on this mapping.
- Phase 3 consisted of implementing the action plans aimed at addressing the identified obstacles.

In order to ensure ownership of the research process, CEPAD and Interpeace adopted a participatory action research (PAR) approach from the outset of their work together, with Interpeace sharing its lessons learned from Rwanda and elsewhere. As noted by CEPAD: "Taking a participatory and inclusive approach to researching conflict-related issues in Timor-Leste is central to CEPAD's core belief that sustainable peace can only be achieved if the process of addressing key obstacles to, or strengthening capacities for, peace are

driven by those from within the society, according to a broad-based understanding of the dynamics and opportunities that exist in that particular context.”<sup>251</sup> This belief that the “how” is just as important as the “what” when it comes to research continues to be central to CEPAD’s work.

## CEPAD: from program to NGO

Interpeace made the decision to connect with João Boavida, a Timorese professional with extensive experience in programs ranging from humanitarian and emergency to development and peacebuilding, to champion the initiative and to support him in creating CEPAD. Boavida had recently returned from Africa, having worked with the UN. It is important to note Boavida’s personality, experience, and leadership skills were crucial to the early success of the PRDP and to the establishment of CEPAD. Based on experiences in other contexts, Interpeace had learned the importance of working with someone who is credible, has the ability to bring together conflicting sides under a common platform, and is able to take full ownership of a local organization and its mission. Their process for identifying the right person entails asking leaders across several sectors – such as civil society, the police, and the political elite – who they believe would be a strong convener. Boavida was consistently identified as the best person. As such, Interpeace invested time and effort to bringing him on board. Initially, Boavida required convincing, but ultimately he was excited at the prospect of setting up a Timorese-led organization to address the root causes of conflict and corruption.

After Boavida came onboard, CEPAD was registered as an independent NGO and association under Timorese law.<sup>252</sup> Following CEPAD’s establishment in 2007, the PRDP became a jointly run program, with Interpeace seeking additional funding from donor countries, including Germany, Portugal, Ireland, and Norway. These donors provided initial funding for CEPAD, while Interpeace provided capacity-building support as the NGO found its feet.

CEPAD’s stated mission is to “... use collaborative research and interactive dialogue to advance the understanding of conflict-related issues and the major challenges to the consolidation of democracy in Timor-Leste.”<sup>253</sup> As Boavida describes it: “CEPAD is a homegrown and organic civil society organization with its own priorities. Priorities were identified by the very communities we work with, rather than an organization that is externally manufactured by funding pressure and donor prerequisites and demands. CEPAD worked differently. First, we looked to set priorities that were identified by

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<sup>251</sup> CEPAD. 2016. “Understanding and Strengthening Resilience for Peace: Timor-Leste Final Report.” Accessible via: <https://bit.ly/2J8Hc1M>

<sup>252</sup> Interpeace. “João Boavida.” Accessible via: <https://bit.ly/37l9kYb>

<sup>253</sup> CEPAD. “What Is CEPAD?” Accessible via: [www.tl-cepad.org](http://www.tl-cepad.org)

communities based on which of those priorities became the main program for CEPAD, or the rationale behind CEPAD's formation."

Today, CEPAD is recognized as a leading organization in the areas of peacebuilding and anti-corruption. Along with its core research team, CEPAD has District Liaison Officers in each of Timor-Leste's 13 districts in order to ensure participation throughout the country. CEPAD is governed by a Board of Directors and supported by a General Assembly, which includes key stakeholders from the government, the military, civil society, and other sectors of Timorese society. CEPAD has deliberately selected influential board members in order to increase the likelihood of impact on government policies, in particular with regard to corruption prevention. As described by the Board's Director: "CEPAD is really niche in Timor-Leste, as it supports both communities and the government."

### **Interpeace: an active but trusting partner**

From the outset of their partnership, Interpeace supported CEPAD's technical work in areas such as grant applications, financial management, and software. At times, Interpeace was able to provide financial support critical to cover the core operational capacities needed to ensure CEPAD's sustainability, something that was deemed essential in a context characterized by diminishing donor interest in Timor-Leste. Interpeace does not have a representative or an office in Timor-Leste, but rather places its trust in CEPAD as its partner. This is a relatively unique model for INGOs, which tend to establish a presence in countries either through specific programs or by registering a local entity.

The cooperation between Interpeace and CEPAD was formalized in a memorandum of understanding (MoU) signed in 2011. This MoU recognized the complementarity between the two organizations and the value-added of working together, making clear that this was a mutually beneficial partnership. As described by a CEPAD staff member: "Interpeace is a unique organization. Even though they provide us with funds, they don't monitor every day what we do. They have trust in us to implement these programs." This sentiment was shared by a member of CEPAD's General Assembly, who interacted with Interpeace on a number of occasions during meetings: "Interpeace provided ideas, experiences, but we always revise them so it fits the Timorese context. Interpeace never forced CEPAD staff to adopt their ways. They were clear that things should be adapted to Timorese ways." Interpeace has not requested representation on CEPAD's Board of Directors, who are all Timorese, nor has it got involved in the selection of members of CEPAD's General Assembly, which contributes ideas and recommendations to the organization's decision-making.

This "silent partnership" is a deliberate strategy by Interpeace, which it uses everywhere it works. As one senior staff member told us: "It's not about sticking our flag in the sand

and saying ‘we’re here.’ The premise of Interpeace has never been about representing ourselves.

Interpeace used Boavida as the main conduit through which it connects with CEPAD, playing a supportive role as and when required. Interpeace has, for example, contributed ideas and recommendations to reports written by CEPAD, and has also supported with conducting program evaluations. In addition, Interpeace has not only provided funding, but has also delivered ongoing training to CEPAD staff on financial systems and management, as well as developing program budgets. Interpeace’s Head of Finance has conducted visits to directly train staff, including in the use of accounting software.

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## Mapping the transition

### Interpeace’s approach to and communication on transition

From the beginning of their partnership, Interpeace put its trust in CEPAD’s director and his team of researchers and officers to lead the strategic management and implementation of all project activities. This trust enabled openness on both sides when the time came for Interpeace to transition away from financial support to CEPAD.

Between April 2014 and December 2015, Interpeace initiated the Frameworks for Assessing Resilience (FAR) program in Timor-Leste, Guatemala, and Liberia. The objective of FAR, funded by the Swedish International Development Cooperation Agency (SIDA), was to “... understand resilience to violent conflict from a local perspective and to determine how existing capacities for resilience can be leveraged and strengthened to better contribute to sustainable peace.”<sup>254</sup> Through FAR, CEPAD led a multi-phased process to better understand sources of resilience in Timor-Leste. As described by Interpeace: “A resilience approach to peacebuilding gives particular importance to processes by which societies collectively and peacefully transform relationships to address the factors which enabled conflict to emerge in the first place.”<sup>255</sup>

### Process of financial disengagement

Interpeace began the process of disengaging financially from CEPAD at the end of the FAR program. As international interest in Timor-Leste began to wane, so did funding sources. Initially, Interpeace was able to provide financial support to CEPAD through its own core, unrestricted funding, but this proved unsustainable in the long term.

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<sup>254</sup> CEPAD. 2016. “Understanding and Strengthening Resilience for Peace: Timor-Leste Final Report.” Accessible via: <https://bit.ly/2J8Hc1M>

<sup>255</sup> Interpeace. 2016. “Practice Brief: Resilience and Peacebuilding – Using Resilience to Build Peace.” Accessible via: <https://bit.ly/3l3dt7F>

Interpeace, having witnessed CEPAD progressively adopt a more independent role in pursuing funding and collaboration opportunities, and in leading the implementation of projects, came to the conclusion that CEPAD could successfully continue on its own. Interpeace therefore advised CEPAD that its direct funding support would come to an end in two years. As Interpeace told us: "... we can sometimes invest from our own funds, but the objective of our work is to build sustainable organizations that can make a contribution to their society." At the time, CEPAD was not solely reliant on Interpeace funding, and therefore the gradual financial disengagement was not seen as jeopardizing CEPAD's operations and sustainability.

Boavida acknowledged that CEPAD was well placed to seek financial autonomy from Interpeace: "... finance wise, we were able to attract a few key donors, and that is how we moved on. However difficult the situation was, we ensured that we didn't bring in just any project. Any project we were attracted to had to complement our main work."

Members of CEPAD were broadly complimentary about Interpeace's approach to the transition, noting that the spirit of communication and collaboration remained unchanged. Members of the Board pointed out that the transition was intentionally gradual, and frequent mention of the exit strategy was made during the two-year disengagement period, including a focus on finding alternative funding sources. At the time, CEPAD was also receiving funding from USAID, while MISEREOR (the German Catholic Bishops' Organisation for Development Cooperation) had shown interest in pursuing its financial support. MISEREOR has since gone on to provide funding to CEPAD.

Regarding Interpeace's communication on the transition, the decision was discussed directly with Boavida. Though Interpeace did not visit Timor-Leste to communicate the decision at the time, two staff members later visited to participate in strategic planning discussions. No exit events or ceremonies were held, largely because only the financial element of Interpeace's support was coming to an end, not the broader relationship

By September 2016, Interpeace's financial disengagement was complete. Since then, however, it has continued to provide technical and advisory support to CEPAD as needed. As a CEPAD staff member told us: "Interpeace stopped the funds in 2016 but the relationship continued. Whenever we have any difficulties, we contact Interpeace and get their ideas and comments on our work and situations that we are facing." CEPAD has continued to share updated financial reports with Interpeace for their input.

## **Positive outcomes**

Since its establishment, CEPAD has grown into a trusted and credible organization, able to independently seek international funding and composed of a diverse range of individuals reflecting the major segments of Timorese society. Notably, CEPAD's emphasis on inclusive and representative participatory approaches has been validated by the Timorese population, with the nation's leaders – including the President – and civil society all highlighting the importance of CEPAD's role in implementing innovative peacebuilding projects. As noted by Boavida: "... by 2015, when we were quite well established, we had a strategic plan and clear vision and mission. We were commanding quite an authority in terms of promoting community-based consultation, interactive dialogue, and promoting community participation. This was thanks to PAR – Participatory Action Research – that was our signature and it remains our signature."

The clearest positive outcome of the partnership is that Interpeace's transition has not interfered with CEPAD being considered "... the 'go-to' organization for anti-corruption" and being "... recognized for promoting inclusive democracy by providing safe spaces for community dialogue."<sup>256</sup> In 2017, CEPAD signed an MoU with five key anti-corruption state institutions, including the Anti-Corruption Commission (KAK) and the National Human Rights Institution (PDHJ). CEPAD also became the first civil society organization ever to sign an MoU with the Public Prosecutor's Office. According to Interpeace: "... these agreements will further increase CEPAD's authority and legitimacy to engage the public in demanding quality basic services and accountability in government."<sup>257</sup>

Another positive outcome of the Interpeace transition has been the establishment of a national consultative group, which involves directors from seven government ministries working collectively on good governance. Although this had already been planned by CEPAD, Interpeace's financial disengagement accelerated CEPAD's goal of becoming Timor-Leste's key organization dedicated to anti-corruption work.

## **Sustainability: ongoing advisory support**

Post transition, Interpeace and CEPAD remain close partners. According to CEPAD: "... our relationship remains pretty much the same minus the cash assistance." The two organizations have signed a new MoU, which enables Interpeace to continue providing technical assistance as and when requested by CEPAD. Interpeace has been available to support CEPAD in other ways as well, for instance by lending money to cover the costs of CEPAD's ongoing work for USAID, which is not able to provide advance funding due

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<sup>256</sup> Interpeace. 2018. "Using Participatory Action Research for Peace and Sustainable Development – CEPAD's Vision for Timor- Leste." *Relief Web*. Accessible via: <https://bit.ly/39eZ6uW>

<sup>257</sup> Interpeace. "Timor-Leste." Accessible via: <https://bit.ly/3l51nLn>

to internal restrictions. The same support has been provided in instances where funding transfers from MISEREOR have been delayed. Advancing money for projects is a severe challenge for most Timorese NGOs, and Boavida highlighted Interpeace's flexibility in providing this bridging support despite its official financial disengagement. Interpeace has also supported CEPAD in finding additional funding from other donors, including through technical support in writing bid proposals.

In addition, Interpeace has contributed to physical infrastructure that has been used by CEPAD beyond its financial transition. Together, Interpeace and CEPAD have built five Peace Houses in Timor-Leste, which are based on the traditional custom of nahe-bitu boot, or “rolling out the mat” to discuss and resolve disputes<sup>258</sup>. Peace Houses are not CEPAD offices, but rather are “... safe, neutral and community owned venues [that] act as a bridge between municipalities and Timor-Leste’s capital by fostering local debates and linking these to issues of national importance.”<sup>259</sup> Interpeace also connected CEPAD with Steve Killelea, an entrepreneur who initiated the Global Peace Index, who went on to provide funding for three Peace Houses. As Boavida explained: “... the Peace Houses were built by local communities themselves, they owned it right from day one. Unlike other construction projects, CEPAD gave the ownership right from day one to local communities.”

## Financial sustainability

One of CEPAD’s current donors has noted that one of the organization’s strengths has been its management of the partnership with Interpeace, and the fact that this relationship remains strong. This is important in a context such as Timor-Leste, where several NGOs are facing the pressures of international funding cuts.

However, with Interpeace no longer able to provide finance, CEPAD has faced difficulties in finding sufficient funding to cover its core and operational costs, which are not covered by existing donors. MISEREOR, for example, exclusively funds project work in the area of anti-corruption, including training public servants, the police, and the military on corruption prevention. As a result, CEPAD has had to downsize its staff and decrease costs. Boavida noted that the “... ongoing two-year political crisis that we are now living through between the presidency and executive has impacted negatively on our work and therefore we have reduced the number of staff in order to survive. We cut down around 30 percent. We are now about 12 people in CEPAD in terms of permanent staff.” Staff members’ salaries were gradually reduced to soften their transition out of

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<sup>258</sup> Interpeace. 2015. “Timor-Leste: CEPAD and the Local Community Launch Fifth Peace House.” Accessible via: <https://bit.ly/3l2LpBt>

<sup>259</sup> CEPAD. “Peace Houses.” Accessible via: <https://bit.ly/2V0T4pb>

the organization, as opposed to them being made immediately redundant. Work also continues through an extensive volunteer network.

As noted by the Board: "... the challenge for CEPAD is that it is dependent on donors. It is hard to implement big projects across the country without funding. We dream that one day CEPAD will become a public institution to provide training and education to students and public servants about corruption. We hope that CEPAD becomes an institution because most Timorese lack understanding of corruption. In institutions they can also make a profit for running their programs, which would sustain the institution itself."

CEPAD's unique role in Timor-Leste as a middle ground between government and communities has also brought with it several challenges. As a result of its aim of holding the government to account through constructive critique and recommendations, CEPAD has always been reluctant to accept direct funding from the government. Boavida explained that the current political environment has negatively affected CEPAD's ability to seek further sources of international funding: "Donors are either scared of putting in more money, or they have to abide by the commitment of only working with government through bilateral arrangements, as a result of which there is a shrinking space for organic and homegrown organizations like CEPAD."

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## Key lessons

**Strong leadership is an important factor when creating and sustaining an NGO that can operate successfully when financial support from an INGO partner ends.** Interpeace worked hard to bring Boavida into the PRDP, a recognition of the fact that his leadership skills and personality would be crucial to the program's (and later CEPAD's) success. Given his extensive experience with peacebuilding in Timor-Leste, and his work with the UN, Boavida was well placed to take the initiative in setting up CEPAD. He credits the success of CEPAD to the fact that it is a "... homegrown and organic organization with its own priorities, and which includes participation of stakeholders at every level – from communities to top government officials." As is the case in most post-conflict situations, the role of homegrown organizations is often to empower citizens and amplify their concerns. CEPAD's leadership has to continually manage the political space in order to ensure the participation of government officials to address communities' identified priorities, while also being creative in looking for funding opportunities.

**Adopting bottom-up, locally led models from the outset – as opposed to time-bound, top-down projects – contributes to a more sustainable transition process.** CEPAD's approach to PAR enables local ownership through involving communities and other key stakeholders in identifying the root causes of problems and possible solutions. This

contributes to greater sustainability due to a range of local actors, rather than just one organization, being involved from the outset. Although CEPAD has had to scale back on staff, it continues to work with an extensive network of volunteers in communities it has engaged with over the past decade. This network would not have developed as successfully as it has were it not for CEPAD's commitment to participatory research approaches.

**It can be challenging for organizations who are reluctant to accept funding from their governments to achieve financial sustainability when INGOs withdraw funding.** CEPAD has been successful in retaining its independence despite working on initiatives that are highly politically sensitive, such as preventing and combating corruption. Since Interpeace's financial transition, however, CEPAD's director has found it increasingly challenging to push back against his board members, who have recommended that CEPAD apply for money from the civil society fund of the Prime Minister's office. Although CEPAD is known as the go-to organization when it comes to anti-corruption and peacebuilding initiatives in Timor-Leste, shrinking civil society space and lack of external funding makes direct governmental funding potentially both an organizational opportunity and a challenge, which may be difficult to reconcile.

**NGOs that do not accept funding from every available international source are better able to operate sustainably over the long term.** CEPAD has stuck closely to its values by not indiscriminately accepting international funding. It is discerning in its choices, ensuring that any funding it does accept furthers both its strategy and mission. In Timor-Leste more broadly, many CSOs were created in the post-independence period in response to the influx of donor funding. The only CSOs that have survived since donors began withdrawing funding are those that aligned their pursuit of funding with long-term, locally led strategies. CEPAD has sought to learn from these experiences, and works hard to stick to its values when considering both international and domestic sources of financing.

**It is possible for INGOs to find creative ways of continuing to support locally led organizations and initiatives after transitions have concluded.** As noted above, one of CEPAD's current donors recognized the importance of Interpeace's continued support post-financial disengagement. They also noted that INGOs are generally weak in this area: "... when contracts end, relationships end." The partnership between CEPAD and Interpeace demonstrates that ending a relationship is not an inevitability, and that nonfinancial forms of support can be extremely valuable.

## Chapter 10

# CARE USA transition to Raks Thai Foundation, Thailand

By Kiely Barnard-Webster, Promboon Panitchpakdi and Jennifer Weidman

### Acronyms

CSO	Civil Society Organization
INGO	International Non-Governmental Organization
MCSO	Movement-Related Civil Society Organization
NGO	Non-Governmental Organization
NGO-COD	Non-Governmental Organization Co-ordinating Committee On Development
RTF	Raks Thai Foundation
SAS	Stopping As Success
SCSO	Service-oriented Civil Society Organization

#### Type of transition

The indigenization of the Raks Thai Foundation CARE Thailand is an example of a transition from a global to a national entity, as well as an example of a reverse transition whereby the Foundation re-incorporated as a member of the CARE confederation in 2003, giving the group equal status to other CARE members.

## Introduction

This is a case study of the transition of CARE USA's Thailand office into a local entity named Raks Thai Foundation (RTF) in 1997, which six years later was re-incorporated as a member of the CARE confederation. While "indigenization" was the term originally used to communicate the drive behind this approach, today the word "transformation" is the term most commonly used by the global organization.

This case was produced using qualitative methods through a series of semi-structured interviews and focus group conversations. CARE staff, RTF staff, RTF government partners, donors, and community beneficiaries all contributed to discussions. External experts with knowledge of the country's civil society context were also interviewed

In total, 26 semi-structured key informant interviews were conducted. Four focus groups were held in Bangkok, Chiang Mai and Mae Chaem, with 15 beneficiaries, two RTF staff, and one government partner participating in focus group discussions. In total, 46 individuals participated in conversations with the research team.

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## Context

Over recent decades, Thailand's economic classification has ranged from low- to upper-income status. Today, according to World Bank standards, it is a middle-income country.<sup>260</sup> Irrespective of economic growth patterns, CSOs have been a driving force for change during this time. Both movement-related civil society organizations (MCSOs) and service-oriented organizations civil society organizations (SCSOs) currently play an influential role, acting as intermediaries between communities and government officials. The funding landscape for aid has changed drastically as Thailand's economic status has evolved, with many international donors decreasing funding, or even withdrawing it altogether. For the last two decades, the effects of this economic shift have rippled out to CSOs – many of which now rely on diversified funding streams and locally sourced contributions.

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<sup>260</sup> World Bank. "The World Bank in Thailand." Accessible via: <https://bit.ly/2J649mG>

## **Early civil society in Thailand**

The roots of civil society extend back to when the country, led by the monarchy, began establishing public welfare organizations in 1893.<sup>261</sup> This continued until Thailand's shift to a constitutional monarchy in 1932. The combination of an oppressive government and its ongoing struggle with the Communist Party of Thailand in the 1960s/70s eventually led, on 14 October 1973, to a large movement demanding greater democracy. The movement succeeded in raising awareness around rights, liberalism, and democracy, as well as in bringing people together from diverse groups. There were increased conversations about freedom, the establishment of labor unions, and other related advancements. The people ultimately prevailed and, for almost three years, democracy bloomed in Thailand.

This momentum came to a halt on 6 October 1976, when the military staged a coup and government forces brutally put down the resulting student protest at Thammasat University, claiming those involved were communist guerillas. This signaled the halt of the civil society movement and dormancy for many CSOs until after 1979.

During this period, the ultra-nationalist right-wing and the Village Scouts<sup>262</sup> spread the word that the students were actually communists seeking to topple the monarchy. Aggression toward the students ironically pushed many into the arms of the Communist Party of Thailand, where they took up arms to fight the Thai government. This period is responsible for an inherent Thai suspicion that NGO workers are secretly either communists or working for foreign governments. As one of our interviewees noted: "NGOs are branded as troublemakers historically, and seen by the government as communists."

## **1980 to 2005**

In 1980, the government sought to reach an understanding with the Communist Party of Thailand, allowing its fighters to lay down arms with a guarantee of amnesty. Many who had fled did return to society and their studies, sparking a period of growth for civil society as various organizations began to appear, including private organizations and networks. The nature of how social welfare organizations operated also began to change in this period.

Thailand's Sixth National Economic and Social Development Plan (1987–91) included a policy emphasizing cooperation between the government and the private sector regarding rural development. As a result, the NGO Coordinating Committee on Development (NGO-COD) was established in 1985 under the National Economic and

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<sup>261</sup> The first such organization in Thailand was the Red Cross, now the Thai Red Cross Society.

<sup>262</sup> In Thailand, the "Village Scouts" are a conservative, nationalist social movement comprised mainly of volunteers.

Social Development Board, incorporating 139 NGO representatives from across the country. The NGOCOD – an interdisciplinary network of NGOs focused on holistic development contributing to the strengthening of NGOs and CSOs in Thailand – was to serve as a coordinating body between government and civil society, and had reach at the provincial, regional, and national levels.

The economic growth enjoyed by Thailand in the 1990s brought with it corresponding growth in civil society. Rather than merely providing basic services and public utilities, civil society began concerning itself with such topics as environmental preservation, and increasingly launched activism campaigns. Quasi-governmental organizations, such as the Thai Health Promotion Foundation, also arose in this period. The initial investment for this foundation came from tax money, and it soon came to be a major source of grant funding for projects and other CSOs.

## **2005 to 2014**

2005 saw the beginning of Thailand's current political conflict, known as "color politics." Since then, the political atmosphere has been extremely divisive. Many, if not most, CSOs have found themselves on one or the other side of the conflict, making it difficult to identify completely neutral organizations and individuals. As a result, civil society has been subject to considerable scrutiny by the government and the public. In addition, government and other political players view CSOs with suspicion, often regarding them as troublemakers.

During this period, questions arose about the role and political ideology of the NGO-COD. For example, it remained silent regarding the crackdown on "Red Shirt" protesters, a political movement opposed to the military government.<sup>263</sup> Then, in 2010 and in 2014, NGO-COD's chief publicly joined one of the political movements opposing the Red Shirts. These clear political leanings have discouraged some organizations from joining the network. In addition, limited financial resources have contributed to the decline of the NGO-COD over the past decade. Efforts to revitalize the NGO-COD have met with minimal success as its political partisanship has driven new generations of civil society actors to reflect critically on the organization's position

Many of those familiar with Thai history attest that the students who fled to the jungles after 1976 and then suffered and fought together until 1980 shared a particularly strong bond following these experiences. Many later became the leaders of CSOs in Thailand and, despite often holding opposing philosophical positions and party lines, were always able to draw on this common fraternity to focus on collectively negotiating the best

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<sup>263</sup> Members of the Red Shirts represent a variety of different political opinions, all united in their resistance to governance through force.

outcomes for Thailand. However, such relationships have faltered amid the more recent political troubles Thailand has experienced since 2005.

## The aftermath of 2014

On 22 May 2014, there was a coup in Thailand. In August 2019, coup leader General Prayut Chan-o-char appointed himself Prime Minister, ending five years of military rule. Under the military regime, there were assassinations and forced disappearances, while social activists, students, academics, and others were regularly intimidated. Under Article 44 of the 2014 interim constitution, the regime was granted absolute authority, including the authority to detain anyone holding political views that differed from the government. CSOs involved with activities criticizing or challenging the authority of the government have faced surveillance, persecution, indoctrination, and the use of the lese-majeste law (which forbids insulting the monarchy) as a political tool.

Dividing civil society into movement-related (MCSOs) and service-oriented (SCSOs) organizations, it is apparent that the government is attempting to control civil society by closely monitoring MCSOs while at the same time working closely with SCSOs. With the activities of MCSOs now declining, focus has increasingly turned to SCSOs. Here, it does appear as if the government is willing to cooperate with civil society, as evidenced in new regulations encouraging civil society work for development.

In addition, there are many hybrid CSOs in Thailand today, bringing with them much discussion about which organizations should actually be considered civil society. For example, the conversation is evolving to include foundations established by political parties or groups; corporate social responsibility entities and business foundations; government sponsored foundations; and foundations and projects sponsored by the monarchy. Also, as independent and quasi-government organizations have become funders, some CSOs have been established seemingly with the primary aim of receiving grants from these organizations.<sup>264</sup>

## Civil society today

The historical legacy of CSOs in Thailand has been their deep knowledge of local issues and connection with communities. As a result, they are considered to be independent from the government and working for the benefit of society. After four years of military rule, development-oriented CSOs have found ways to function under the specific constraints of the government. Many smaller INGOs register themselves under a Thai

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<sup>264</sup> Within the development sector, the term “pop-up NGOs” is used to describe organizations that arise in direct response to new funding opportunities. Though new NGOs with strong causes, visions, and strategies may seek funding as it becomes available, funding in resource-scarce areas is also a means to a livelihood. Thus, the aim of some NGOs is not to further social change but rather to get funds to pay salaries and stipends.

organization name, either a direct translation of their English name or a separate name. It can be difficult to legally operate in Thailand otherwise, and this situation has only intensified under the current government. Today's CSOs are diverse and include political activists. Yet, many are also attempting to look past color politics and, in spite of ongoing political opposition and tension, bring people together to focus on development and projects that will help improve welfare in the country. As an RTF senior staff member commented: "How CSOs work among themselves is different from INGOs who are competitive and very technical. CSOs are local and not competitive, they are trying to help each other, but need to be standardized."

## **Emerging trends in aid**

Having weathered the Asian financial crisis of 1997/98,<sup>265</sup> Thailand's ascension in 2011 to the middle-income group of countries (as defined by the World Bank)<sup>266</sup> brought with it an exodus of major foreign donor funding for Thai civil society. USAID, for example, closed its Thailand mission, ending projects in the country. Since then, USAID has opened its Asia Regional Development Mission for Asia (RDMA) in Bangkok, focused on supporting missions in the region.<sup>267</sup> Thus, Thai CSOs must now face the reality that older grant models are fading, with the pervading perception among those interviewed being that financial sustainability must be achieved through other modalities.<sup>268</sup>

## **Today's funding opportunities**

RTF staff pointed out that CSOs will often seek project specific funding from the Thai government to support, for example, health<sup>269</sup> or youth programs. Some Thai NGOs have become more engaged with issues relevant to specific government ministries – for example, the Ministry of Social Welfare or the Department of Disease Control – and will partner with them directly. While a limited number of Thai organizations will give small, short-term grants (year-to-year), these often only cover direct costs, making it difficult for organizations with significant indirect costs to compete for such opportunities.

The private sector is also an option for some CSOs/ NGOs, though accessing this type of money is often quite political (requiring an "in" with company staff or associated networks). Though RTF has learned from other CARE members that private sector

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<sup>265</sup> The Economist. 2007. "Ten Years On: How Asia Has Shrugged Off Its Economic Crisis." Accessible via: <https://economist.com/33fzhHd>

<sup>266</sup> World Bank. 2011. "Thailand Now an Upper Middle Income Economy." Accessible via: <https://bit.ly/3nTzebT>

<sup>267</sup> USAID. "Thailand." Accessible via: [www.usaid.gov/thailand](http://www.usaid.gov/thailand)

<sup>268</sup> During interviews, there was no common or clear answer as to what these funding modalities should be.

<sup>269</sup> The Thai National Health Security Office (under the Ministry of Health) sets up a 200 million baht fund every year to fund health insurance to Thai citizens. However, numerous laws limit the use of this money, meaning that few NGOs (working with communities eligible for this money) are able to access this type of funding.

funding can be useful in the long term, such funding in Thailand is usually short term (one to two years), and organizations receiving funds are frequently asked to match funding. RTF has found this is not conducive to leading good projects. As a senior staff member commented: “... salaries are projectized and ... you hire generalists, not the M&E, gender people [you need].

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## History of Raks Thai foundation

CARE is currently evolving from its former structure (based around lead offices and country offices) to a more complex constellation involving the following options for country offices: independence and re-integration into the CARE federation; complete independence; or affiliation status for country offices in transition.

### Creation of care's Thailand country office

CARE is an international confederated<sup>270</sup> NGO with a mission to “save lives, defeat poverty and achieve social justice.”<sup>271</sup> Originally, CARE’s lead offices were established in Global North countries such as the US, the UK, and Canada, and were responsible for overseeing operations in “non-lead” countries through country offices (for example, in DRC, Haiti, and Nicaragua). Currently, the Geneva-based Secretariat has a full-time Secretary General, though this is not a supervisory position over members. Instead, the CARE Secretariat supports the confederation’s central governance (Executive Board, Council, and National Directors Committee).

The history of CARE Thailand prior to its transition in 1997 to Raks Thai Foundation (raks meaning “caring and protecting”) is summarized on the latter’s website: “The Thailand office of CARE International was launched in 1979 with the goal to aid Cambodian war refugees. Relief centers were set up in the border provinces of Prachinburi, Trad, Chanthaburi, and Surin. In 1984, CARE International (Thailand) expanded its development activities to include disadvantaged populations in Thailand’s north region, implementing projects on agriculture and natural resources, occupational therapy, educational support, and HIV/AIDS prevention. Eventually, the Thailand branch office of CARE International was converted into an independent, local foundation to improve flexibility and sustainability to address Thailand’s development challenges.”<sup>272</sup>

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<sup>270</sup> CARE considers itself to be a confederation with a weak central secretariat, whereas if it operated with a strong central office, it would be more akin to a federation.

<sup>271</sup> CARE. “Mission and Vision.” Accessible via: [www.care.org/about/mission-vision](http://www.care.org/about/mission-vision)

<sup>272</sup> Raks Thai Foundation. “Our Story.” Accessible via: [www.raksthai.org/en/our-story-2](http://www.raksthai.org/en/our-story-2)

In 2003 – six years after transitioning from CARE Thailand – RTF was re-incorporated as a member of the CARE confederation. As a formal CARE member, an organization must be an NGO and pay membership fees based on the organization's income. In addition, RTF staff noted there are other implicit requirements, such as paying the associated costs of engagement (for example, attending global senior management meetings twice a year), and staff being able to operate professionally in English. While these latter stipulations are not technically required of members, RTF staff learned that, to meaningfully engage, attending global management meetings and speaking a shared language were necessary and required additional resources.<sup>273</sup>

CARE USA now runs a regional office in Bangkok, overseeing country offices that fall under its remit. RTF does not report to or have a direct functional relationship with the regional office. For example, CARE does not audit RTF, or otherwise oversee financial management of the organization.

Similarly, CARE's country offices in India and Peru also transitioned (in 2008), and have since become members of CARE International. As of 2016, CARE Sri Lanka has transitioned into a local entity named Chrysalis, but opted for affiliate status<sup>274</sup> rather than become a full member of CARE. Today, CARE Morocco, Egypt, and Indonesia are undergoing their own processes of transformation. Ultimately, CARE's goal is for the number of members from the Global South to exceed the number of members from "developed" countries.

RTF programs focus on the following five sectors: health; livelihoods; natural resources; education; and humanitarian relief.<sup>275</sup> The programs are committed to

- Health and rights of migrant populations in Thailand.
- Natural resource issues and climate change, particularly as they affect ethnic highland communities.
- Women's economic empowerment, particularly in the deep south provinces where there are ongoing conflicts with separatist groups.
- Youth and children development.
- Humanitarian assistance.

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<sup>273</sup> For example, joining global management meetings meant incurring transportation and lodging costs, while speaking a shared language at these meetings meant training Thai-speaking staff in English. The alternative was sending the senior leadership, who were bilingual, but this would have meant taking them away from their daily routines running the organization.

<sup>274</sup> CARE International has opened a new category of "affiliate member", which allows the Sri Lankan entity, Chrysalis, to remain associated with CARE. Chrysalis is a social enterprise with expertise in gender-based violence programming, and provides technical assistance and capacity-building services to INGOs. Chrysalis has chosen to remain a non-member, as it might be hired as a regional consulting outfit by CARE in the future, in order to provide workshops and training to staff.

<sup>275</sup> These five sectors are the same as CARE International's sectors, as RTF staff did not feel any strategic need to re-position the organization's focus after transition.

- In keeping with CARE International's model of operating, RTF also attempts to raise funds for disasters in other countries (for example, Typhoon Katrina in the Philippines).

A good summation of RTF's transition can be found in the words of one of its partners: "I do remember we thought it was amazing. The courage of this organization to stand alone. It was the opposite, at the time, to do this. You could maybe not survive at the time without funding like on HIV! It was a good opportunity and capacity was there as well."

## **"Indigenization" agenda of the care federation**

As CARE approached the turn of the 21st century, its management teams took note of Thailand's developing economic status and embarked on a journey to determine what the organization's global approach to transition should be. This resulted in a multitude of conversations about terms and external messaging.

Should, for example, CARE label this new chapter of organizational development their "legacy," or rather call it the "evolution" of CARE country offices? At the time of CARE Thailand's transition, the purpose and end result of an "evolution" was still up for debate. An evolution implied, according to an RTF staff member:

"... building strength for civil society, to help them be the 'local action.'" Even so, "indigenization" was the term originally used to communicate the drive behind this new approach, the suggestion being that CARE USA's support and assistance was becoming increasingly less relevant in the face of existing local efforts. Today, the word "transformation" is the term most commonly used by the global organization.

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## **Mapping the transition**

Today, RTF has taken ownership of CARE International's legacy, implementing programs around health promotion and prevention of HIV/ AIDS; educational support; promotion of business; community enterprise and occupational development; natural resource management; and the assistance and rehabilitation of natural disaster victims.

Initially, as a new organization, RTF decided to focus on health and advocacy support to vulnerable migrant workers in western Thailand. The RTF leadership team chose this path based on the organization's capacities, technical expertise, and existing networks at the time. RTF was also keen to continue CARE's work in northern Thailand, primarily on agriculture and natural resource management projects. These had first been established by CARE in the 1980s to dissuade communities from growing and selling opium. RTF felt there was still work to be done.

## **Trigger and enablers of the transition**

While the trigger for exit came from CARE USA, the driver for transition emerged at the local level. In the early and mid-1990s, CARE USA had begun debating what its long-term strategic plan for the Thailand country office should be, given that Thailand had reached middle-income status and CARE's role may no longer be relevant. Conversations at this time circled around exiting altogether versus coming up with an alternative strategy. Several larger projects, providing a major source of funding for the CARE Thailand office, were also coming to a close, fueling further discussions about what should happen next.

Initially, CARE leadership decided that the Thailand country office should close. However, national staff made the case for transition, with an influential Thai staff member (the current Executive Director, originally hired in 1993) driving this effort. The case was made that the decision on whether to keep the country office operational should be based on the local entity having a strategic purpose and being able to contribute to CARE's vision and mission. The potential for becoming financially viable was also considered. Eventually, it was decided that CARE Thailand should transition to RTF. Today, when partners ask the RTF Executive Director for advice about how to transition, he says: "... 'what is your value here in Thailand, why exist?' only then, ask, 'do we want to continue this and how?'"

As noted above, RTF became the first CARE country office to transition. It was also the first to be reincorporated as a member of CARE International.

CARE and (what would become) the RTF leadership team opened space for Thai staff to voice concerns about the transition before it took place. For example, multiple meetings with staff were held in provinces across the country: "What are your concerns if we become Raks Thai?" Concerns ranged from job security to benefits. CARE also hired a consultant to identify what needed to be done to transition, with national staff central to all the conversations that were taking place. Only three staff (out of roughly 120 employed by the CARE Thailand country office) parted ways at this time.

After transition, RTF decided to register as quickly as it could as an NGO with tax-exempt status, which is difficult to do rapidly. Our research indicates that Thai staff felt (and still feel) this was important, as donors – particularly private sector funders – trust tax-exempt NGOs more, as they are regularly audited by the government. In fact, corporations in Thailand will not donate to NGOs that do not have tax-deductible status.

## **Importance of leadership**

CARE USA consulted closely with Promboon Panitchpakdi, a newly hired Program Director within their Thailand country office, about how to manage what they had decided would be the full close out of the office and transition to a local entity. Promboon joined strategic planning conversations to discuss the local entity's management structure, name, and funding strategy. This was key for the success of the transition, and contributed to the ongoing relationship between RTF and CARE USA that exists to this day. As noted by Promboon, who is now RTF Executive Director: "In my opinion, CARE wanted to maintain a bond with the local office in Thailand."

Promboon understood his role as Program Director was, to some extent, to help advocate and drive forward the transition within CARE. At the time, doubts still remained about the transition, given the potential risks the process could bring to the organization. Initially, it was far from easy to steer CARE USA management away from phasing CARE Thailand out completely toward transitioning the organization into a local entity. Ultimately, it was the early conversations Promboon had with the CARE Country Office Director and the Regional Office Director (both international staff members) that led CARE USA to accept a proposal to transition rather than exit. In 1997, after several internal conversations about the feasibility and importance of making the case for transition to CARE USA, Promboon traveled to the US to speak to Peter Bell, CARE's CEO at the time. Bell was convinced by Promboon's proposal and supportive of the transition.

Given Bell's positive take on the idea, CARE Thailand staff eventually noticed a change in position among CARE board members. The decision to transition was accepted and steps taken to commence planning.

The final critically important element was Promboon's continued advocacy after the decision to transition had been made, with a senior RTF staff member observing: "It was Promboon's guidance that set us on a more detailed path [during the transition]." As the process had already been started, Promboon became CARE Thailand's Country Representative, replacing the international Country Director. A final meeting of CARE leadership teams took place, with Promboon again invited to present on behalf of Thai staff in Thailand. Given that what was being undertaken was in many ways seen as setting a precedent for any future transitions, CARE proceeded cautiously. With the prospective local entity receiving growing support from Bell and the national directors of other CARE members – including numerous CARE employees in various country offices – CARE Thailand registered as a member in 1997.

An important turning point in favor of more transformative organizational change was an early CARE International Council meeting in Delhi, which focused on mandated criteria

for any future CARE transitions. For example, it was decided at this juncture to lift the requirement that country offices be “financially viable” prior to transformation and re-incorporation into CARE.

It was Promboon who prompted this decision in Delhi. Realizing that entities hoping to transition faced an enormous hurdle in having to show they were “financially viable,” he posed the question: “How do we define ‘financially viable’ in this sense? We currently depend on traditional institutional donors to fund projects. It is a myth that local fundraising through the private sector and individuals can happen so soon.” Instead, he suggested that local entities should be able to demonstrate a purpose that in some way strategically contributes to CARE’s mission. The logic underlying this argument is that an entity should cease to exist due to it no longer serving a relevant purpose in a given context, rather than simply due to it not being able to fund itself. He advocated that financial sustainability for new members should take into account institutional funding that the country raises directly or through the CARE confederation, rather than being based purely on funds raised at a local level.

Promboon also pointed out that most CARE offices globally were funded through traditional donors (such as USAID, the EU, and Global Fund) and various governmental funding streams, and often faced high levels of uncertainty in their financial models. He therefore felt it was problematic to require new entities to have more financial stability than existing CARE offices.

Promboon’s leadership role did not end after the transition. He consulted with external partners and a future board member during the transition, and made use of an array of relevant literature and resources on philanthropic organizations, board structures, and membership models. This happened in parallel to setting up new structures within the organization, and designing its early fundraising strategy.

## **Assumptions about the transition**

Given the novelty of this experience within the CARE confederation, there were some important assumptions made by both CARE USA and RTF staff.

First, CARE USA assumed Thailand’s middle-income status (in the 1990s) would likely lead to sufficient local funding opportunities for RTF. According to RTF, some colleagues within CARE assumed resources and funding would become available to a local entity at the time of transition. In reality, this proved challenging and required careful planning. As a senior RTF staff member commented: “CARE generally assumed that money would

pour in after transition, but in the late 1990s the baht crashed<sup>276</sup> in two months and there was no local funding.” Furthermore, in Thailand individual donors will “make merit” – meaning give to Buddhist temples – more often than contribute to NGOs.

There was also a perception among RTF staff that private companies would be less likely to give money if they did not recognize the name of the local NGO (an international brand is generally considered more trustworthy). Overall, this is still felt to be true, and – even after 20 years of work in Thailand – continues to pose a challenge to RTF.

In addition, though the Thai government was open to funding and working with NGOs, it would only do so under strict conditions – for example, if an NGO was deemed not to be political, or oppositional to the government. RTF experienced a number of challenges related to this, and the Thai government’s position remains the same today.<sup>277</sup>

Though not explicitly articulated during interviews, it became clear that RTF and CARE International still regularly engage on both strategic and programmatic levels (for example, CARE France colleagues have, in the past, provided technical support to RTF agricultural programs in Mae Chaem). Once RTF became a member of CARE International, it shared the same legal status as other members. This has created new opportunities for collaboration, for example through joint programs. CARE International, in broadening its membership, has opened up its thinking and continues its transformation into a federated organization.

## Financial considerations

In the early days following the transition, RTF relied significantly on restricted institutional funding. To assist with transition costs, it initially hoped to raise unrestricted funds covering at least 50 percent of its overall budget. Since 2000, RTF has partnered with the Global Fund<sup>278</sup>, a vital pillar of support for the organization’s financial stability. At the request of the Global Fund’s national administrators, RTF serves as its principal recipient for HIV/AIDS projects, and manages all CSO sub-recipients in the country.

Securing unrestricted funding has been much more varied, and significantly less reliable, for the organization. RTF set up a fundraising office during the transition, which they believed to be important for the organization’s future success. This did indeed help RTF secure several relatively small unrestricted donations: “We would receive some

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<sup>276</sup> The baht crashed in 1997, the same year that RTF was registered. This was called the Tom Yum Economic Crisis, and was the trigger for economic crashes in many other countries.

<sup>277</sup> Today, some small changes in government behavior are apparent. For instance, baseless political assertions leveled at the government – those not rooted in evidence – may be more frequently supervised than other political work.

<sup>278</sup> The Global Fund is a multilateral partnership of governments and companies, focused on HIV/AIDS, tuberculosis, and malaria projects. Funding to RTF is mainly restricted to these types of projects and to support RTF’s administrative responsibilities as coordinator for all CSO recipients in the country.

unrestricted funds from CARE USA each year. They provided this for ten years.” Prior to the transition, as the CARE Thailand country office, the (future) RTF team received US\$150,000 per year in unrestricted funding. Even after registering in Thailand as a local organization, they still temporarily maintained a dual status of CARE country office and new entity, given that some projects were still under CARE while newer work would come under the RTF banner. Unrestricted funding progressively declined until it reached US\$60,000 per year, at which point any additional unrestricted funding went solely to supporting RTF’s fundraising office. This segment of the organization could not be covered by program funds.

RTF has had success through small fundraising efforts (for example, contribution boxes at a local convenience store chain). Other CSOs, meanwhile, have had success publishing weekly articles in a prominent Thai paper on topics related to their work, and maintain a post office box for readers to mail in donations. However, this is often insufficient for financing the significant overhead costs faced by a transitioning organization.

## **Staff retention and RTF human resource team**

Staff retention was not assumed during the transition. CARE had (and still has) a well-established reputation in Thailand. In order to maintain the confidence of staff and donors/partners, the RTF leadership team’s strategy was to retain the overlap between CARE USA and RTF for two years after the transition was finalized. Essentially, this meant that staff and project contracts remained under the CARE USA banner for this period. CARE’s “sign off,” allowing the local entity to continue these contracts under the INGO’s name, was an implicit vote of confidence in the new organization.

RTF staff also made early decisions about issues they felt (but were unsure) would be important. For example, given the HR team knew staff were concerned about salary and benefits packages, they decided to keep the national pay scale that CARE had instituted. It was felt that keeping similar salary systems in place would help assuage anxiety about the transition. They continue to believe this was a good decision, which served its intended purpose. As a senior RTF staff member stated: “This is often a pre-conclusion by international organizations, that the transition would mean a lower salary scale and [fewer] benefits.”

Before any major changes began, CARE, alongside the RTF HR team, also planned out strategies for incentivizing staff to stay during and after transition. For example, the RTF HR team, with CARE’s support, transitioned the country office’s existing severance pay system as a way to signal the status quo would be maintained and there would be no risk to staff. The amount transferred from CARE as accumulated severance pay was added to each individuals’ savings accounts during the transition, and would be the base for

continuing with RTF's retirement fund. This fund was ultimately phased out as it was not sustainable in the long-term, to be replaced by contributions from RTF. Any staff deciding to leave the organization at the time of the transition were given severance packages (though this is part of Thai labor law, senior staff mentioned this as important, due to it aligning with the organization's values).

Interestingly, and perhaps in some ways detrimental to RTF's future success, staff in key positions have since stayed with the organization for 15–20 years. Staff explained that while there was significant planning early on to retain staff during the transition, there has not been as much planning for how to transition staff (for example, over to new staff in key finance and leadership roles).<sup>279</sup>

## Risks

Board composition was an early challenge (as this was a new process with contextual sensitivities) and, handled incorrectly, could have posed a serious risk to the future of the organization. For example, RTF made a decision not to select ex-government officials for their board. As a senior staff member explained: "In Thai society, you don't ask people to leave your board. People think these board members [ex-government officials] will give them insight into the government – to partner or get connections or money. But that often doesn't work, and these government people are often conservative too. This poses a potential risk, they limit what you do or they are no longer in favor with government, which changes quickly – which poses different risks to the NGO."

The current chair of RTF's board is respected for his commitment to community development and education, has a large network and demonstrated fundraising skills, and cares about representing the organization positively. Even so, navigating board composition has continued to be sensitive (for example, balancing private-sector members focused on making the organization profitable with learning-focused members, such as academics).

Working with government partners as a national NGO (or an international one) has historically been challenging. However, RTF has navigated these dynamics well and, since the transition, its leadership has established healthy relationships, particularly with provincial government offices outside of the capital city.

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<sup>279</sup> At the time of publication, RTF had started investing in the idea that more frequent turnover is important for generating new thoughts, technology.

## Transition outcomes

### Creating a local entity: why being “local” mattered

Post-transition, creating a “local” organizational identity was important for RTF, as this was synonymous with establishing a new role for itself in the civil society sphere. Maintaining this “local” reputation has required leadership and constant navigation in response to civil society’s shifting understanding of RTF and its work. Being “local” was identified by interviewees as “doing work together,” although this has not always been straightforward. Since the transition, all RTF staff (including the finance and admin teams) have been strongly encouraged by the Executive Director to meet and engage with program participants. This is sometimes difficult, as program participants are vulnerable populations who are often hard to reach or are stigmatized, meaning staff may be wary of engaging.

RTF recognized that staff in similar roles might be earning different salaries (national staff earning a “local level” salary, for example). To support their objective of being “local” (referred to by some staff as a “participatory method … walking forward together”), therefore, RTF instituted a rule stating that everyone working on the same level received similar pay. Today, all staff receive a “local level” salary, no matter who is employed.

The decision to change the organization’s name to “Raks Thai” was taken by RTF’s leadership in consultation with staff from satellite offices across the country.<sup>280</sup> The objective in choosing a Thai name was to make the new entity recognizable to Thai citizens. However, this has presented fundraising challenges for RTF as a new organization, as the name is not immediately recognizable to national or international funders or partners. According to RTF staff, conversations during the transition focused primarily on potential changes and/or risks to CARE’s global reputation, while more substantial consideration about RTF’s “local” reputation only came after transition.

On the other hand, many staff have worked for CARE Thailand/RTF for decades. In one satellite office in Chiang Mai, program participants admitted they were not really sure exactly when CARE transitioned to RTF: “We [just] knew they were the same people.” To some in RTF’s sphere, the organization’s efforts to establish a local brand and identity were considered relatively unimportant. Instead, it was the retaining of the same core staff throughout the transition that contributed to the feeling that the organization was “local.” Some RTF field offices, for example the Chiang Mai office, still use both identities (CARE Thailand and RTF) depending on who staff are speaking with. For example, certain

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<sup>280</sup> Using the Thai name has pros and cons. The negative is the fundraising with big international firms, but the positive side is not to be seen as a “subsidiary” of CARE and truly show being “independent”. This is important to Thai partners including government and international donors, who also prefer the Thai identity.

government partners in districts outside of Bangkok might more easily recognize CARE International's global identity.

## A new strategy: putting staff at the center of the transition

A secondary outcome of the transition has been a shift in how institutional impact is conceptualized. Initially, RTF established itself as a national NGO, committed to programs related to migrant rights, HIV/AIDS, TB and malaria, natural resource management, youth, women's economic empowerment and emergency preparedness and response. This was a continuation of work begun under the CARE era, with similar partners – for example, the Thai NGO Coalition to address HIV/AIDS.

Broadly speaking, programmatic areas of focus have remained fairly consistent. This is, in part, due to RTF's leadership believing that CARE's program aims remain relevant. Essentially, RTF made the case for its existence on the basis that it would continue to provide similar types of programming. The strategic approach for RTF programs is decided at an annual meeting at which all the organization's staff are in attendance. Together, the organization will, for example, assess whether they are working in the right locations or need to adapt and change strategy based on an assessment of needs.

Local program staff are given the freedom to determine what projects are most relevant in the locations in which they operate, provided they align to the general programmatic areas of focus. As a staff member based in Mae Chaem stated: "If I see a population using needles, I will start a project there." Staff come from diverse backgrounds and are now much more central to determining the breadth of the organization's strategy, with a staff member from the Chiang Mai office commenting that. "The difference [between RTF and CARE] is that now I can create my own project, make my own decisions. Before, CARE sent the budget and what to do. Also, I can think about longerterm projects."<sup>281</sup> Donors can get in touch directly with staff in Bangkok or in field offices around Thailand, which several interviewees mentioned did not happen prior to transition. Overall, an RTF staff member summarized RTF's approach as follows: "Before, it was CARE's mission and strategy, but now RTF still uses [some of] it, but it's narrow. RTF strategy is more broad. We can do what we want."

Funding for these more diverse local projects might be sought from local government offices via staff networks, or by asking the Bangkok office to provide support in the form of either funding or grant and proposal writing. The satellite office staff interviewed for this case felt this relationship works well. Having taken on board RTF's overarching strategic approach from the annual meeting, they determine relevant projects and then – after

<sup>281</sup> CARE also has a relatively decentralized model of program decision making, although it is possible that at this time Thailand had larger projects that were more determined by program staff in Bangkok.

receiving approval from central leadership – design them alongside local communities. Thai staff also determine funding streams, and then take ownership of nearly all relevant decision-making (for example, about leadership, implementation, and funding).

Thai staff described creative processes for sourcing funding should it not be available either through central office budgets or local partners (for example, organizing fundraisers, or finding non-monetary ways to provide support and resources). As one Mae Chaem RTF staff member claimed: “No’ just means find another way.” Overall, staff interviewed for this case expressed that they were content to handle financial uncertainty, provided they had the freedom to decide how to use funding for community projects.

The relationship between satellite offices and communities was described by nearly everyone interviewed in Mae Chaem and Chiang Mai as one of the most important enablers of RTF’s post-transition work. When communities have problems that RTF is not well positioned to solve, the impetus remains to find ways to help them. One such example provided by an RTF staff member in Mae Chaem was when the community “... asked us for power lines and electricity. This isn’t within the Raks Thai mission. So, we tried to advise them, to take these steps and talk to that person. The community did it themselves. Sometimes water management projects, we will be doing it in one place and another community sees this and wants it too but we can’t afford to help all communities. We will go to our partners and ask them to help. Last year 75 percent of grants from the provincial authorities in the Kalayani Watana District went to water management programs because Raks Thai helped [connect the dots].” Staff are at the center of strategic decision-making, making regular use of their local networks to best determine community needs and implementation approaches. As a result, RTF has broadened the number and types of partners it engages with, making the organization more visible in areas it operates in. According to one of RTF’s partners: “I see RTF as different from some local organizations focused on policy advocacy not in the field doing the work – it’s often unclear if they [the local organizations] get results at the local level.”

RTF’s visibility is strategically important, as communities will often trust NGOs before trusting local government. Government partners interviewed for this case felt this was an important outcome of the transition, as communities had been less keen to engage with them until RTF stepped in. As a district official in Mae Chaem explained: “Sometimes when the government comes in, people will literally run away because they are afraid. They wonder – will they arrest us? Will they push us out? They are very suspicious.”

## A new process: why “experimentation” mattered

Arguably the most important outcome of RTF’s work has been the organization’s shift to an adaptive way of implementing programs. As an RTF partner commented: “Raks Thai works in communities, they work hard to understand the thoughts and needs of communities. They are very sincere in this. By listening and following what the community needs you buy the heart of the person – you get buy in. Then they work with you.”

RTF’s commitment to “experimentation” (as one interviewee called it) before solidifying projects in areas of programming has, at times, led to community designed programs that are based on historical ways of resolving issues. Many of RTF’s partners feel that local NGOs are carrying out necessary work in Thailand’s resourcescarce areas that will likely require them be there for an extended period of time. As a district official in Mae Chaem observed: “There is no link between central [government] administration and local government, this is the policy!... NGOs need to help.” Thus, understanding how to get programs right and ensuring they lead to longer-term sustainable outcomes is key.

CARE USA and RTF have both contributed to building communities. However, one of the clearest outcomes of the transition has been a divergence in not only the process for designing projects, but how projects are implemented jointly with communities. This is because RTF sees itself as a local stakeholder, rather than an external international organization

Among participants in several pre-transition CARE Thailand programs, the organization was perceived as contributing significant resources (personnel and physical materials) and new ideas, in a systematized way. Even so, some participants and staff felt that at times the global strategy did not reach the local level, and that once RTF started, the organization’s focus shifted. Instead, priority was given to allowing Thai staff the freedom to determine what work they wanted to do (if it aligned with the macro-level vision) and how they, along with communities, wanted to do it.

RTF’s staff are mainly from the communities where they work and speak the local language. This helps enable frequent conversations with community members in order to determine priorities and, importantly, negotiate processes for providing support. The comments of a program participant in Mae Chaem are illustrative of this: “If the community do not see an example or have their own personal experience, they say no. Organic farmer example – we had to do it first! I said, ‘don’t get lots of people first – it won’t work, do it first! Let people see you!’ Now it works.”

Program participants in Mae Chaem appreciated working with RTF as interactions involving an exchange with communities, rather than simply the distribution of

resources. As one focus group participant from the area explained: “We did work before in communities as donors – we just gave stuff, it was not an exchange because the community had no resources. In that model, the community will lose every time.” Another member of the focus group explained that “benefit” to communities meant “... not money or wealth or gold, it means quality of life ... it means doing it for real.”

Some participants in RTF’s Mae Chaem programs also felt the organization had altered prior processes for implementing projects, slowing things down throughout all stages in the project cycle, in some cases providing additional time to meaningfully engage with communities in order to understand their needs and concerns. One RTF focus group participant in Mae Chaem framed this as: “... [It is] not instant gratification [with RTF] ... RTF understands, things take time.” Though RTF has preserved the programmatic focus of its CARE Thailand incarnation, RTF project teams and participants repeatedly mentioned that RTF’s process “... goes with their philosophy that the center is with the communities ... other organizations usually come in with their other agenda, but RTF doesn’t bring the mission, agenda or prescription.”

### **Case study: a return to organic farming in Mae Chaem district**

One of the most interesting examples of RTF’s post-transition process shift can be seen in how agricultural producers in Mae Chaem describe their work with the organization.

At some point during the history of this region, traditional organic farming<sup>282</sup> changed when chemicals were introduced to eradicate insects and fertilize crops. While organic farming traditions were maintained by older farmers who had spent their lives perfecting these techniques, companies and small businesses saw this new industry as a business opportunity. Many of the hill lands in the region have since been devastated by companies buying land or contracting directly with farming families, resulting in over-farming, over-reliance on one-crop farming, and continued use of harmful chemicals to treat crops. USAID and CARE USA began working in the region as early as the 1970s, introducing new crops such as lychee and coconut seedlings, and new farming practices such as catfish farming. A village head, speaking on behalf of one of the communities in the area, described the ups and downs his community experienced during these decades of development work. At first, for example, given all the new projects: “... some of the older people said, ‘what do we do with this?’ Others said, ‘good let’s do it!’” Also, “CARE came and planted, and we ate but didn’t sell,” which caused frustrations.

Today, RTF has changed how it supports development in the region. Rather than introducing new crops and farming practices as USAID, CARE, and companies have done

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<sup>282</sup> This was described as “... planting rice, [raising] cows, buffalo. Growing our own food,” and “... doing slash and burn agriculture, rotating every five to seven years.”

in the past, RTF places the community at the center of determining how development work will be done. Before asking RTF for support, the community experiments with farming practices, and spends time getting other community members to buy into them. One outcome has been a return to organic farming by several farmers in Mae Chaem. One farmer, remembering how good the food tasted when he was a child growing up in this area, decided to start farming in the traditional ways of his family, and has been testing an organic farming model for the past two years. His model is to grow organic garlic and onions (crops native to this region) and sell them to organic buyers. He has so far asked for RTF's help with getting his organic certification, developing an irrigation system, and finding four or five people to help him, given his farm is rapidly growing. Several food markets have tasted his crops and signed contracts with his family, meaning he is now profiting from this approach to farming.

As the farmer says: "If we can do this, and show the success and profit of this model, we will profit and others will follow. In the past, [others] sometimes had budget and did projects with every household, but if [the community doesn't] understand, it's for nothing. It's good to spark people's interest first, then do the project... When I started everyone, my wife and kids, thought I was crazy – but this year, they are starting to see! My prices are high when everyone else's are low!"

Years ago, CARE USA introduced catfish to address food insecurity. While some people quickly took advantage of this approach, others today admit: "I haven't had fish in the past few years – I'm bored of fish!". Those in the Mae Chaem community believe "... sustainability depends on communities and individuals. Like fish, some people did it and others didn't. Projects are good if people want to do it." RTF's current approach – to play a support function to communities as needed – has led to a return to traditional practices, and to a process whereby different community members are able to engage with and agree to a project before it begins. This holds with it the promise of a more sustainable approach.

## Key lessons

**Strong community-based leadership is critical.** The RTF Country Director, who had professional and lived experience of areas of CARE programming, was hired early in the transition process. He quickly understood a key part of his role was to help advocate and drive forward the transition within CARE. He immediately joined strategic planning conversations, which was key to the success of the transition. The Country Director is Thai, which mattered for setting the tone of the organization. Today, RTF sees itself as a local stakeholder, rather than an external/international organization.

**Double standards are not helpful.** RTF staff noted that among INGO-NGO partnerships in Thailand, it is common that “... national staff in a country office will only go so far as Field Supervisor – nothing higher. International staff have different expectations from the top for international staff than national staff.” Letting national and local staff take on leadership roles is still not the norm among INGOs and required significant navigation, which in some ways inhibited the transition’s smooth progress early on. RTF staff also pointed out that NGOs want to interact with INGOs, and felt strongly that INGOs should “... let this be possible!”. If INGOs were better able to recognize the challenges facing local partners – whether language barriers or financial impediments to attending global management meetings – and troubleshoot these, local entities would potentially have more success post-transition.

**Local brand identity is very important for new entities.** This is particularly the case with regard to attracting diverse types of funding, including from the private sector. However, diversifying funding is both challenging and time consuming. Also, as is the case in Thailand, there may be considerable skepticism of local organizations, particularly among government bodies. Belonging to Thailand’s well-known NGO Coordination Group (NGO-COD) is one way to gain visibility, but this is an informal network that does not receive funding from the government. Some RTF staff believe that, from a marketing and branding perspective, maintaining CARE’s name and brand could have helped the local organization from a funding standpoint: “People see CARE and see a European funder, with a reputation. RTF is new, need to educate people more so they know us.” However, evidence and a brand survey conducted by a local university does not support this, showing instead that many citizens feel more comfortable donating to an organization with a Thai name. RTF felt there was a need to be cautious, as it did not want other Thai NGOs thinking RTF was claiming to be a part of Thai civil society while in reality remaining a foreign organization that had simply registered locally (as many businesses do).

The key lesson here is that an NGO's brand identity is used in multiple ways, depending on the audience. For example, as a statement of credibility to donors, or as a statement to civil society groups that the organization is becoming a stakeholder in the future of the country it works in. RTF decided its brand needed to speak to civil society, though a few staff still question whether the RTF brand was initially helpful from a funding standpoint. After becoming re-incorporated as a member of CARE, RTF is legally permitted to use 'CARE Thailand' as its name, should it choose to do so.

**Local funding does not necessarily become any easier to access once an entity is localized.** As would be the case with an INGO opening a new office, sourcing funding opportunities is very important to RTF. It has searched for relevant networks and organizations to partner with, and explored access to possible funding sources. As a CARE member, RTF is expected to uphold the same due diligence standards that were required prior to the transition. This means that if, for example, funding from a private company becomes available but the company appears to implement unethical policies or practices, then RTF is expected to turn any such offer of money down. This has further limited RTF's funding options, and has pushed senior staff to be extremely diligent in their strategic planning when it comes to seeking new funding opportunities.

**Diverse funding streams may be needed at the outset, given a paucity of available local funding.** One important lesson learned from the transition was that having a single stable and predictable funder (for example, Global Fund money to support RTF HIV/AIDS programs) was important, but alone would not have been sufficient. It also poses a further risk to the organization of overdependency on a single funding stream, compromising the flexibility required to adapt or change strategic direction if necessary.



## Chapter 11

# Mennonite Central Committee transition to various Local Initiatives, India

By Ajay Mittal and Kiely Barnard-Webster

### Acronyms

CBO	Community Based Organization
CSO	Civil Society Organization
HNI	High Net-worth Individual
INGO	International Non-Governmental Organization
MCC	Mennonite Central Committee
NGO	Non-Governmental Organization
PUCL	People's Union for Civil Liberties
SAS	Stopping As Success

### Acknowledgements

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### Type of transition

Rather than having a clearly defined exit or transition, MCC India's approach is based on a steady transfer of funding, ownership, and responsibility over the course of a long-term partnership. This "accompaniment model" ensures efforts are genuinely locally led, embedding a mindset of transition from the outset.

## Introduction

This case study examines the Mennonite Central Committee's (MCC) work in India, supporting a variety of development and peacebuilding initiatives in Kolkata and its surrounding areas. The case was selected as a result of feedback received from participants during several external engagements.<sup>283</sup> In particular, participants queried whether the Stopping As Success collaborative learning project would diversify and enrich existing case study evidence of exits and transitions by documenting a sustained long-term partnership model. This case study is a direct response to this suggestion, examining why MCC implements projects through partners, rather than directly, and how these working relationships take shape over time. Insights from MCC's experience in India may serve as guidance for international and local aid actors looking to better understand how longer-term partnerships can help enable ongoing efforts at locally led development.

The report was produced using qualitative methods, with a total of 16 individuals – comprising six community partners, nine MCC staff, and one international partner – participating in semi-structured key informant interviews conducted in Kolkata and the United States. External experts with knowledge of the country's civil society context were also interviewed separately. Also utilized were an analysis of MCC's programmatic documents, interview notes, as well as lessons drawn from a 2017 online consultation led by Stopping As Success, and a thorough literature review published by the group in 2018. The Context section was put together by an Indian research partner based on both a thorough desk review and lived experience.

## Context

India, "... already the world's third largest economy in purchasing parity terms,"<sup>284</sup> currently operates with a GDP "... expected to grow at well over 7 percent per year" and, with just over 1.3 billion people, has been deemed the world's largest democracy by

<sup>283</sup> These included a 2018 case study review meeting and a 2018 InterAction Forum presentation on case study work in Washington, DC.

<sup>284</sup> World Bank. "The World Bank in India." Accessible via: <https://bit.ly/3pXR7Im>

the World Bank.<sup>285</sup> Civil society in the country is diverse and has been a driving force for change, irrespective of economic growth patterns. In the years immediately following independence, marginalized and remote rural areas could often not be reached by the state, meaning civil society was crucial in enabling last-mile delivery of development programs and services.

Today, civil society continues to play an influential role as intermediary between communities and government officials. The funding landscape for foreign assistance in India is beginning to change, due in part to recent legislation stipulating greater restrictions on international funding. As a result, civil society will increasingly have to rely on diversified funding streams and locally-sourced contributions to sustain itself.

## Aid and Indian civil society: a brief history

Civil society in India, commonly associated with “local NGOs” (although community movements and civic activism often take broad and diverse forms), has evolved significantly over the last fifty years, and is credited with numerous political and social achievements.

Following the Bengal famine (1943/44) and the Bihar famine of the 1960s, Indian development planners were forced to re-think their strategy of self-sufficiency. To keep itself afloat during multiple famine crises, India accepted aid from the US as a part of the Agricultural Trade Development and Assistance Act of 1954. This was commonly known as PL-480, or Food for Peace. However, aid came with conditions, and was ultimately used as a foreign policy lever to temper Indian criticism of US policy regarding the Vietnam War. In order to prevent a tradeoff between foreign policy sovereignty and dependency on agricultural aid, it was imperative that Indian development planners shift their focus away from industrial growth strategies toward policies that would meet the basic needs of food security and food sovereignty.<sup>286</sup>

In the 1960s and 1970s, several NGOs focusing on poverty alleviation among the Indian rural poor emerged. These NGOs were funded by international agencies, or by central and state government programs, such as the Integrated Rural Development Program.<sup>287</sup> During this period, NGOs began to question the development approaches adopted by the state.<sup>288</sup> While the state continued to fund NGOs – especially welfare-oriented organizations, for example those delivering services in drought- and flood-prone areas,

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<sup>285</sup> Ibid

<sup>286</sup> Ebrahim, A. 2003. "NGOs and Organizational Change: Discourse, Reporting, and Learning." Cambridge: Cambridge University Press, p. 35.

<sup>287</sup> Ibid, p. 36

<sup>288</sup> Ibid, p. 37

or working with refugees in the aftermath of the 1971 India–Pakistan war – funding was restricted for NGOs that openly criticized the state.

This situation largely remains the case even now. Frequently, cause-based work (for example, increasing access to education or reducing malnutrition) gets funding and resources, while rights-based NGOs do not (for example, those working for the rights of marginalized communities in India).

## Indian civil society and the state

India's constitution mandates that the government work toward a sovereign, socialist, secular, democratic republic, upholding the fundamental rights of its citizens. As mentioned above, after independence, the state could not initially reach many of its most marginalized citizens living in remote rural areas, resulting in civil society taking on a crucial role in development programs and services. Over the years, while the state has increased its outreach to remote areas, it is still not extensive. Hence, state and civil society continue to work in synergy, complementing each other's needs.

NGOs differ widely with respect to their relationship with the state. While many make international headlines protesting at international forums such as World Trade Organization summits and the World Economic Forum, there are also those that function as "... non-antagonistic, bureaucratic government agencies."<sup>289</sup> This constantly evolving and dynamic relationship between government and civil society can determine the nature of NGO advocacy.

In this context, it is often important that NGOs develop systematic engagement and cordial dialogue with the government. Sometimes, however, in undertaking causes close to the people they are representing, NGOs must actively protest, leading to an at times antagonistic relationship with the state.

## Foreign assistance

The 1980s saw the emergence of “participatory development,” as it became clear that centrally planned development strategies were not, in fact, reaching “beneficiaries.” The key focus of India’s First Five-Year Plan was the agricultural sector, while the Second Five-Year Plan focused on the industrial sector.<sup>290</sup> Over time, India realized that development strategies based on grassroots initiatives were more likely to connect with communities’

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<sup>289</sup> Mencher, J. 1999. “INGOs: Are They a Force for Change?” *Economic and Political Weekly* 34(30): 2079.

<sup>290</sup> Sarma, N.A. 1958. “Economic Development in India: The First and Second Five Year Plans.” Staff Papers, *International Monetary Fund* 6(2): 180–238.

needs and realities.<sup>291</sup> During this time, there was an impetus for close collaboration between NGOs and international funding agencies.

There have also been shifts in the state's relationship with foreign funders. In 2015, for example, the government cancelled Greenpeace India Society's registration under the Foreign Contribution Regulation Act (FCRA), stating the NGO was "... working against the country's economic progress." This effectively ended foreign funding to the group.

In addition, since India's independence on 15 August 1947, there have been numerous attempts to implement "good governance" – that is, governance characterized by transparent, accountable, and participatory decision-making processes, enabling greater visibility of rights-based CSOs. This national shift among CSOs from a welfare-oriented approach to a rights-based approach has signaled to international funding agencies that Indian NGOs are capable, committed, and willing to be held accountable for their initiatives.

## Civil society achievements in India

Collectively, civil society has succeeded in bringing about important legislative change in India, especially during the past two decades. One example is the strong grassroots movement that led to the formulation of the Right to Information Act (RTI), 2005. This landmark act has meant greater accountability and transparency from the Indian government, especially regarding public information and finances. NGOs such as MKSS (Majdoor Kisaan Shakti Sangathan, or the "Wage Workers and Farmers Collective") played an important role in pressuring successive governments, so much so that the United Progressive Alliance (UPA) made enacting the RTI an explicit promise in its election manifesto of 2004.

Another inspiring example of civil society's long-term impact made is that of the Narmada Bachao Andolan ("Save the River Narmada") movement. As a result of the movement's advocacy, the threatened displacement of millions of people and "washing away" of thousands of tribal villages due to large-scale, government-funded dams in Central India was avoided. Ultimately, the state was forced to conduct an environmental impact assessment and commit to providing compensation to any displaced communities.

In Kolkata, decades of community activism succeeded in saving a unique ecosystem: the East Kolkata Wetlands. Thirty years ago, a sanitation engineer, Dhrubajyoti Ghosh, curious to discover where Kolkata's 750 million liters of wastewater had disappeared to (given the city did not have a single treatment plant at the time), stumbled upon the

<sup>291</sup> Ebrahim, A. 2003. "NGOs and Organizational Change: Discourse, Reporting, and Learning." Cambridge: Cambridge University Press, p. 38.

“kidneys of Kolkata.” This network of wetlands organically converts the city’s sewage into food for fish, which was at the time sold back to the city. Today, Kolkata is a city where sewage frequently becomes a nutrient rather than a pollutant. As a result of Ghosh’s activism and dedication, the East Kolkata Wetlands have since been designated a Ramsar site, protected by the 1971 UNESCO “intergovernmental environmental treaty” and Ramsar Convention.

In addition, civil society has played a crucial role in the upholding of political and civil liberties in India. When an internal emergency was declared in 1977, it was organizations such as the People’s Union for Civil Liberties (PUCL) and the Peoples Union for Democratic Rights (PUDR) that collectively articulated the need for democratic values and freedom of expression: “... when the state erred, civil society stepped in to administer the necessary correctives.”<sup>292</sup> Established in the 1970s, PUCL continues to hold the government and police accountable for human rights violations, especially of women and children, Dalits, tribal communities, and religious minorities.

## **Emerging trends in aid**

Foreign assistance to India has declined over the last eight years, due in part to legislation limiting this type of aid, as well as the country’s strong economic growth.<sup>293</sup> Given this, Indian organizations have increasingly sought support from private companies and high net-worth individuals (HNIs). This shift in funding sources became clearly apparent during data collection for this case study, with one HNI supporting local organizations and individuals stating: “I don’t even think of foreign funding anymore.” Additionally, Indian companies with strong networks will sometimes act as “channelers” to connect local organizations to national funding bodies. As the HNI mentioned above reported: “They channel money because they have relationships with the government ... They find the CSOs are doing really good work.” Change-makers today seem more open to moving from aid-driven models to local social enterprises, or exploring means of becoming financially sustainable by aligning programs with government initiatives and relevant state funds.

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<sup>292</sup> Oommen, T.K. 2005. “Crisis and Contention in Indian Society.” London: Sage Publications.

<sup>293</sup> The FCRA “... regulate[s] acceptance and utilization of foreign contribution[s].”

## History of the Mennonite Central Committee

MCC is a “worldwide ministry of Anabaptist churches” that supports communities through “responding to basic human needs and working for peace and justice.”<sup>294</sup> In 2020, MCC will celebrate a century of service to communities, with its work focused on five strategic areas. These are, in the words of its website:

- Caring for the lives and futures of uprooted and other vulnerable people.
- Providing water, food, and shelter first in times of hunger, disaster, and conflict, then education and ways to earn income.
- Working with churches and communities to prevent violence and promote peace and justice.
- Investing in opportunities for young people to serve in Canada, the US, and around the world.
- Serving with humility and in partnership to meet local needs with local solutions.<sup>295</sup>

MCC is supported by members of many different groups within the Anabaptist denomination, and is a relief, development, and peacebuilding agency, rather than a mission agency, meaning it does not establish churches. MCC upholds the value of working alongside others, regardless of religion or affiliation. The organization operates in more than fifty countries and each year allocates some US\$55.5 million, with relief services and support for community development the foundational pillars of its work.

### MCC in Kolkata

Though Christianity is a minority religion across India, in eastern India it has a rich history. Perhaps the bestknown example is Mother Teresa, honored in the Roman Catholic Church as “Saint Teresa of Calcutta,” who spent her adult life serving the communities of Kolkata and the region. Historically, Mennonite congregations in India have been relatively numerous.

MCC was established in Kolkata in 1943 in direct response to the Bengal famine of that year. In the 1970s, the organization started focusing more closely on providing food security support to partners in five states surrounding MCC’s office in Kolkata: West Bengal, Bihar, Jharkand, Odisha, and Chhattisgarh.<sup>296</sup> Each of these states is easily accessible by an overnight train ride from Kolkata. Today, MCC staff, alongside the organization’s partners, support a variety of development and peacebuilding initiatives in Kolkata and its surrounding areas. The organization is funded through multiple small

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<sup>294</sup> MCC. “Vision and Mission.” Accessible via: <https://mcc.org/learn/about/mission>

<sup>295</sup> Ibid

<sup>296</sup> Altogether, there are over 300 million people in Kolkata, West Bengal, Bihar, Harissa, and Chhattisgarh.

grants (approximately US\$25,000 per grant), which cover MCC's peacebuilding and development projects.

MCC tends to be selective about where it works, given the organization's mission aim of sustaining a long-term presence and partnerships. Given that it does not implement programs directly, MCC India has intentionally resisted becoming an Indian organization. Rather, it feels its role should be to support existing local organizations working on development and social justice issues. At present, MCC India has two international staff "Representatives" and approximately a dozen Project Officers, each of whom work with four to five partners.

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## Partnership and accompaniment approach

**Partnership and accompaniment are interchangeable concepts at MCC.** To accompany a partner is to listen carefully to what they say about their needs and the wellbeing of the communities they serve; provide complementary support to fill gaps; and improve the quality of work by better understanding the local context and reporting. MCC works exclusively through partners in most contexts, including in India. Accompaniment, or "partnership," moves far beyond the provision of training or similar services. Rather, it involves in-depth work that aims to support holistic organizational and programmatic growth. Some of the key methods used are explored below.

**Unrestricted financial support.** MCC country teams face few restrictions when determining what to fund and develop with partners. For example, they are able to fund both direct program expenses and, at the discretion of MCC Representatives, non-program costs (e.g. administrative costs). As one staff member stated: "... [our focus is on] what the project needs ... how will you know how much administrative costs are needed?" Funding is provided to partners according to need, ensuring both operational and programmatic support is covered.

**Individual accompaniment.** MCC India's Project Officers work closely with partners, paying them (at least) quarterly visits in order to monitor the projects being implemented and identify areas requiring further support or consideration (though, as described by an MCC Project Officer: "we don't 'monitor' – they tell us!"). They also work alongside different groups in planning two- to three-year projects, and provide support with regard to reporting requirements and timelines, as needed. Several of the Project Officers interviewed mentioned that they had worked with the same people for years, even decades. At least one senior program officer had herself been a recipient of MCC support as a child.

**Social capital and partnering through networks.** In the majority of cases, people and organizations find MCC through Project Officers, who all come from the areas where partners operate. A memorandum of understanding is signed annually with each partner, listing the mutually agreed responsibilities of each signatory. Project Officers aim to remain engaged with organizations and communities through to the long-term, supporting their initiatives and maintaining relationships. As a senior Project Officer stated: “You’re dealing with lives and cannot just walk away. I had teachers come up and say they remember me and want to keep up a relationship.” In addition, MCC brings all its partners together annually for capacity building and to create opportunities for networking. One MCC Representative described this as “... more of a family kind of approach for partners, [you see this when] we have annual meetings to bring partners together.” Though no “exit strategies” exist when it comes to ending partnerships, there have been instances – though few in number – in which the organization has ended a partnership. These are navigated on a case-by-case basis.

**Expecting mutual transformation.** MCC India is very transparent about the fact that, given its annual budget of approximately US\$1.3million (relatively midsized compared to other NGOs in India), it has to rely on providing other resources relevant to its partners. As such, MCC is intentional about its staff being used as a resource by partners. Several interviewees mentioned “... we usually send people alongside the money” provided to partners. This choice is also symbolic of how MCC staff believe they should relate to those in the communities around them, helping and learning from one another. MCC India Representatives refer to this as “mutual transformation.” This approach to accompaniment is central to the organization’s mission and was evident in conversations with MCC India staff. As one Representative said: “Sending people means we work daily with staff and partners. We hear, smell, experience what is going on and programming is more grounded in reality.” Another comment made was: “We don’t have [the authority] on knowing things, on the truth.”

In India, MCC has recently had two international staff serve as country program leaders, referred to as “Representatives” rather than directors. The implicit message of this is that MCC (as an organization) values cross-cultural connections and is interested in understanding people rather than “directing” them. Though MCC Representatives do in fact share responsibility for directing programs (not people), this often seemed a secondary or even tertiary priority. Of perhaps more critical importance was listening to partners and understanding their programs and histories, as well as serving as interlocutors between MCC partners in India, the US, and Canada. As one MCC India staff member described it: “We are known as humble in our approach and don’t direct things. One partner, we had an MCC Officer go to their village and they sat on the ground, not in a chair. They saw MCC as an equal.”

**Commitment to national staff.** As one of MCC India's international Representatives stated: "Our institutional history is carried by national staff. We are just the facilitators." Project Officers in MCC India had, on average, spent 20 years working for the organization. Staff mentioned that over this time MCC had provided multiple opportunities for them to develop professional skills and build on existing knowledge.

Rather than simply hiring staff with years of technical experience, MCC India's approach has often been to prioritize employing staff looking for career changes or new experiences, and who are keen to develop relevant knowledge and skills within their program roles. This is partly due to the fact that the salaries MCC offers are generally less competitive than those at larger INGOs. For example, one recent MCC recruit had government experience but was looking for a career change prior to joining the organization. Others had previously obtained master's degrees in social work or social sciences, but had lacked specific technical skills. Some staff have also obtained master's degrees while working at MCC. An MCC India Representative commented: "Many are committed to service, family, and value how they are treated; they could get higher salaries elsewhere!"

**Clear expectations of international staff.** International staff must be "faith screened," meaning they must, first, be Christian; second, be a participating member in a local congregation; and, third, affirm their commitment to nonviolence. MCC's US and Canadian executive directors are authorized to make exceptions to this requirement in limited circumstances – MCC's program in India is one of these exceptions. The MCC India team believes the effectiveness of their work is increased by working with Buddhists, Hindus, Muslims, and other faith communities. Non-Christian staff working for MCC India are expected to respect the values of the organization and share its goals.

**Joint-program planning.** Jointly planning programs can often be a long process, spanning one to two years. MCC Representatives, aware of their five-year commitment and the lengthy history preceding their residency, will, upon arrival, sit and listen to communities' stories and lessons, in order to better understand the local context. For example, a nun at a school that was receiving funding from MCC stated: "... they are more flexible in their approach – they even funded socks and shoes for students! We wouldn't ask others ... we wouldn't think to ask them."

When determining needs, MCC staff do not just rely on conversations with partners, but also ensure that "communities say what we should be doing" as well. As a Project Officer reported: "When partners bring proposals, we go to [their communities], not just their office. We go to the village, speak to community members and ask, 'what do you want?' Then compare, 'is this what the participant is asking for?' We make sure all are happy! Is this the real need in the village?" As planning continues, MCC "... will give input

to partners and our partners give input on what to do.” At a macro level, newly arrived MCC Representatives will often make small changes to the work they inherit: “... we [may] figure out what to increase or drop ... [we] keep a lot, but make some changes for example, maybe adding child protection, adding this to a school, etc.”

MCC does develop a five-year strategic plan to guide its work. Typically, project cycles and action plans are developed with three-year timeframes, although these are often followed by additional project phases.

**Support for capacity development, networking, and peer-to-peer exchange.** MCC mainly provides support for planning and reporting processes, and to ensure partners have the opportunity to get to know each other. As an MCC India Representative said: “We have week-long workshops annually. Partners say ‘MCC has a different approach’ ... [They] know when our son is getting married. Staff know about partners.” Additionally, MCC staff “... will learn from partners” and support such peer-to-peer knowledge exchange.

**Financial decisions and communication.** “Warm money versus cold money” is how MCC India staff articulate their thinking about their role as “funders” (although they are careful not to label themselves as such). In essence, “warm money” comes from and with people, delivered to communities that use the funds for development and change. “Cold money” is simply funding sent without accompaniment. As one staff member stated: “... we don’t agree to just give stuff away, we won’t just give seeds.”

Communication about where funding originates is also part of the “warm money” concept and messaging. As an MCC India Representative noted: “MCC has a video on how money is raised. It shows people giving, though not the ‘wealthy’ necessarily. It comes from people who care.”

Though MCC’s mission is based on having a long-term presence, this has not precluded the organization from considering options should it be forced to exit or transition out of India. Project Officers working with partners could, in this potential scenario, face financial and ethical conundrums such as “... [project] salaries are low, but if we stepped away, how would this salary be sustained?” Understanding the financial realities local communities face enables MCC staff to have more open discussions about how to adapt in the event a shift in funding occurs.

Communication about funding is direct, but considerate, with a senior Project Officer saying: “We will come and check [our partners] books. If they need to correct their books, I will email them kindly and give them six months to improve.” Several MCC partners also stated that MCC is “... careful to see that every penny is being used properly.” From the outset, MCC jointly designs activities and programs with partners, then once costs and

activities are decided on, MCC staff maintain strict financial accountability processes. To a few partners, while this is acceptable, it can at times feel frustrating and inflexible.

When MCC Representatives were asked if felt their long-term approach created dependency, their answer was transparent and illuminating: “Yes, I think we do create some. We have partners where if external funding stops, they won’t exist. But, they are serving poor communities who will not have funding. There is no local funding. When we talk about sustainability – we want impact to continue even if the organization does not continue, or the project doesn’t.” Clarifying this further, it is clear that while MCC believes financial dependency does exist in this respect, technical dependency does not. Though organizations may not be capable of paying staff or implementing select activities without funding, MCC’s accompaniment approach ensures that communities are the holders of the technical expertise required to continue any work that has been begun by an organization.

Overall decision-making. A senior MCC India Representative noted that there are very few directives at headquarter-level requiring partners and programs to follow a particular agenda or strategic path. Instead, “... what we do is mostly determined by staff and partners.”

**Relationship management and transparency.** MCC India has had several partners over the decades with whom it has maintained an “on-again, off-again” relationship. Roughly seven years ago in Odisha, for example, an MCC partner asked to leave in order to experiment with other projects. Recently, the partner came back to MCC with plans to expand a larger, better project involving a consortium of NGOs and government partners. MCC is currently determining if it can re-fund this partner.

MCC is also transparent with partners when it comes to their internal organizational evaluations. For example, a partner interviewed for this case study had discovered, upon reading MCC’s most recent evaluation, that it had influenced MCC’s work and partnership processes: “There are never abrupt changes, but there is continuous learning; MCC India has external evaluations every five to six years.” At the time of this case study, MCC India was in the process of adapting approaches to programming in response to evaluation recommendations.

## Key lessons

**Good (“dedicated, dynamic”) leadership is critical among partners.** The partnership and accompaniment approach works best when MCC’s partners demonstrate strong leadership. As noted by an MCC India Representative: “Leadership means passion or vision, and they have to be able to hire good staff, empower them, get away from doing it all themselves.” Language matters: the way funding is framed can bolster a sense of true partnership. An MCC India Representative explained: “Through informal conversations, we can tell [communities] it is not a problem if things are late, how can we justify this, let us work it out [together].” Also, how funding is framed and the processes by which funds are distributed matters. The Representative further noted: “We frame the funding we provide that each rupee is the pocket money of individuals, not governments.”

**Strategies and projects should, without exception, be developed with communities.** Joint strategizing and planning is preferable to more traditional, top-down approaches that seek to plan every aspect of a project in advance. As explained by one of MCC’s partners: “Even if the project is only fifty percent correct, go do it. In thirty years, it will be seventy percent correct. Many organizations have the mindset to do it the traditional way.”

**International and national partners should consistently question notions of ownership and “sustainability.”** NGOs and CSOs globally are often dependent on private and public donations, grants, and myriad other types of funding. MCC India staff focus less on discussing financial dependency with partners, choosing instead to monitor how comfortable partners feel with their approach to programming, and whether they believe they are on their own path to achieving longer-term impacts. MCC Representatives explained that sustainability is about ensuring that impact continues. When partnering, MCC Project Officers have learned it is important to not only understand the needs of partner organizations, but also ensure communities hosting programs understand and have agreed to participate.

**Expecting mutual transformation is critical for healthy partnerships.** MCC Representatives and Project Officers repeatedly mentioned that they learned from partners and supported frequent peer-to-peer knowledge exchange. Many felt this mindset to be at the root of an equal, productive partnership.





## **PART 4**

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# **Financial Sustainability**

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It was like we had to be always conscious of the money that was assigned to us. Even when they gave us the money they had to reaffirm the power they had over us. Every day they would remind us.

PBCI SENIOR LEADERSHIP – COFFEE FOR PEACE CASE STUDY,  
PHILIPPINES

## Introduction

INGO decisions to transition, phase over, devolve, or end program activities are often related to a poor funding environment. Aid flows shrink, grant proposals are not funded, donors pull out, and projects end. As a result, an INGO decides to transition, often leaving a new local organization which faces similar difficulties as the INGO, but with a fraction of the resources. This scenario played out in many of the Stopping As Success cases, included in this section and others.

Traditionally, INGOs have access to a wide variety of funding mechanisms, whether through grants, private donations, government contracts, or individual giving opportunities. After a transition, however, local entities face particular challenges in designing a funding model and raising money independently. **Many local entities struggle to institutionalize the resources required for maintaining financial sustainability,<sup>297</sup> including financial management systems, relationships with government and strategic partners, donor compliance processes, and management of fundraising staff and processes.** Furthermore, many organizations feel pressured to follow the “INGO model” of winning grants from international donors, which means these organizations have to compete for funding with large Northern INGOs and other more established and visible local organizations. Ensuring the financial sustainability of local entities is a critical part of making transitions, and ultimately locally led development, a success.

The Stopping As Success case studies show the power of local organizations using creative means to ensure their own financial sustainability, as well as the ways that INGO and development partners can support local entities before, during, and after the transition process. **Financially sustainable local entities tend to view the transition process as an opportunity to pause, reflect, and plan strategically** for a funding model that is appropriate for the staff and the local context. For example, alternative funding models such as social enterprises, for-profit consulting wings, and microcredit lending arms, can be effectively leveraged to achieve the missions of local NGOs, in some cases supplementing more traditional grant-funded activities by providing unrestricted funding.

In many cases, funders and partners can play an essential supporting role for local entity's financial sustainability. In line with the other themes within this book, **partners who recognize and value the autonomy, knowledge, and experiences of their local partners tend to put in place mechanisms to support financial sustainability at various stages of the transition process.** Key opportunities provided by INGOs and funders

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<sup>297</sup> This introduction draws content and at times direct quotations from the following SAS resources: Yamron, D. 2020. “Practical Guidelines for Financial Sustainability.” Accessible via: <https://bit.ly/375iPKD>; Yamron, D. 2020. “Financial Sustainability in Responsible Transitions.” Accessible via: <https://bit.ly/2UZIU8s>

included supporting partners in writing grant proposals, providing core and unrestricted funding, trimming rigorous reporting and compliance processes, and assisting with regulatory infrastructure in host countries. Capacity support through training in financial management systems, grant writing, and other skills were also identified as particularly useful support, as was the ability of funders and partners to forge connections between the new entity and other funding opportunities or funders.

While exploring the following case studies, we encourage readers to reflect on some of the core guidance about financial sustainability in transitions, highlighted in the “Financial Sustainability in Responsible transitions”<sup>298</sup> issue paper and the “Practical Guidelines for Financial Sustainability”<sup>299</sup>:

- Local NGOs will often have to be prepared to advocate for themselves before, during, and after transitions, though donors and INGOs should implement more sustainable practices early in planning for transitions;
- Alternative funding models can be effectively leveraged to achieve the missions of local NGOs, including the use of social enterprise models, consulting services, and membership fees;
- A strong board of directors can assist with fundraising, fill capacity gaps, and advocate for new organizations. NGOs can also consider allocating board seats to representatives of the parent INGO to maintain an institutional connection; and
- Building strategic relationships for new NGOs is critical and can be facilitated by transitioning NGO staff and donors and potential partners.

## **The cases profiled in this chapter are, in order:**

Chapter 12: Oxfam Georgia transition to BRIDGE, Georgia

Chapter 13: Mercy Corps transition to Partner Microcredit Foundation, Bosnia

Chapter 14: Planning and Development Collaborative International (PADCO) transition to Ikibiri Coalition, Burundi

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<sup>298</sup> Yamron, D. 2020. “Financial Sustainability in Responsible Transitions.” Accessible via: <https://bit.ly/2UZIU8s>

<sup>299</sup> Yamron, D. 2020. “Practical Guidelines for Financial Sustainability.” Accessible via: <https://bit.ly/375iPK>



## Chapter 12

# Oxfam Georgia transition to BRIDGE, Georgia

By Ivane Abramashvilli and Isabella Jean

### Acronyms

CSO	Civil Society Organization
DRR	Disaster Risk Reduction
ENPARD	European Neighborhood Program for Agriculture and Rural Development
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
SAS	Stopping As Success
USAID	United States Agency for International Development

### Type of transition

This case study is an example of a transition from an Oxfam national office in Georgia to a Georgian NGO, BRIDGE – Innovation and Development. The transition process was gradual, taking place over four years between 2014 and 2018.

## Introduction

This case study examines the gradual transition of Oxfam out of the Republic of Georgia and the creation of a local spin-off organization, BRIDGE – Innovation and Development. While the case study focuses on Georgia, it is set within the Oxfam's broader regional exit strategy, which has involved the closure of a number of programs in the South Caucasus, including in Armenia and Azerbaijan.<sup>300</sup> Oxfam began the transition period in Georgia in 2014, with their departure fully completed in 2018. During this time, BRIDGE was established and is now a registered Georgian NGO, carrying forward the values, mission, and programmatic and advocacy legacy of Oxfam, but without any formal affiliation.

The case study examines the factors that made this transition a success, including the processes by which BRIDGE's leadership, governance, and financial model were established. The report also describes the decision made by Oxfam and BRIDGE to continue sharing knowledge and expertise as part of a standing memorandum of understanding. The case highlights both the institutional and relational aspects of a well-managed transition, as well as the key role played by the Georgian staff who led it. It focuses primarily on BRIDGE's experience with the transition because Oxfam's decisions regarding the timeline of its exit from three Caucasus countries were documented by INTRAC in a separate report.<sup>301</sup>

In-country research took place in June–August 2018, with the majority of face-to-face key informant interviews completed during this period. Some additional interviews were conducted remotely in late 2018. In total, 20 interviews were conducted for this case study, with interviewees – which included former staff members of Oxfam and current staff at BRIDGE – chosen based on their knowledge of the transition story. The research team also held a series of conversations with various parties – including academics, government representatives, international development NGOs, and local civil society organizations – able to provide valuable insights regarding international assistance and civil society in Georgia. CDA collaborated with the Executive Director of Caucasian House, Ivane Abramashvili, who supported the field research and drafting of the case study. Identified by Stopping As Success early in the research process, Caucasian House

<sup>300</sup> For more on Oxfam's timeline and planning for this exit from three Caucasus countries see INTRAC. 2016. "Praxis Paper 31: Developing a timeline for exit strategies." Accessible via: <https://bit.ly/399FKHv>

<sup>301</sup> Ibid

is a resource organization with an interest in the Stopping As Success research findings as they relate to Georgian civil society context.

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## Context

The Republic of Georgia is located in the South Caucasus region, on the east coast of the Black Sea. With a population of 3.7 million people, UNDP ranks Georgia 70th out of 188<sup>302</sup> in the Human Development Index, placing it in the category of high human development. However, a partially free democratic system, unresolved territorial conflicts, Russia's military occupation of Abkhazia and South Ossetia regions, as well as high levels of unemployment, social inequality, and poverty, continue to hinder Georgia's political and economic development.

Most prominent actors in Georgian civil society are CSOs registered as not-for-profit organizations and local development NGOs. Other non-state-actors (for example, business and professional associations, labor unions, and faith-based organizations) are also operational in Georgia. The CSOs based in the capital, Tbilisi, are frequently involved in advocacy, governance, and civic mobilization efforts, whereas the smaller NGOs in the provinces are largely focused on service provision and community development. According to a 2016 study conducted by the Europe Foundation: "... it is widely acknowledged that Georgian CSOs are aid-dependent."<sup>303</sup> The bulk of assistance to Georgia has been provided by bilateral donors and international NGOs, with the country receiving US\$2 billion in foreign aid during the period 1995–2015.<sup>304</sup>

## Civil society in Georgia

Prior to regaining independence in 1991, Georgia was part of the Soviet Union for 70 years. Communist rule was highly centralized, and the country lacked an independent civil society. During the 1980s "perestroika" period, several Georgian dissident human rights groups emerged and became influential. At the time of independence, the country faced major challenges, including social, economic, and political crises. Georgia's nascent civil society was united in overturning the Soviet regime, but later fragmented into different factions. The post-Soviet state-building process was a time of upheaval in Georgia, contributing to extreme nationalism and several ethno-political territorial conflicts and civil wars.

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<sup>302</sup> UNDP. 2016. "UN Human Development Report 2016: Human Development for Everyone." Accessible via: <https://bit.ly/3m6UB9>

<sup>303</sup> Puig, G. P. 2016. "Situation Analysis of Civil Society in Georgia." Europe Foundation, p. 17. Accessible via: <https://bit.ly/3nQjyzZ>

<sup>304</sup> Among the biggest donors were the US, EU member states, Japan, China, the World Bank, and UNDP.

In 1994/95, the country entered a politically stable phase and a new constitution was adopted. At the same time, international organizations and development agencies promoting democracy and economic development arrived in a rapid influx, bringing substantial funding for civil society strengthening. As a result, new CSOs were established, heralding a new reality for an underdeveloped country lacking democratic traditions. Instead of citizen-led, informal, or voluntary based groups, external funding led to a mushrooming of formal, “professional” NGOs and CSOs. This phenomenon, often described as the “NGO-ization of civil society,” continues today.

Gradually, a relatively small segment of the population – those who spoke foreign languages and had the professional skills to manage organizations and communicate with the public – took control of the narrative, shaping the notion of what constitutes “civil society” in Georgia. Their publications, research findings, conferences, and public campaigns enhanced their relationships with the mass media, as well as their influence in domestic political processes.

In the early 2000s, Georgian NGOs focusing on democracy and human rights, primarily with the support of the Soros Foundation. In doing so, they created the “Enough” movement, which aimed to change the government and promote liberal political and economic policies. The movement eventually led to the peaceful Rose Revolution in 2003, with hundreds of thousands of people taking to the streets to protest rigged election results. In 2004, the leaders of the revolution took control of top government positions. Given the recent history of civil society in Georgia, it was no surprise that 7 out of 11 new ministers were appointed from the NGO sector.

The first three years of the post-2003 revolution period saw the growth and diversification of Georgian civil society, as well as the creation of new and independent media institutions. Democratic political forces started to gain ground. In light of the Georgian government’s apparently successful fight against corruption and the criminal establishment, its social capital increased rapidly, leading to a form of post-revolution euphoria. This was accompanied by a series of radical policies and actions, which once again revived a sense of estrangement between society, the government, and CSO elites. The government’s mistakes – cracking down on a mass protest rally in Tbilisi in November 2007; attempting to control the rapidly flourishing media; rigging the snap presidential and parliamentary elections of 2008; its handling of military conflict with Russia – had disastrous consequences for Georgia’s democratic institutions, civil society, and international image.

After the 2008 Russia–Georgia war, most bilateral aid was given directly to the government and spent on fiscal stabilization, infrastructure, economic rehabilitation, security, and education. However, due to concerns over the country’s unstable democratic system,

human rights violations, and fragile peace, a significant amount of international resources were also channeled to NGOs working on democratization, transparency, protection of human rights, and peacebuilding. After 2008, CSOs went through a period of renewal, mobilizing citizens and providing independent electoral observation, which – along with foreign support – ensured a peaceful democratic election in 2012.

After a pivotal regime change in 2012, Georgian civil society once again faced a new period of flux. Donors recognized the gap their shift to directly supporting the government had left, resulting in many refocusing substantial funds to advocacy and watchdog organizations. In addition, putting an end to government control of the media and human rights abuses opened up new opportunities for civil society to regain influence and develop beyond formal NGO-type organizations.

## **Current landscape and actors**

Key informant interviews with academics, researchers, and political scientists in Tbilisi revealed that, despite having been established for more than two decades, Georgian civil society continues to be described by local observers as elitist. It is regarded as a “club” of formal, non-profit organizations, which despite weak public legitimacy continues to receive significant financial resources.

A small group of urban-based and “establishment” NGOs promotes human rights and democratic governance by playing a watchdog role, maintaining considerable access to external funding in the process. The group consists of old CSOs created by former political leaders, and established CSOs revitalized due to former civil servants and politicians being incorporated onto their boards or into key management positions. These “watchdog” organizations are perceived as “lead organizations” in terms of their effectiveness in influencing the government. A larger portion of civil society consists of development NGOs, community based organizations, and youth and cultural associations, which work on sectors or subjects (such as education, health, environment, people living with disabilities, housing, and civic education) that target specific beneficiaries. Most of them work at a regional and/or local level, providing service provision and advocacy for their constituent groups. Despite this, the number of donor-supported projects in the Tbilisi remains 2.5 times higher than those supported in all the other regions of Georgia combined.<sup>305</sup>

The influence and size of informal groups or coalitions is still very small in Georgian civil society, though it has risen since the 2012 election. The easing of state pressure on civil society and academia has created an enabling environment for large-scale social

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<sup>305</sup> Asian Development Bank. “Civil Society Briefs, Georgia.” Accessible via: <https://bit.ly/33gDhHn>

movements, mainly among the youth, who demand improvements in the quality of education, labor rights, women's rights, and the easing of harsh drug laws. While the current divisions in Georgian civil society are ideological, it is clear the new generation wants an end to the current monopolization of "civil society" by elite Georgian NGOs

## Dynamics in civil society and the aid sector

Despite the progress made by Georgian civil society, it has still not learned from past mistakes. As is the case in many post-Soviet states, it has not become sufficiently inclusive or cohesive, nor does it enjoy mass public support. Most Georgians feel disengaged from the country's social and political life and are distrustful of its political institutions and organizations. As a result, CSOs are not trying to become membership-oriented or build mass support. On the contrary, civil society remains broadly exclusive, closed off from the everyday life of the people it claims to represent. Consequently, Georgian CSOs experience a never-ending legitimacy crisis, with a recent public opinion survey<sup>306</sup> revealing that just 25 percent of the population agrees that CSOs work on issues that matter to them. It is this lack of legitimacy that leads Georgian academics studying democratic transitions to criticize CSOs, accusing them of "privatizing the democracy" and becoming "new civic elites" promulgating an explicitly neoliberal ideology.

The public's perception of CSOs working on governance and human rights is that they are project-driven, rather than focused on collective civil responsibility<sup>307</sup>. An example of this would be a demonstration against domestic violence, with CSOs not recognized by the general public as representatives of women suffering domestic violence and discrimination.

Another key challenge is the perceived dishonesty and contradictions apparent in the values CSOs try to promote. Though internal decision-making is supposedly democratic, in practice the use of these mechanisms is very limited. In addition, Georgian civil society lacks pluralism and tolerance, with a heavily politicized atmosphere leading to a "friends and foes" dichotomy.<sup>308</sup> Little has been done regarding long-term sustainability and financial independence. According to the 2016 USAID CSO Sustainability Index, only 5 to 10 percent of Georgian CSOs enjoy relative diversity in funding, with most remaining in the "95 percent zone," referring to the estimated portion of CSO income that comes from foreign funding.<sup>309</sup> This has become a major problem and has resulted in CSOs

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<sup>306</sup> Caucasus Resource Research Center. 2016. "Survey on Public Policies, 2016." Accessible via: <https://bit.ly/3l3zF1m>

<sup>307</sup> Puig, G. P. 2016. "Situation Analysis of Civil Society in Georgia." Europe Foundation, p. 17. Accessible via: <https://bit.ly/3nQjypZ>

<sup>308</sup> CIVICUS. 2010. "An Assessment of Georgian Civil Society: Report of the CIVICUS Civil Society Index." Accessible via: <https://bit.ly/33ao8HJ>

<sup>309</sup> USAID. 2017. "2016 CSO Sustainability Index for Central and Eastern Europe and Eurasia, 20th Edition." Accessible via: <https://bit.ly/3nSuyTz>

(especially in rural areas) having to divert from their original goals in order to adapt to donor requirements.

According to the Sustainability Index, the landscape of donor funding has changed significantly in the last few years, affecting both Tbilisi-based and regional CSOs. According to local experts, the EU Commission – which, alongside USAID, is the largest development donor – has prioritized larger grant awards, limiting the number of CSOs receiving direct funding. Despite many EU grants having regional components that require partnerships with local CSOs, this trend is expected to further concentrate development funds in Tbilisi, at the expense of the regions. Larger Tbilisi based CSOs, forced to compete with an increasing number of international CSOs for the same pot of foreign funding, are also under pressure. As for government funding, its scope and size is limited. Other avenues for local funding, such as individual philanthropy and corporate social responsibility, remain limited. This is due to a lack of experience regarding this type of philanthropy and private sector engagement, as well as the somewhat negative public perception of CSOs as being elitist.

In summary, civil society has played a significant role in Georgia's social and political development since independence. Foreign support and the work of local NGOs, as well as the current emergence of informal movements, is vital for the country's further development and state building.

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## Oxfam in Georgia

The Soviet Union's collapse and the resultant transition to a market economy meant many newly independent countries experienced a sharp economic decline. Georgia, in particular, suffered one of the worst recessions. During the period 1992–96, real national income fell by 78 percent compared to the level it stood at in 1990.<sup>310</sup> Rising poverty, mass unemployment, and civil war resulted in several INGOs beginning operations in Georgia.

Oxfam commenced its work in Georgia in 1993, providing emergency relief, including water, sanitation, and shelter. Initially, Oxfam implemented humanitarian programs assisting internally displaced people affected by armed conflicts in Abkhazia and South Ossetia. After 2000/01, though, it gradually began implementing long-term development programs related to health, livelihoods, disaster risk reduction (DRR), gender equality, economic empowerment, local democracy, governance, and social accountability.

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<sup>310</sup> Pape, U., Sigwart, L., Melse, J., and Aardema, B. 2007. "Investigating Comprehensive Security in the Humanitarian Context of Georgia: NOHA Field Trip, 10th – 25th of May 2007, Final Report."

As is the case in many other contexts, Oxfam operated through local and national implementing partners, in this case mainly Georgian NGOs. The programs were based on a rights-based development approach, specifically: the right to a sustainable livelihood; the right to basic services; the right to life and security; the right to be heard; and the right to an identity. Gradually Oxfam became one of the most prominent INGOs in Georgia, implementing development projects that supported the most vulnerable in the society. By 2007, it had provided healthcare to around 36,000 displaced and vulnerable people, as well as dispersing low-interest rate loans to 3,000 farmers and urban entrepreneurs who have since set up small businesses.<sup>311</sup> In 2005, within the framework of its social protection project and in partnership with the Association of Young Economists of Georgia (AYEG), Oxfam successfully advocated for changes to the Georgian government's social welfare system, which was failing to reach some of the country's poorest people. As a result, adjustments were made to the social assistance scoring methodology, bringing an additional 34,000 families into the system.

During its 25 years in Georgia, Oxfam implemented €30 million worth [\$32 million] of projects.<sup>312</sup> These covered four major areas, in line with the regional Caucasus priorities it had agreed with partners: DRR; access to healthcare; empowering women; and economic justice and rural development.<sup>313</sup>

## **Disaster Risk Reduction (DRR)**

Oxfam has worked with Georgian partners to help communities better prepare for natural disasters, such as flooding, landslides, and earthquakes. It covered more than 30 communities across the country, reducing their vulnerability to climate change through education, skills building, and encouraging the use of renewable energy. Oxfam also worked with local authorities to improve access to water and sanitation, notably in Khulo district of the Autonomous Republic of Adjara, where in 2005 an estimated 1,500 households benefited from a rehabilitated water supply.<sup>314</sup>

## **Access to health care**

Oxfam worked with marginalized and vulnerable children, helping them assert their rights and access health care services. The "My Rights My Voice" project aimed to improve access to health care for 20,000 children and young people displaced from conflict affected regions. The project promoted children and youth as agents of change,

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<sup>311</sup> University of Groningen, Centre for Development Studies (CDS). 2007. Accessible via: <https://bit.ly/376KFWR>

<sup>312</sup> Pape, U., Sigwart, L., Melse, J., and Aardema, B. 2007. "Investigating Comprehensive Security in the Humanitarian Context of Georgia: NOHA Field Trip, 10th – 25th of May 2007, Final Report."

<sup>313</sup> University of Groningen, Centre for Development Studies (CDS). 2007. Available: Accessible via: <https://bit.ly/39bDXS6>

<sup>314</sup> IMEDI News. Accessible via: <https://bit.ly/2VOX74R>

involving them in campaigning and awareness raising. This included establishing youth clubs enabling them to organize events and highlight health rights' issues affecting them. Oxfam also supported the strengthening of health rights monitoring, as well as working with partners to lobbying the government and campaign for improvements to the country's health care system.

## **Empowering women**

Oxfam supported women and girls as community leaders by strengthening networks and setting up development committees to help train them better understand their rights, as well as empower them to play an active role in political, social, and economic life. Oxfam also worked with public institutions, including national and local governments, on the introduction of laws, policies, and plans promoting gender sensitive governance.

## **Economic justice and rural development**

Georgia's agricultural sector (which employs half the country's workforce) remains one of the economy's least productive sectors, meaning the population has had to rely mostly on food imports. This makes them vulnerable to global food price hikes, which leave many families struggling to feed their families. In response to this and other challenges affecting smallholder agriculture in Georgia, Oxfam and its partners – Action Against Hunger (ACF), the Rural Communities Development Agency (RCDA), and the Biological Farmers Association ELKANA – designed and implemented (with financial support from the European Union) one of the largest agricultural programs in the country. The four-year project was funded by the European Neighborhood Program for Agriculture and rural development and was implemented in 2014–18, included 45 farmer groups, selected on condition that they include at least 30 percent women in their membership.

Overall, the program aimed to reduce poverty in rural Georgia through increased agricultural productivity and enabling smallholder farmers to be more competitiveness. As part of ENPARD, Oxfam worked in 13 municipalities across five regions of Georgia, advocating for changes to the national policy and regulatory framework. This was in order to support small-scale farmers in creating an environment more conducive to the sustainable development of farmer groups and cooperatives (which were the first of their kind since the collapse of the Soviet Union).

## Motivations and triggers for the transition

Oxfam's decision to transition out of Georgia and establish a spin-off organization came from its headquarters (HQ) in 2014. Oxfam envisaged a regional phase-out from the entire South Caucasus, rather than from just Georgia alone. According to former Georgian staff, the rationale behind this decision was informed by a number of factors. These included:

- Changes in the global geography of vulnerability – this prompted a gradual shift toward poorer regions and countries.
- Optimization of funds – a decrease in official development assistance to the South Caucasus meant the efficient allocation of existing resources became a priority for HQ.
- The maturity and competency of local partners – working in Georgia for 25 years has significantly contributed to the capacity development of Oxfam's partner organizations and national staff.

According to interviewees, the rationale for Oxfam's decision was based largely on financial rather than operational considerations. Oxfam had never encountered legal or political operational problems. Also, given Georgia remains one of the poorest and most socially unequal countries in Europe, Oxfam was clear that it was not exiting because it had achieved its poverty reduction goals.

As one of the former Oxfam Georgia staff recalled: "Funding priorities have changed on a larger scale and since Oxfam operates in more than 90 countries, there was not enough money for everyone. I don't believe it was associated with the operational side, since we were always neutral. And if we were criticizing the government, we were always working with them in parallel to make things work... I think it was clear to HQ that problems have not gone anywhere but I believe it was still a correct decision to leave. Of course, Oxfam would have done a better job if it remained in Georgia, but they left behind a team which can do it as well."

While initial reaction to the proposed exit from Oxfam's long-standing partner organization was one of disappointment, the issue of their readiness to take on the poverty reduction and rights agenda was not seen as a barrier. As noted by a former Oxfam Georgia staff member: "... Oxfam was not the only donor supporting them, so there was a feeling that they could carry on independently. Of course, their organizational structure was not as strong as Oxfam's, but their experience means a lot and it is a serious asset for local organizations to know how and in which context to operate."

## **Transition process**

Having decided to exit the South Caucasus, Oxfam initiated consultations with local country offices. A decision was made jointly with local staff to establish spin-off organizations in Armenia and Georgia in order to continued programming, rather than leaving the region completely. In 2014, Oxfam announced a four-year long transition period and gradually started closing projects, with the deadline for the complete phase-out set for 2018. Meanwhile, the Georgia country office used 2014/15 for its preparatory work establishing the legal basis for a spin-off organization called “BRIDGE – Innovation and Development.” The decision to establish BRIDGE in parallel with Oxfam’s regular work in Georgia, while allocating time for staff to register the new entity and determine programming priorities, was identified across all interviews as key to the successful transition. As one of BRIDGE’s founding staff members noted: “I think it was a good idea after all, because since it was a new organization, we had a chance and time to create a good image and history for it under Oxfam’s existing umbrella. It would not have been Oxfam’s branch, but a spin-off, born out of the past experience.”

According to BRIDGE’s founders, in the beginning the transition process was quite sensitive, as well as being time-consuming from a procedural perspective. In order that BRIDGE would be able to fulfil the conventional three-year operational eligibility criterion required to apply for large-scale projects, the decision was taken to register the organization in September 2015. Thus, by the time Oxfam departed from Georgia, BRIDGE would be fully operational. BRIDGE also started working on its own communication strategy and brand, creating a different website and logo from Oxfam.

As former Oxfam Georgia staff noted, the biggest and most important forms of support received from HQ were: human resources; access to Oxfam’s knowledge management system; a context-specific approach to transition; and flexibility and freedom given to the local team in order that they could drive the process without special funding being allocated. Georgian staff were officially allowed to devote 10 percent of their paid time to establishing BRIDGE, in parallel with managing Oxfam’s projects.

One staff member described the process as follows: “A big group from Oxfam HQ worked with us to assess what we were doing, whether we were doing it correctly or not and in what direction should we have gone in terms of transition. The most important factors in the process were the full involvement of Georgian staff, transparency, and enough time until the deadline... At first, we were walking a tightrope, not to put the image of BRIDGE under Oxfam’s shadow too much, but we managed to find the proper balance. We created strategic documents and went through a long process, where together with Oxfam, for two years, we did quarterly reviews of its implementation. It was very hard

for us to have lots of work with Oxfam projects and work on BRIDGE at the same time, but we managed it in the end.”

In addition, to help the nascent organization to adapt to its new financial reality, an external consultant was hired in May 2015 to create a business model for BRIDGE. With the consultant’s support, BRIDGE staff decided that the organization should have an advisory unit, which would help ensure sustainability and financial stability by raising revenue through training and consultancy projects. Another important step taken by Oxfam HQ prior to its departure was the purchase of modern office space for BRIDGE, part of which could be rented out – a luxury of not having to worry about significant core costs that many Georgian NGOs do not have.

Despite Oxfam’s financial and human resource support, former Oxfam Georgia staff unanimously noted that the transition process would not have been a success had it not been for their shared enthusiasm and a strong will to preserve the philosophy and rights based agenda Oxfam had given them. According to one of BRIDGE’s founders, their major goal was to create a “second Oxfam” in Georgia, which would have the same quality, success, and faith in the future. Without the democratic nature of the transition process, this would not have been possible.

The Georgian team took a lead role in the transition planning and implementation process, ensuring BRIDGE did not become a “one man organization”— something that is common among Caucasus non-profits, many of which are led by strong personalities known for their single-handed decision-making. Without the leadership role played by Georgian staff, the process risked being too top-down. As one staff member stated: “We introduced criteria that anybody who worked in Oxfam Georgia for more than three years were eligible to become a founder of BRIDGE... I believe that the unity of our team played a more significant role than external support. It is vital in the situations like this, that everybody has a sense of ownership.”

## **Preserving Oxfam’s ethos through BRIDGE**

The final step in the transition was the signing of a partnership agreement between Oxfam and BRIDGE in September 2018. According to the agreement, Oxfam may, in case of humanitarian crisis in Georgia, partner with Bridge to deliver services or provide capacity strengthening support. The agreement does not envisage any financial support but sets out opportunities for cooperation, exchange and mutual support in four key areas: knowledge exchange and learning, (facilitating access, use and sharing of each other’s knowledge and learning materials); advocacy and campaigning (with Bridge participating and contributing to Oxfam’s global campaigns and influencing work); humanitarian response (in which Oxfam may support Bridge through capacity

strengthening, humanitarian support personnel or joint fundraising) and resource mobilization (through sharing relevant funding opportunities and contacts).

The founders of BRIDGE were staff who had worked with Oxfam's Georgia office for at least three years, with a general assembly chosen as the main governing body of the organization in order to ensure openly democratic governance. The assembly consists of 13 people who oversee organizational strategy and planning, while everyday decisions are made by an executive board consisting of three members. The founders of BRIDGE report that while working on the transition process they studied the forms of governance and charters of various Georgian NGOs, in order to remain in line with local regulations governing CSOs. In the end, they opted for a structure similar to the Georgian Young Lawyers' Association – one of the country's oldest and most well-established NGOs.

In terms of its objectives and scope, BRIDGE mainly continues the Oxfam's work, with its stated mission being "... to reduce poverty in Georgia by enabling more women and men, particularly those living in rural communities including youth, to generate sustainable incomes from their work and can influence policy decisions that impact on their lives and livelihood."<sup>315</sup> Also, as noted in the 2016- 2017 annual report: "BRIDGE accepted responsibility for effective continuance of the heritage of Oxfam, basing its activity of past success and using global and regional links of Oxfam... These approaches include a strong emphasis on the bottom up principle of policy development through capacitating, engaging and empowering local civil society actors."

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## Impacts and challenges

In terms of ensuring that BRIDGE's prospects for sustainability were strong, staff and partners unequivocally described Oxfam's transition in Georgia as smooth, locally driven, and responsible. There were, however, also a number of challenges.

### Fundraising

Prior to the completion of the transition, Georgian staff held unrealistic expectations about the pace of new funding and resource mobilization. Furthermore, BRIDGE faced the immediate obstacle that, in general, international donors still prefer to fund larger INGOs over local and national organizations. Difficulties in securing initial funding led BRIDGE to downsize its staff in the aftermath of the transition. As a leader of BRIDGE described: "There were not sufficient resources for everyone, so we had to let many professional people go and it is our goal to get this strong team back as soon as possible

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<sup>315</sup> Oxfam. "Georgia."

... I would have liked to see Oxfam support us in fundraising for another year. An international organization has a different image, so it would have been better to see them engage in attracting new donors more actively."

In terms of the present situation, the interviewee went on to say: "Our financial situation is not healthy at the moment. We were thinking that we would have had ten full time employees by now, but we only have six, and those six people include founders and board members. To cut a long story short, the fundraising process did not go as well as anticipated." The fundraising strategy has been adapted to take into account the current eligibility requirements set by donors funding programs in Georgia.

## **Identity crisis**

Another unanticipated development, according to a majority of BRIDGE founders, was the brief identity crisis suffered at the inception of the organization. A one of the founders reported: "We found ourselves in a situation where we became equal with the organizations we were supporting. Suddenly we became their competitors and it was very hard to move from a donor's position to equal one ... When you are Oxfam you are being treated differently but when you are BRIDGE you acquire a totally new identity. It was shocking when you find yourself in a totally new reality."

Considering these challenges, BRIDGE staff feel strongly about maintaining their identity by continuing to be mission driven. As the interviewee above stated: "... it was vital for us to work hard and sustain those values in BRIDGE that we inherited from Oxfam." To ensure financial stability, BRIDGE plans to strengthen its consultancy unit and engage in income-generating activities such as agritourism. Another option is to establish a social enterprise. While this is appealing to many on the team, there remain legal and procedural barriers to be overcome before social enterprises become viable in Georgia due to evolving understanding of what regulatory framework social enterprises will fall under.

## **Local partners**

In terms of sustainability, it was not easy for local organizations to lose a long-standing international partner. However, partner organizations did not depend entirely on Oxfam's support, and were notified about the decision to phase-out from the region as soon as it was made official in 2014. As one member of BRIDGE reported: "Our partners were organizations who enjoyed diversified financial resources and were not dependent on us. Of course, it was not easy nor fun for them, but everybody knew we had a four-year-long project and it had its deadline. None of the projects were terminated during their implementation, and I think it is important."

Another BRIDGE staff member added: “We did not raise any hopes, but BRIDGE continues support to rural cooperatives as we can and our resources allow, so they know that we did not leave them, and we are beside them.”

## Poverty eradication

When assessing Oxfam’s work in Georgia and whether it achieved what was intended, all former staff members underlined the importance of the Georgian government’s policies regarding poverty eradication. In this regard, INGOs such as Oxfam can only play a supporting role. While the transition process was assessed as leaving no major gaps behind, it was not fully successful in terms of meeting Oxfam’s higher-level goals prior to the exit. As a former staff member noted: “Of course, poverty is still a major issue in Georgia, and we have many more problems, but we don’t live in an ideal world. A successful exit would have been if poverty was defeated and only after that Oxfam could leave, but we are not kids anymore and we see in what environment we have to live.”

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## Key lessons

**Establishing a spin-off organization in parallel to ongoing work can help significantly in transition success.** Staff noted that if BRIDGE had been set up in the final phases of, or even after, Oxfam’s departure from the country, many staff would have lost motivation and left for other jobs. The decision to establish BRIDGE while staff were wrapping up their ongoing Oxfam – as well as allowing them to use 10 percent of their funded time to do this – contributed to a seamless transition, with no gaps in service delivery to local communities or in maintaining key partnerships.

**Direct involvement of dedicated and competent local staff in all aspects of decision-making is key to building ownership and buy-in.** The personal commitment and leadership skills of Georgian staff who stepped up into leadership and governance roles were noted as critical to success. This helped maintain the mission-driven focus and confidence in the transition process.

**Transparent transition processes are important for gaining buy-in from national staff and partners.** Oxfam endeavored to make transition planning and processes as transparent as possible, engaging a cross-section of staff, partners, and, where possible, local communities impacted by the transition.

**Providing customized and broad-based support can support the development of new, locally owned organizations.** Oxfam’s support during and after the transition process took many forms, all of which were noted as invaluable by BRIDGE staff. This included

expert legal and technical advice; continued access to Oxfam knowledge management resources; the purchasing of modern office space; and moral and experience-sharing support

**Spin-off organizations should establish a well-functioning and trusted governance structure in order to ensure accountability and oversight.** The blend of a general assembly combined with an executive board was selected as the most democratic option by BRIDGE, as it mitigates against personality-driven leadership and the concentration of decision-making power in just a few individuals.

## Chapter 13

# Mercy Corps transition to Partner Microcredit Foundation, Bosnia

By Isabella Jean

### Acronyms

CSO	Civil Society Organization
DRR	Disaster Risk Reduction
ENPARD	European Neighborhood Program for Agriculture and Rural Development
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
SAS	Stopping As Success
USAID	United States Agency for International Development

### Type of transition

This case study is an example of a organizational transition, whereby an INGO project was transitioned into an independent, self-sustaining Bosnian entity. Given that it took place 18 years ago, this retrospective analysis allows for a comprehensive overview of the transition's outcomes and successes.

## Introduction

This case study examines the transition of Mercy Corps' economic development program to an independent, Bosnian-registered microcredit foundation called Partner Microcredit Foundation (Partner). Registered in 2000, Partner is a multi-ethnic non-profit foundation. It was started by Mercy Corps (an INGO headquartered in the US) in 1997 as an economic development project supporting income-generation and entrepreneurship in Bosnia's war-affected, multi-ethnic border areas. Mercy Corps (MC) itself had begun its work in Bosnia the previous year, focusing on reconstruction in multi-ethnic areas in order to support the return and reconciliation of war-torn communities.

Conversations with Partner staff, board members, and current and former MC staff, were conducted between April and September 2018, and focused on the factors contributing to the success of the transition from Mercy Corps program to a fully independent Bosnian entity. In total, 20 key informant interviews were conducted by phone and during the field visit. Key informants were selected based on their direct experience or knowledge of the transition process, and through recommendations made by former and current staff at MC and Partner. Several former MC staff were contacted by email and phone to discuss their role in the transition.

In preparation for the case study, available documentation describing Partner's history and current operational model was reviewed. To inform the context analysis, interviews in Sarajevo and Tuzla also included local researchers and academics, Bosnian CSOs, and international organization staff working in Bosnia. A CDA team member also participated in a CSO mapping exercise conducted with Bosnian CSOs and the USAID Local Works team in Sarajevo. During this workshop, shorter conversations with workshop participants also helped inform the context analysis for this case. A final debrief conversation was held with USAID Mission in Sarajevo, sharing the initial findings from the case study and documenting their reflections on civil society development.

## Context

Bosnia and Herzegovina (BiH, or informally referred to as simply Bosnia) is located on the Balkan Peninsula, in south-eastern Europe. In the period after the Second World War, Bosnia was granted full republic status in the newly formed Socialist Federal Republic of Yugoslavia. In the early 1990s, the dissolution of Yugoslavia resulted in several wars, one of them on the territory of Bosnia, which lasted until 1995. The war in Bosnia was one of the worst ethnic conflicts of the decade, with the levels of ethnic cleansing – and the siege of Sarajevo in particular – devastating. Presently, Bosnia is categorized as a post-conflict country, but lingering ethnic tensions remain in its political and social spheres.

The country is governed through a bicameral legislature, as well as a three-member Presidency, which is composed of a member from Bosnia's three main 'constituent peoples': Bosniaks, Serbs and Croats. Bosnia is decentralized (with ten cantons) and has two autonomous entities: the Federation of Bosnia and Herzegovina and Republika Srpska. Bosnia is a candidate for European Union (EU) and North Atlantic Treaty Organization (NATO) membership.

During and immediately following the war, international aid to Bosnia concentrated on relief, crisis response, and recovery. Much of the aid went to supporting Bosnian refugees and their subsequent resettlement, and to the reconstruction of civilian houses. The World Bank estimates that official development assistance to Bosnia since 1989 stands at US\$445,360,000.<sup>316</sup> The initial humanitarian relief transitioned to reconstruction, development, and governance assistance, which continues to date. Researchers describe Bosnia's sociopolitical context in the post-war period as fragmented and divisive, with the type of assistance provided for physical and social reconstruction having both positive and negative effects on the formation of an independent and sustainable civil society.<sup>317</sup>

In 2006, CDA's Listening Project<sup>318</sup> visited Bosnia, documenting the retrospective analysis of prominent local government officials and civil society groups, who critiqued the treatment of NGOs as service providers and mere implementers of externally driven strategies. Local government officials were also critical of the brain drain that came as a result of civil servants leaving their roles to take up better-paid INGO positions.<sup>319</sup> In

316 World Bank. "Net Official Development Assistance and Official Aid Received." Accessible via: <https://bit.ly/3mgJhHT>

317 Duffield, M. 1996. "The Symphony of the Damned: Racial Discourse, Complex Political Emergencies and Humanitarian Aid." *Disaster* 20(3): 173–93; Smillie, I. and Todorovic, G. 2001. "Reconstructing Bosnia, Constructing Civil Society," in Patronage or Partnership: Local Capacity Building in Humanitarian Crises, Ian Smillie (ed.), *Bloomfield, CT: Kumarian*.

318 The Listening Project was a collaborative learning project that – between 2005 and 2009 – gathered perspectives of aid recipients on the cumulative impact of international assistance. It engaged 130 international and local aid organizations in 20 countries, listening to over 6,000 people on the receiving end of aid. The lessons from the project are synthesized in Anderson, M.B., Brown, D. and Jean, I. 2012. *Time to Listen: Hearing People on the Receiving End of International Aid*. Cambridge, MA: CDA Collaborative Learning Projects. Accessible via: <https://bit.ly/2JdrO47>

319 Sterland, B. 2006. "Civil Society Capacity Building in Post-Conflict Societies: The Experience of Bosnia and Herzegovina and Kosovo." *INTRAC Praxis Paper No. 9*. Accessible via: <https://bit.ly/376Dj5N>

recent years, European donor priorities in Bosnia have centered on political reform and governance, including the implementation of constitutional reform in light of potential EU accession. Several European donors are providing direct budget support to government line ministries, as well as to local governments focused on strengthening democracy, with a particular focus on human rights and judiciary system reform support. There are also externally funded initiatives aimed at strengthening local government capacity and bringing decisions closer to the public; as well as supporting actions that increase the sustainability of civil society, the prosecution of war crimes, and the transparency of democratic institutions. Another important aspect is the strengthening of rights, recognition, and respect for ethnic minorities, vulnerable children, and LGBT persons.<sup>320</sup>

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## Background on partner microcredit foundation

Partner was started by MC in 1997 as an economic development project focused on multi-ethnic border areas in war-affected Bosnia. The MC project started with four staff in 1997, with its first 27 loans disbursed the same year. MC made an intentional decision to start its economic development project on the boundary line between Bosnia and Republika Srpska, and was the first microfinance institution (MFI) to work in all three administrative units of post-war Bosnia and Herzegovina (Bosnia, Republika Srpska, and Brcko District). Staff were hired from all ethnic and religious groups and territories. This multi-entity focus was very important, and a legacy of MC's commitment to breaking down post-war animosity and building trust. After the transition, Partner continued to work in all three administrative units of Bosnia, carrying on MC's commitment to multi-ethnic and social cohesion.

Bosnia had no prior experience with microcredit during the socialist era. Several international staff championed the idea of MC Bosnia "incubating" the microcredit project for a short period, before transitioning it into a local entity. Competent and visionary local leadership emerged from existing project staff keen to continue the legacy of mission-driven work focused on multiethnic rural areas, returnees, women, and marginalized people. As part of the transition, MC provided capacity development, coaching, and an initial loan, which was later written off as a donation to Partner's equity.<sup>321</sup> While two MC staff continue to sit on its board, Partner is financially independent of MC, which officially closed its operations in Bosnia in 2010.<sup>322</sup>

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<sup>320</sup> Funding priorities identified by Swedish SIDA, USAID and EU.

<sup>321</sup> The loan was made possible by several government donors that funded MC at the time.

<sup>322</sup> Partner is not the only organization that emerged as a result of MC's presence in Bosnia. After MC closed its country operations in 2010, several Bosnian staff established a small non-profit focused on renewable energy and environmental assessments.

Since registering as an independent local entity in 2000, Partner has grown significantly. In the period 2000–18, it became one of the largest MFIs in Bosnia, providing a range of personal, business, agriculture, and housing loans to micro entrepreneurs, as well as promoting the participation of women in business. At the time of our field visit, it had 60 branches across the country, employed 300 staff, and had 45,000 clients. Partner also boasted KM78 million (US\$46,500,000) in equity, over which it has full control. MIX Market, a global database of microfinance institutions, has assigned Partner a four-star rating, and in 2007 it was ranked 18 in Forbes magazine's list of the world's best microfinance institutions. Partner holds itself to the highest standards regarding the reporting and transparency of data,<sup>323</sup> and was also an early recipient of the Smart Campaign award, which recognizes socially responsible organizations. Partner has multiple creditors, including socially responsible businesses, and has active partnerships with USAID and European donors.

Partner has a unique model that sets it apart from other microcredit organizations operating in Bosnia. It hires technical advisors who are professional agronomists, energy efficiency experts, and business advisors. These advisors accompany loan officers to meet clients and advise them on the feasibility of their business plans, providing technical advice on horticultural varieties, agricultural yields, cow breeds, milk production capacity, energy efficiency options, and different ways to increase income. These services are provided free of charge to clients (the costs of these specialists are part of Partner's operating costs, meaning slightly higher loan interest rates). Partner wants its clients to have a sound plan, and to assist in this by providing access to the latest "know-how" and technical advice. Other MFIs and banks are primarily in the lending business and so do not offer technical assistance. Partner's approach also means it is providing employment to specialists in a context of high unemployment and steady emigration to other countries.

Partner was actively involved in establishing the legal and regularly framework for microcredit organizations in Bosnia. From the outset of its registration as a Bosnian entity, experienced Partner staff advocated regulation of the microfinance sector. One veteran staff member recalled: "We worked together with the World Bank and the Ministry to develop the law on microcredit. Once that was passed, we were able to work in accordance with the law. This was important for us. Partner stepped up to influence the government on this. In legalization of our work, we saw our future. Without this law, we saw a risk that the government could have said that microcredit organizations should close."

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<sup>323</sup> Three separate key informant interviews with Partner board members focused on this reputational element.

USAID technical assistance during that period (for example, the USAID-financed Banking Supervision Project)<sup>324</sup> was recognized as invaluable, especially as Bosnia sought to establish standards and laws. Partner board and staff members noted that USAID worked on its own policies and parameters<sup>325</sup> for supporting microfinance enterprises, and that this was in line with Partner's values.

In terms of Partner's present-day situation, a senior staff member reflected: "Transition can be a purely legal activity. It may not mean anything. One day it can be an INGO, then it might be a local NGO, then it could be something different. The true measure of success is to maintain integrity, quality of work and stay true to mission. Our sustainability is also part of our success story – we stayed in the market while others lasted only a few years. We don't have any legal issues and we are recognized and trusted by many creditors and donors. Most importantly, we are trusted and appreciated by our clients for whom we continue this work."

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## Mapping the transition: factors promoting success

A number of factors were repeatedly identified by former and current staff as important to the successful evolution of Partner into a sustainable local organization carrying forward MC's mission of financial inclusion. These factors were made easier to assess for significance due the time that had elapsed between when the transition had taken place and when our key informant interviews were conducted (18 years at the time of the field visit). The interviews provided an opportunity for those who have championed localization and managed the subsequent transition to reflect on the process.

### Internal advocacy and vision of localization from the outset

The end goal of the MC economic development project being led and owned by Bosnian staff was articulated in the early days of the project by several international staff. One was the lead project manager, an American woman whose primary focus at the time was to raise grant funds in order to expand the lending program and build up the economic development program. According to her: "... if everything went well with the initial pilot and loans were being repaid, we thought we could continue to raise funds with a view that this should become an independent entity in a few years." However, this view was not immediately shared by all staff in the organization.

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<sup>324</sup> Lyman, T. 2005. "Legal and Regulatory Environment for Microfinance in Bosnia and Herzegovina: A Decade of Evolution and Prognosis for the Future." *IRIS Center*. Accessible via: <https://bit.ly/2KF0exF>

<sup>325</sup> USAID. 2011. "ADS Chapter 219: Microenterprise Development." Accessible via: <https://bit.ly/2UW8VWF>

Initially, other MC international staff and some Bosnian national staff were skeptical that an independent local entity could successfully implement microfinance programming, and feared that such an organization would not be sustainable. This skepticism was informed by the fact that, prior to MC's pilot project launch, local experience of microfinance and micro-lending models was totally absent. In addition, among Bosnian staff hired for their engineering and project management experience, there was a clear preference for focusing on reconstruction and rebuilding assets. Between 1996 and 1998, the MC's reconstruction team was better funded compared to the much smaller economic development team. According to one of the former international employees: "... local staff didn't see a lot of value in what we were doing with microfinance because it was under-funded at first and a fairly new concept in this former planned economy context." However, the Bosnian staff working on microfinance projects recognized the potential it held for supporting rural livelihoods and economic development after the war. They also recognized that, with the gradual reduction of reconstruction funds and a shift in donor priorities, MC would not stay in Bosnia indefinitely.

Among the early champions for transition planning were an international staff member based in Bosnia, and the MC's Chief Operating Officer in the US. They were later joined by a small group of Bosnian staff who expressed an interest in taking the mission of the economic development project forward as a locally registered entity. The articulation of an exit strategy and internal advocacy for transition to local entity was not without its challenges and disagreements. However, as the World Bank and other funders allocated more funds to economic transition and micro-enterprise in the post-war territories of the former Yugoslavia, MC and other INGOs recognized the potential for scaling up their economic development projects. Hence, staff champions of transition had to maintain a consistent internal advocacy effort and a repeated articulation of "why this should be a Bosnian organization" and "how this is a clear success story for MC's capacity development efforts" in order to gain senior management support and see the transition through.

## **Visionary leadership and commitment among local staff**

As a senior staff member reflected: "It was important to have good expatriate staff in managerial positions who were committed to local development and willing to promote local staff to leadership roles. Also important was to have local staff who were willing to adapt, think creatively and responsibly." Thus, to ensure a successful transition, MC identified and promoted dedicated, capable, and open-minded national staff to leadership positions.

Partner's CEO, Senad Sinanovic, was selected by MC staff due to his leadership potential and the respect he received from colleagues, rather than his educational background or professional experience. Several interviewees explained that Bosnian cultural norms would usually dictate that someone older, with more life and professional experience, would be chosen for a leadership role. At the time of assuming leadership, Senad was in his thirties, and immediately became responsible for managing staff who were older, more experienced, and better educated than him.

Even as MC was promoting him to take the helm, Senad noted during the interview that he doubted himself. The national staff appealed to him to take the CEO position, and their support was key to his decision to accept. Veteran staff noted in our interviews that, despite Senad's youth, he had already demonstrated his commitment, leadership potential, and vision. Senad's personal journey is notable. He started as a beneficiary of MC after his family home was destroyed during the war and was later reconstructed by the organization. He fought in the war, which disrupted his formal education process. He was hired by MC as a loan officer for the newly launched economic development project in April 1997. A month later, MC issued its first 27 loans. In 2000, Senad assumed the role of CEO of the newly registered Partner Microcredit Foundation.

After the transition was completed, many former staff stayed on to lead the organization, and remain there to this day – Senad included. Given the significant growth the organization has experienced over the years, many new staff have been hired and promoted at all levels of the organization, including middle-management and leadership roles. The remarkable staff retention was noted as an indicator of Partner's success over the past 18 years. At the time of the case study visit, a few of the veteran staff who had started their employment with MC before going on to work were planning to retire. Conversations about succession and the importance of selecting the right type of leadership highlighted the distinction between leaders who are only able to articulate a vision and leaders who can both do this and successfully manage a transition process.

Senad's leadership style and innovative thinking was noted by all to be a critical element of Partner's success over the last two decades. As one senior staff member noted: "I believed that this new organization will be sustainable and successful. Many people wondered why I left a steady job with city government and joined something new and unknown. But I had full confidence that this organization is only going to grow and do important work. We trusted the leadership and worked with Senad to make sure it will be a success."

## **Strong and reputable board of directors**

As one senior staff member reflected: “In Bosnia, private businesses do not always have well organized systems or a board for oversight and accountability. Partner’s values are embedded in how our organization is structured in terms of its governance. There is integrity, transparency and accountability. If someone doesn’t accept these core values, they shouldn’t work here.”

With this in mind, MC stipulated that Partner have a board, and so began recruiting its members while the project was still under the organization’s oversight. Trusted and respected Bosnians from all three main constituent groups were recruited to serve on an advisory council, with a view to them later becoming board members for the independent Bosnian entity. Partner’s board was not set up to provide “decorative positions,” but to be fully engaged in oversight, strategic advice, and external representation, including with local and federal government. When Partner registered as an independent institution in 2000, some advisory council members left while others stayed on as board members.

Prior to and immediately following the war, Bosnia had no experience of people serving on governance boards without renumeration. MC recruited the board’s chairman directly from the mayor’s office in Tuzla, based on his reputation and leadership abilities, and, again, he remains at Partner to this day. MC retains two positions on the board, which are currently occupied by the its chief financial officer and one other senior staff member. MC staff have no singular influence over the strategic direction of Partner. They see the continued engagement as a means of continued solidarity and mutual learning. The one other international board member is the former MC project manager who oversaw the transition to Partner and who now holds the position of Financial Inclusion Expert and Global Head at the United Nations Capital Development Fund (UNCDF). The rest of the board members are all Bosnian.

## **Clearly defined mission and goals**

Financial sustainability and growth are not the only measures of success for Partner, as it continues to balance its financial goals with its overall mission and social development goals. Partner’s metrics of success include number of jobs created, number of local enterprises and businesses created or expanded, number of women with access to credit, and several other financial inclusion-related indicators. One board member observed: “Partner is an active member of national microcredit association and we try to infuse the sector with the values that we bring to this work. But it is not always possible. And some microcredit organizations are purely profit-oriented. Several have gone out of business.”

Staff and board members all noted the importance of supporting the financial inclusion of marginalized rural residents and women-led micro-enterprises. As the board's chairman noted: "They stayed true to the mission, which is to support the vulnerable, those who can't access such financial services."

A senior staff member added to this by saying: "Our organizational values are strong. We are always on the side of our clients. During the devastating floods four years ago, Partner was chosen by a German donor to disburse flood-recovery assistance in a form of interest-free loans. We waived the administrative fee so that affected clients received interest-free loans and didn't incur any fees. We did this out of humanitarian solidarity."

Multiple staff emphasized that having "a clearly defined strategy, mission, and vision" from the outset was important to building trust in the organization. The current board members (both international and Bosnian) and the CEO highlighted the mission-driven focus as important in attracting continued investment. For example, the European Bank for Reconstruction and Development (EBRD) has over the years provided Partner with multiple loans totaling over €20 million, as well as €500,000 in technical assistance, in order to support the expansion of Partner's services. Similarly, the European Fund for Southeast Europe (EFSE) has also provided Partner with multiple loans, including a one-time €3 million senior loan to expand lending, in recognition of Partner's focus on rural areas and women's businesses.

## **Early financial support and credit**

As part of the transition plan, MC provided initial credit to Partner in the form of a loan with conditions. These required that Partner prove itself as a well-managed local entity, demonstrating integrity and accountability, while remaining mission driven. Specifically, MC and Partner staff agreed on criteria prioritizing the demographic assessed as most in need of microcredit. In the early 2000s, this included those in rural areas, displacement returnees, women, and other marginalized groups. In 2014, MC wrote off the initial loan as a donation, allowing it to be added to Partner's equity, which the latter has full control of. As a non-profit foundation, Partner has no shareholders.

Both MC and Partner staff described early financial and technical support from the World Bank Local Initiatives Department (LID)<sup>326</sup> as instrumental to Partner's success. Particularly in the early days, the funding and visibility the World Bank provided was a huge boost to the nascent microfinance sector in Bosnia. The World Bank funding scheme followed a participatory approach, and included a strong advocacy element

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<sup>326</sup> Goodwin-Groen, R. 2003. "Avoiding Apex Pitfalls: Local Initiatives Departments of Bosnia and Herzegovina." Case Studies in Donor Good Practices (6). *Donor Information Resource Center*. Accessible via: <https://bit.ly/3627Mml>

involving the Bosnian government, in order that early phases were allowed to succeed and demonstrate proof of concept.

For the last two decades, USAID has supported the microcredit sector with innovative ideas – such as micro-loans for solar energy, as well as new horticulture and breeds – informed by experiences in other countries. As a senior staff member at Partner described: “USAID has provided loans to our clients to do thermal insulation, solar, energy efficiency. Some of these have been interest free, and some with interest. Our clients don’t have to pay interest but have to repay the principal.” USAID funds given in grant form are appreciated by Partner’s staff and board, as the money can be reinvested as capital to cover more loans and technical assistance to clients. This type of funding was described by those we interviewed as instrumental to expanding the reach of microcredit and services to more people.

## **Capacity development for professional and institutional development**

MC provided considerable capacity development to its economic development project staff and then later the nascent Partner team. This took many forms: workshops and training, coaching, mentoring, technical advice, and oversight. For example, MC financial staff conducted quality assurance of Partner’s financial reporting during the first few years of its existence, after which the Partner team took the decision to manage its accounting independently. Former staff and board members described an “extraordinary investment” in training and supporting staff, beginning in the early days of economic development project. Partner staff described the capacity development support provided during this period as invaluable, as it was directly linked to the technicalities of microcredit operations, financial management, and institutional development.

During the transition phase, one of MC’s American staff members served on the credit board. Former MC national staff who are still employed at Partner said: “... this was like on the job training. She was quality checking our work while we were already leading it. It was a useful function of oversight and quality control for a new entity like ours.” Several staff members also noted the value of discussing different micro-lending models with experienced MC staff who had worked on relevant programs elsewhere around the world. At the same time, the Bosnian staff members helped MC adjust existing models to a post-socialist and post-war context. As one Bosnian staff member recalled: “In the beginning, the local staff worked closely together with MC staff. We learned from each other; it was not just us learning from them ... We were actively and jointly adapting the lessons and methods from other countries to make it fit to the Bosnian context. Mercy

Corps learned from this exercise too before they tried similar projects in Kosovo and Central Asia.”

In addition to support provided to the broader team, two MC staff members were assigned as personal coaches to Partner’s new CEO following the completion of the transition. According to the CEO, this coaching was weighted more toward psycho-social support and confidence-boosting than technical or operational advice.

The successful institutional development of Partner as a well-managed, well-governed, and credible organization was also linked to early capacity development investments made by MC and the nascent Partner team. As one senior staff member at Partner noted: “We developed clear policies, procedures, and systems that reduced risk and confusion and created a shared understanding of how our organization will function … New staff sometimes questioned certain things, but we are always able to go back to the reasoning behind our decisions.”

Partner staff pointed out that they alone had been responsible for agreeing and codifying their organizational values, citing this as another indicator of local ownership. As one senior staff member described it: “Our organizational culture and values were not inherited from Mercy Corps. We defined our own organizational culture. If we didn’t have the people with the professional background, knowledge and dedication on our team all these years, we wouldn’t be able to have this organization twenty years later.”

Staff training remained a key focus for Partner after it launched as a Bosnian entity. Partner staff and board members noted that training conducted by internal and external experts has helped refine Partner’s marketing and technical competencies. Staff also felt supported in their professional growth and mobility within the organization. One staff member described her journey from loan officer in MC’s economic development project to regional manager, then Director of Credit Operations after the expansion of Partner. At the time of our field visit, she was overseeing the human resources unit, with a particular focus on training: “Essentially, my job between now and my retirement is to transfer my knowledge to our younger colleagues. That’s my exit strategy.”

## **Business models and future horizons**

Partner has undoubtedly made a success out of its existing business model. As a staff member expressed: “When I think about Partner as a Bosnian organization, I am proud of it. We have a local organization trusted and supported by external investment. Our organization has developed so much that we can earn enough to support competitive salaries. Our employees earn as much or more as in the Bosnian private sector.”

Even so, Partner is currently considering the pros and cons of registering as a business, alongside its current registration as a non-profit. During the transition, it was repeatedly discussed – among MC staff and then within Partner and its board – whether the organization should remain a non-profit MFI, register as a bank, or merge with other larger banks. All interviewees agreed that Partner made the right decision not to become a bank at that stage, as it did not have the necessary capital to compete with larger banks.

However, given emigration trends in Bosnia, an increase in diaspora remittances, and EU investments in renewable energy and other clean energy sectors, interviewees expressed an eagerness for innovation and future planning. Registering as a company while maintaining a non-profit status would allow Partner to provide additional services – for example, micro-insurance to farmers, low-fee remittance transfers, and larger loans of up to KM10,000 (US\$5,800) to support renewable energy and other investments by rural entrepreneurs. Currently, the non-profit registration prevents Partner from increasing its loan amounts or providing these additional services. These ongoing considerations regarding commercial registration are linked to Partner’s long-term organizational goals, which are: first, financial sustainability; and, second, ensuring greater financial inclusion by offering new services to Partner’s existing target demographic, and continuing to support rural families who struggle to access regular insurance schemes. As a microcredit non-profit, Partner is obliged to pay taxes (other non-profits aren’t); hence company registration would not significantly alter its current tax obligations.

These strategic decisions are directly linked to financial sustainability considerations, as most local entities are expected to be self-reliant. Partner has had to weigh up its options for an optimal business model while at the same time maintaining its organizational legacy and mission-driven work. Partner’s CEO and board take great care in monitoring the evolving regulatory environment for CSOs, microcredit organizations, social enterprises, and banks in Bosnia, as well as the changing needs and priorities of the country’s population, for whom its services must remain accessible, relevant, and competitive. The senior staff and board were confident that – given Partner’s strong governance structures and sound strategic planning processes, as well as its credible reputation among local borrowers and investors – will make a sound decision regarding its future.

## Key lessons

**Having a vision for transition from the outset, driven by internal advocacy, contributes to a successful outcome.** Almost from the very beginning, MC staff articulated a vision for the economic development project to become locally owned and led. The lack of an initial consensus required the consistent articulation of “why this should be a Bosnian entity” by internal champions. The internal advocacy effort focused on convincing decision makers at MC headquarters, as well as those Bosnian staff who were skeptical that an independent entity could be financially sustainable and successful. Advocacy for localization was boosted by early successes in the microcredit pilot (the first series of loans were repaid), which had an important confidence-building effect.

**Dedicated, capable, and visionary national staff can drive the transition.** MC was careful in picking out local staff for key leadership positions at Partner, with many staying on to help grow the organization for years afterward. Unwavering staff commitment and the CEO’s leadership skills were emphasized as critical to Partner’s success. The level of trust, group cohesion, support for the mission, and confidence in the leadership is particularly noteworthy given that Partner emerged from a post-war context in which trust-building, reconciliation, and inclusive governance were lacking. That local ownership was shared between such a diverse, multi-ethnic group of staff was a remarkable feat in and of itself.

**Early financial support can provide a much-needed boost and facilitate longer-term sustainability.** MC’s initial financial support included a loan that was later written off and added to Partner’s capital. In addition, early World Bank investments boosted Partner’s growth, the development and expansion of its operations across the country, and its reputation. Subsequent support by USAID and regional banks provided opportunities for different partnerships, and for the expansion of programming to new areas.

**Capacity development is highly valued by national staff.** Partner staff valued the capacity development provided by MC’s staff and consultants, which came in different forms and was customized to the evolving needs of the organization. In addition, Partner staff found accompaniment by MC staff to be particularly useful for business process and institutional development. Accompaniment included customized technical advice, as well as quality assurance and oversight. Two MC staff were assigned as personal coaches to the new CEO, who took advantage of their assistance as sounding boards and providers of moral support during the early transition years. Capacity development investments by Partner, as well as support for the professional growth of its staff over the last two decades, were also noted as critical to its success and sustainability.

**Strong governance from the start can bolster organizational development.** MC required that Partner have a governing board and helped recruit respected local figures representing Bosnia's three main 'constituent peoples': Bosniaks, Serbs and Croats. Veteran staff and board members noted that Partner's board – unlike other non-profit boards – was not set up to offer "decorative positions," but to be fully engaged in oversight, strategic advice, and external representation. The board was instrumental in advocating for the national government to prioritize establishing a regulatory and enabling environment for microcredit organizations. The board is also credited with ensuring the transparency and accountability of Partner's finances, which directly impacts how Partner is perceived by investors and auditors.

**Maintaining a mission-driven focus can sustain transition over the long-term.** Partner continues to balance its financial objectives with its social development goals, which include maintaining MC's focus on the financial inclusion of marginalized rural residents and women-led micro-enterprises. In this regard, Partner's services extend beyond granting loans to include pro bono technical assistance to borrowers seeking to increase agricultural yields or purchase the most up-to-date equipment. Partner's metrics of success include, among other things, number of jobs created, number of Local enterprises created or expanded, and number of women with access to credit. This sustained focus on economic development and financial inclusion has helped Partner maintain its credibility with the communities it serves, as well as demonstrate its social impact to existing and potential investors, including regional banks and bilateral donors. Partner's ongoing deliberations as to whether to register as a commercial entity while maintaining its non-profit status is also informed by the need to serve the evolving needs of its constituents, ensuring financial inclusion for people who still cannot afford commercial banking services.



## Chapter 14

# Planning and Development Collaborative International (PADCO) transition to Ikibiri Coalition, Burundi

By Tracy Dexter

### Acronyms

BLTP	Burundi Leadership Training Program
CNDD-FDD	Conseil National pour la Defense de la Democratie-Forces pour la Defense de la Democratir (National Council for the Defense of Democracy-Forces for the Defense of Democracy)
COP	Chief of Party
CPRI	Community-Based Peace and Reconciliation Initiative
CSO	Civil Society Organization
EU	European Union
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
SAS	Stopping As Success
UN	United Nations
USAID	United States Agency for International Development

### Type of transition

This case study is an example of an INGO transition that triggered the creation of a local entity. While Burundian staff drove the creation of the Ikibiri Coalition, PADCO assisted the transition by providing both moral and technical support.

## Introduction

This case study describes the transition of Planning and Development Collaborative International (PADCO) – an INGO – from Burundi, and the subsequent creation of the local NGO Ikibiri Coalition.<sup>327</sup> PADCO’s work and exit took place within a context of post-conflict political transition, open political space, and stable aid delivery.<sup>328</sup> Prior to the transition, PADCO was implementing a three-year (2004–06) USAID Office of Transition Initiatives (OTI) program, following which the organization received a World Bank grant to fund an ex-combatant reintegration program through to 2008. It was not part of PADCO’s exit plan to create a local NGO at the project’s end – rather, it was the decision of Burundian staff. Despite this, PADCO’s international staff assisted with the creation and functioning of Ikibiri, contributing significantly to it becoming a sustainable organization.

The methodology for this case study consisted of a document review and 10 key informant interviews with Ikibiri staff and PADCO expatriate staff.

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## Context

Burundi is a small landlocked country in the Central African Great Lakes region, bordered by Rwanda, Tanzania, and the Democratic Republic of the Congo. It was a Belgian colony until claiming independence in 1962, at which point it became a constitutional monarchy. However, multiple assassinations and coups resulted in the establishment of a republic and one-party state in 1966. Its people possess an extraordinary resilience, having lived through decades of political instability and structural violence, which has been marked by interethnic conflict, genocides, and a civil war (1993–2005) between the minority ruling Tutsi ethnic group and the majority Hutu ethnic group. The Arusha Peace and Reconciliation Agreement (APRA) – widely known as the Arusha Accords – was signed in 2000, and is attributed with eventually bringing an end to Burundi’s civil war.<sup>329</sup> The

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<sup>327</sup> Ikibiri means “working together” in Kirundi, the official language of Burundi.

<sup>328</sup> Barely a decade later, this period of openness ended when the Burundian government began cracking down on its critics in civil society and on opposing political parties. CARE’s local transition (see the CARE–GLID Stopping As Success case study) shows the contrast between these eras.

<sup>329</sup> Nantulya, P. 2015. “Burundi: Why the Arusha Accords Are Central.” *Africa Center for Strategic Studies*. Accessible via: <https://bit.ly/375L9g3>

cessation of hostilities in 2003 ushered in a period of political transition, culminating in an election that brought the Hutu-led CNDD-FDD to power in 2005.<sup>330</sup> For the next decade, Burundi engaged in a process of rebuilding and was relatively stable. In 2015, however, President Pierre Nkurunziza's decision to run for a third term in office, despite a constitutional two-term limit, prompted a political crisis. The ensuing violence again destabilized one of the world's poorest countries.<sup>331</sup>

## History of aid and CSOs

True civil society began to develop in Burundi in the 1990s, in concert with the democratic transition. Until then, the country had been ruled by military dictatorships and its citizens' engagement in civic or political life was strictly controlled by the government, with only a few non-governmental or civic organizations existing. This "opening up" attracted interest from international organizations and development agencies. INGOs and a few CSOs were involved in preparing a democratic election in 1993, but instead of the expected democratic transition civil war consumed the country for the rest of the 1990s following the assassination of the president mere months after the election. With the signing of the Arusha Accords (2000), followed by a political transition and democratic elections (2001–05), and a peaceful post-electoral period (2005–10), Burundi once again attracted substantial international attention and investment. As well as providing direct budget and development support to the traditional sectors of health, education, and agriculture, Donors focused on a peacebuilding "palette." This included building democratic institutions, including strengthening civil society; security sector reform, including disarmament, demobilization, and reintegration (DDR); and justice reform and community-based rehabilitation and reconciliation.

The number of INGOs and CSOs increased alongside this international support. Though CSOs had little experience, as partners of INGOs they were developing capacity, increasing coverage of services, and providing local insight for sensitive reconciliation work. USAID and the European Union (EU) both had dedicated programs for civil society capacity building. INGOs provided organizational training and resources for their local partners, though funds were mostly project-based and few CSOs had the leeway to diversify their funding or increase their visibility. Nonetheless, for several years ample resources<sup>332</sup> were available to both INGOs and CSOs for peacebuilding, reconstruction,

<sup>330</sup> The CNDD-FDD – Conseil National pour la Défense de la Démocratie-Forces pour la Défense de la Démocratie (National Council for the Defense of Democracy-Forces for the Defense of Democracy) – was (and remains) the ruling party. The CNDD-FDD is a former Hutu rebel movement that joined the government in 2004, before going on to win elections in 2005, 2010, and 2015.

<sup>331</sup> Burundi is ranked 185 of 189 in the UN Human Development Index. United Nations Development Program. 2018. "Human Development Reports 2018: Burundi." Accessible via: <http://hdr.undp.org/en/countries/profiles/BDI>

<sup>332</sup> In 2003, bilateral aid amounted to US \$169 million and increased steadily to a peak of US \$339 million in 2010. It then slowly decreased to a low of US \$215 million in 2015. IWACU Open Data. "The Open Data Portal about Burundi." Accessible via: <https://bit.ly/3mgGxu5>

and development work. Many CSOs gained valuable experience, and coalitions were formed to contribute to development strategies, plans, and a peacebuilding framework.

There was also ample political space during the so-called “peacebuilding decade.” This was partly due to the Peace Agreement being implemented by the international community in close concert with UN- and World Bank-supported aid coordination frameworks.<sup>333</sup> INGOs and their local partners provided much-needed services. This service delivery role was beneficial for the government, making it easier for Burundian organizations to implement activities such as civic awareness building and the monitoring of corruption and human rights, which the international community strongly supported. Even so, there was – and still is – no official government mechanism for funding Burundian CSOs and NGOs. Other avenues for local funding, such as individual philanthropy and corporate social responsibility, are practically non-existent.

The current aid context is vastly different from the peacebuilding decade. The international community, especially European donors, are at odds with the state, and have frozen direct aid to the government. Instead, donors work through INGOs, and have also begun “localizing” by channeling aid to support the Burundian people through local NGOs. It is to be assumed that donors, notably many from the EU, have the “right” motivations for localizing, namely, ending dependency and promoting locally led development.<sup>334</sup> In the current political climate, however, “localization” must be carried out with the proper support and planning, so as to ensure local actors are not exposed to unnecessary risks, particularly political pressure

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## PADCO’S transition in Burundi

### **PADCO and the community-based peace and reconciliation initiative**

Starting in 2004, PADCO was the lead implementer of the Community-based Peace and Reconciliation Initiative (CPRI), a program designed to contribute to the ongoing peace process through the reintegration of refugees, internally displaced persons, and ex-combatants.<sup>335</sup> PADCO managed CPRI field offices in Gitega and Ruyigi provinces, working with Burundian staff on conflict-sensitivity issues. Though political spaces were opening up, the “hearts and minds” of many Burundians were not. There were numerous

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<sup>333</sup> The UN and World Bank were supporting national peacebuilding and poverty reduction strategies.

<sup>334</sup> International Crisis Group. 2018. “Helping the Burundian People Cope with the Economic Crisis.” *Africa Report No. 264*. Accessible via: <https://bit.ly/37c9Asq>

<sup>335</sup> USAID. 2006. “USAID/OTI Burundi Hot Topic Sep 2006: American Ambassador and Representatives of the Burundian Government Inaugurate Major Project in Gitega.” *Reliefweb*. Accessible via: <https://bit.ly/39bA4fY>

security challenges, and ethnic tensions and mistrust did not dissipate quickly. It was therefore important for PADCO to create a feeling of fellowship and common loyalty, as well as encourage inclusivity in its organizational and programming approach. Accordingly, PADCO's (40+) staff was drawn from both Hutu and Tutsi ethnic groups.

CPRI had four components: 1) promoting community-level reintegration and reconciliation through community-based leadership development; 2) vocational skills training; 3) small-scale infrastructure reconstruction; and 4) information dissemination. Programming was designed to increase social capital and, in some communities, produce conflict-resolution networks. PADCO had a small international staff of four people and sub-contracted another international trainer. Based on the expertise gained through the program, PADCO then received a grant to implement a smaller, two-year World Bank reintegration of ex-combatants program, and maintained some of the original Burundian staff. Members of the Ikibiri Coalition included staff from both projects

## The transition

PADCO did not have an explicit strategy to create a Burundian organization on its exit from the country. Rather, it was the Burundian staff's decision, which they made toward the end of 2008, when the World Bank program was almost completed. According to Ikibiri members, what was more important than an exit strategy was "... the accompaniment that PADCO gave us when there was no obligation or 'deliverable' required of them." As a team, they were enthusiastic and felt they had a strong impact.

Despite not having a specific exit plan, PADCO did have a disposition plan for USAID-funded property, and so were able to transfer computers and furniture to Ikibiri. International staff helped guide Ikibiri staff through the legal process of setting up, reviewed, among other things, their operations manuals and forms, payroll system, and website, as well as – perhaps most importantly – helping write the first proposal for funding. Most of the management systems were replicated and key former Burundian staff, who had been part of the senior management team, were already familiar with their operations, the principles of managing an organization, and USAID systems.

Other forms of post-transition support included international leaders championing Ikibiri and undertaking advocacy to promote its work and encourage donor support. Relationships have continued after the exit, with the close ties of each international leader continuing to inspire excellence in the Ikibiri team. This is especially important to note given PADCO was absorbed by AECOM International Development in 2008 and no longer exists as an independent entity. Ikibiri has already proved to have sufficient capacity to subsist for a full decade without its "parent organization."

The assistance of PADCO's leadership in the setting up of Ikibiri was important to its identity, reputation, and financial sustainability. Previous project training and mentoring of staff, particularly in areas of administration and finance, also made the transition smoother. Responsibility was delegated with very high expectations: PADCO applied rules strictly and fairly, which was understood and appreciated by staff, who had often worked in environments where rules were applied arbitrarily. This served as a model for Ikibiri's future work. Several of PADCO's Burundian staff became part of Ikibiri's senior management team – these were people who were trusted by local colleagues and had moral authority. Relationships were built and cooperation fostered in the team, which was part of the motivation to create an organization with "togetherness" as its basis. As one Ikibiri member said: "This was a successful exit due to the team spirit that was built during the program. There was also a sort of work ethic that went along with the team spirit that was inspired by the management system and the way the managers worked. They modeled competence and dedication of time and effort. They were also transparent."

Ikibiri's goal is to assist Burundian communities achieve their development goals through targeted programs and initiatives, and to strengthen the long-term capacities of government and civil society. Since its creation, Ikibiri has developed experience and expertise in community reintegration; microenterprise development through training and assistance; rehabilitation of community infrastructure; leadership training; and advocacy aimed at bridging the relationship gap between communities and the state.

Currently, Ikibiri is the sub-partner on a USAID-funded youth empowerment project, implemented by Burundi Leadership Training Program (BLTP). This is one of the few awards in Burundi for which a local organization is the prime contractor. BLTP and its international partners have collaborated with Ikibiri in the past, and designed the project specifically with Ikibiri in mind, as the target group (youth) is to be found in some of the communities the organization has previously served. The project aims to increase the social and economic resilience of youth through providing them with conflict management, leadership, and sustainable project development skills, as well as monetary assistance through access to microfinance.

# Outcomes and impacts of the transition

## Common core values and accountability systems

All members of the Ikibiri Coalition cited PADCO's ethics and the "PADCO method" (or rigorous management systems)<sup>336</sup> as having made the most difference in terms of legacy. Staff morale coalesced around the idea that together, enabled by a strong work ethic and the PADCO method, they were stronger than any challenges they may face. This method, although not officially documented, is expanded upon below. As noted by a staff member: "We went above and beyond many challenges and when we go back into communities when work is finished, they recognize us, praise us – which gives us inspiration to do more."

Furthermore, no legal conflicts arose (for example, with vendors or the few staff terminated with cause), which is unusual within Burundi's NGO ecosystem, where court challenges are very common. This is an outward sign of success for Ikibiri's team and operations and is a legacy of which they are proud.

Among the values Ikibiri carried forward from PADCO were honesty, integrity, courage, and peaceful conflict resolution through dialogue. In terms of the "method," PADCO management tools were made available to and used by Ikibiri. At PADCO, Burundian staff had also used personnel models and ways of working that enabled them to manage strictly but fairly.

As an example, PADCO utilized a system of advance planning that was an important factor in ensuring timely payments. This served PADCO, and then Ikibiri, very well. The financial systems and zero tolerance for corruption inherited by Ikibiri have also been crucial, as staff have often been confronted by requests for, or offers of, "gifts." As noted by a staff member: "One of the important lessons we learned that must be applied in the current context is how to manage relations with local authorities. They make demands on us for advantages and we learned to be firm about the contractual obligations that we have to our donors.<sup>337</sup> Also the way we learned to work together, helped us resist some of the pressures. In some areas, the authorities appreciated the rigor." Another staff member added: "As we were strengthened to deal with outside pressures (don't accept gifts, etc.) we want to strengthen our participants in local projects to be able to do the same because there are a lot of tensions."

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<sup>336</sup> This "method" was summarized as tight management on all levels, transfer of knowledge and delegation of responsibility to Burundian staff, and open and transparent communication. Zero tolerance for corruption is another description of the "method."

<sup>337</sup> If there were demands, international staff would "blame" the rules of the US government. In turn international staff would allow national staff to put the "blame" on them in order to manage tricky situations.

Inclusion of all ethnic groups and women, as well as broad stakeholder participation, were among the PADCO values Ikibiri chose to operationalize, with such guidance serving as the foundation for sound project management. At PADCO, INGO staff had been part of the community, rather than being cut off or segregated, and the methodology required a transparent, participative process. Local authorities and communities would participate in setting the ground rules for how a project was going to be run – in particular, the potentially difficult issue of recruitment in an ethnically divided society. The methodology built confidence, eliminated disagreements, and made project management smoother. Thus, it was in Ikibiri's interests to continue along these lines. As an Ikibiri coordinator commented: "We always involved the [local] authorities in all the meetings and they were part of making rules. They couldn't then break the rules after – they had helped make those rules. Authorities appreciated the rigor and our image in the communities is clean."

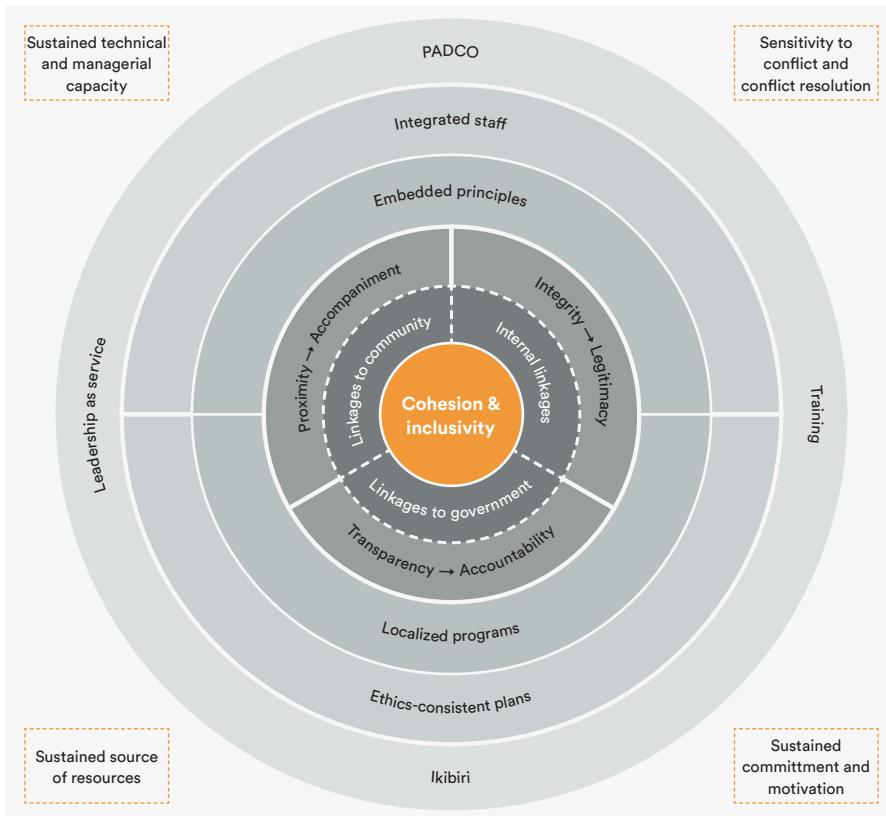
## The PADCO "method"

Part of what makes the PADCO – and, subsequently, the Ikibiri Coalition – method so extraordinary is that it was not documented. Instead, it was an organizational understanding made manifest through humane, rigorous management, with leaders dedicating enormous amounts of time to ensuring staff had the necessary technical tools, as well as providing strict supervision and support. In this way, the mixed ethnic and political team were guided toward understanding the value of the integrated, transformational development project they were involved in, thereby building internal trust and knowhow. The extraordinary individuals who embedded these principles generated self-confidence in their staff and helped raise morale, more so than would likely have been the case under any official process, formula, or theory of change.

At the center of this approach lie the principles of cohesion and inclusivity, which informed the staff's organizational understanding. PADCO international staff used training and leadership to create links within the communities they served, between the organization and government entities, and among organization staff members themselves. This was done in order to localize programming and, thus, create a smooth transition between PADCO and Ikibiri.

Staff was integrated into the communities they served through three key means. First, proximity, which enabled the expatriate staff's accompaniment throughout the transition process. Second, transparency, which built accountability both within the organization, and between the organization and the communities it served. And third, integrity, as expressed through rigorously applied ethics and a zero-tolerance policy, which allowed staff to achieve legitimacy and credibility not only within communities, but also with government agents, whose approval enabled PADCO and Ikibiri's continued existence.

**Figure 1: The PADCO Method**



PADCO's cohesion and inclusivity also generated an external context for Ikibiri : the independent sustainability of capacity, resources, commitment, and an integrated understanding of conflicts and peacebuilding principles. These external conditions, continuously fed through a “feedback loop” of embedded principles that no longer required input from PADCO staff upon the organization’s exit and absorption by AECOM, are an aspect of the method’s ecosystem that contributed to Ikibiri being capable of not relying on international donors for its subsistence.

## **Relational leadership**

What Ikibiri staff have been able to accomplish based on the organization's principles and systems is to their credit. Nevertheless, they credit the collective application of the "work ethic" to the example set by international staff throughout the project and post-project. In particular, the PADCO Chief of Party (COP)<sup>338</sup> was singled out, with a former PADCO staff member observing: "She combined rigor with personal engagement and a people-centered approach. You have to be transparent, with authorities and the communities. You are non-partisan. You serve everyone without distinction. You show transparency and honesty in all things and model zero tolerance for fraud. This was an education – some came and found a different world, especially in the person of the COP who taught us to be always near those we serve and to be at the service of the beneficiaries."

Rigorous commitment to ethics was a quality that international staff modeled and Ikibiri staff carried forward. This was and is critical in the face of pressure from some external actors, who expect flexibility rather than rigor regarding procedures for recruitment, procurement, and payments. Though such tight management initially seemed – to both Burundian staff those in local communities – be from "a different world," the transparency with which it was applied became greatly appreciated. It acted as a source of internal cohesion and built social capital with communities and local leaders.

In addition, within PADCO there was a social aspect that helped break down the power differential between international and Burundian staff. There was a dynamic of solidarity, which created a strong and effective team. Much of what was invested in teambuilding – particularly through Burundian cultural practices of celebrating certain events together – was at the personal instigation of the COP, and helped create lasting relationships among people from vastly different backgrounds.

## **Inclusivity and accountability**

The approach of Ikibiri (and PADCO before it) to working in communities, particularly regarding employment creation for vulnerable groups, is recognized for its visible impact and transparent management. Furthermore, the quality of the organization's work is documented in audits and other testimonials,<sup>339</sup> with its role in the community well illustrated by the following comment from an Ikibiri coordinator: "With PADCO, we established close cooperative relations with local people, who felt at ease with the personnel of PADCO. People didn't have the usual hesitancy with the PADCO expatriates. This image remained with Ikibiri. We did our first projects in the communes where we

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<sup>338</sup> The COP worked with a number of other expatriates who were also highly ethical and people-centered, including a former trainer who still provides various forms of support to Ikibiri.

<sup>339</sup> For example, a letter dated 9 October 2009 from Patricia Moller, US Ambassador to Burundi, read: "... it was a pleasure to work with an organization as capable and committed as the Ikibiri Coalition."

had worked with PADCO. Some know Ikibiri as former PADCO. They feel the link. First, they called us PADCO, now we explain we stayed together to keep our experience and expertise in the communities. Same practices, same values of transparency and ethics. And when there is no project work, the people keep in contact to ask how our organization is doing. We kept contact numbers and the people still help us with certain things, information. They feel like members of Ikibiri even if they're not."

As part of PADCO projects, project officers required to live in the communities they served, putting into practice the objective of building trust between people from different ethnic or geographical backgrounds. Ikibiri remains invested in this PADCO commitment to proximity, and this has helped it with accountability and legitimacy. Furthermore, PADCO invested in training its entire staff – not just the designated project officers – in non-violent conflict resolution. This helped generate a positive reputation in the community and has strengthened the sustainability of Ikibiri.

The PADCO method of programming in a post-conflict setting required a neutral, non-partisan approach, and this is something Ikibiri has also maintained. It does not speak out against the government and, as a result, has thus far not faced political pressure. In the current restricted political space, however, Ikibiri faces being forced to cease operations if levels of surveillance and financial demands clash with this principle of neutrality and transparency.

## **Accompaniment**

As is the case for almost all Burundian NGOs, Ikibiri faces challenges related to financial sustainability. Though it does not receive financial support from PADCO, Ikibiri has made good use of the continued moral and technical support PADCO and other international partners have provided over the ten years it has been independent.

As mentioned above, Ikibiri benefited from USAID's exit policy, acquiring equipment from PADCO. The US Embassy was aware of PADCO's work and reputation, and was therefore interested in making use of Ikibiri's services. However, it had requirements for financial capacity that Ikibiri had not yet demonstrated. In order to address this, a former PADCO trainer who was heading an American non-profit agreed to manage the fund, thus satisfying the administrative requirements of the US government. The project afforded Ikibiri a professional performance evaluation and audit, both of which were positive, thereby helping build the organization's reputation and portfolio.

The Ikibiri staff interviewed recognized the nonmonetary support they received after the exit of PADCO as being important. Such support included help preparing project proposals, periodic technical advice, and – importantly – advocacy and references

from former international collaborators. For example, as Ikibiri did not yet have visibility with European donors, the PADCO COP recommended the organization to the Belgian cooperation and assisted with the proposal submission process.

Ikibiri staff appreciate the moral support provided by these continued relationships and pay this forward in the communities they work with. As one of them explained: “In the communities, we have ‘credit’ because we’ve kept relationships with the ex-combatants we worked with. Our exit was not complete: local NGOs should plan for interactions that never end! I may see some ex-combatants who have worked with me. They ask me why I’m not helping them, and I tell them I don’t have resources now – but we can still engage in conversation. They show me what they’re proud of accomplishing, I give them advice – we’re available to do that. We in Ikibiri built quality relationships in the community, so if we meet, even if we don’t have money, we can share a positive attitude.”

Ikibiri is not dependent on any one donor or their former international colleagues. However, it is concerned about the current closing of political space and increased government repression, which have been both the cause and effect of decreased financial and diplomatic support to Burundi.

Each of the above four elements contributed to Ikibiri becoming a strong, locally led organization. The organization was established in the context of a fairly open political space, but it was nonetheless a challenging landscape in which the post-conflict environment played a role.<sup>340</sup> Sound principles, dedicated people, and inclusive programs and plans mitigated these challenges, aiding a successful transition to local ownership.

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## Key lessons

**Coupling robust and carefully managed systems with the values of integrity, transparency, diversity, and inclusivity, helps build team cohesion.** Applying these values consistently across Ikibiri and how it works with communities has helped build trust and social capital, which has been key to achieving sustainability.

**Principled, people-centered, and courageous leadership and can leave a lasting impact.** Leaders such as the PADCO COP, who – with a carefully nurtured esprit de corps – provide for the transfer of technical knowledge and the delegation of responsibility, can help prepare local actors to take ownership in leading development.

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<sup>340</sup> CARE transitioned and created GLID in a context where political space was already closing and donor priorities shifting to other countries. It was a development program, not a political transition program, so the financial sustainability aspect may have been felt more acutely in that transition.

**Programming that is community-driven is more likely to be sustainable in difficult political environments.** In Ikibiri's case, this involved including government officials as well as community leaders, and using dialogue rather than denunciation. Furthermore, project officers from different regions live among the communities, attempting to build trust between people from different ethnic or geographical backgrounds.

**Meaningful post-transition support is still possible even in the absence of a specific plan to create an independent local entity to continue development intervention.** This can include assistance with putting systems in place, as well as measures more directly related to financial sustainability, such as help with proposal writing and donor contacts. In Ikibiri's case, maintaining long-term relationships and alliances has provided important moral as well as practical support, which has helped sustain local efforts.





## **PART 5**

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# **Communicating**

## Introduction

Valuing mutual respect, communication, and knowledge sharing has been shown to be a foundation of successful transitions throughout all the Stopping As Success evidence base shared in this book. At the center of practicing these values is the ability of partners to effectively communicate with one another, particularly the decision-making process, planning stages, and outcomes of any transition process. As with the other key themes covered in parts 1-4, the SAS project considers successful communication<sup>341</sup> to be a multi-directional process involving funders, INGOs, local organizations, and local communities.

Ending a program or transitioning control from an international to a local or national entity is a major change and often creates a sense of uncertainty. **If communication is not handled well, rumors and distrust can abound.** SAS found that INGOs approach communication on transitions very differently, depending on the context in which they operate and their own institutional structures, histories and capabilities, and the potential impacts on a local entity. When local actors are not well informed about a transition process, it goes against their commitment to the principle of Do No Harm, and can have significant negative impacts on their ability to effectively deliver services or run programmes post-transition, their relationships with local communities and leaders, and their internal operations including financial sustainability and organizational operations.

**Transparency and accountability, both internally and externally, are essential ingredients to equitable communication practices in transition processes.** Similarly, context matters. **It is important for communication to be clear and consistent from start to finish** - especially when INGOs plan to withdraw financial support as part of an organizational transition. When this is not the case, power imbalances can be exacerbated or introduced. While there is no one-size-fits-all approach to communicating during INGO transitions, responsible examples from the Stopping As Success cases tended to have a combination of the following characteristics: **national and local staff are involved in conversations and decisions about when and how to transition; all staff members at the local entity are informed about the transition process and its implications; comprehensive communication strategies are developed and followed; and those involved tend to remain flexible to changing contexts and emerging issues.**

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<sup>341</sup> This introduction draws content and at times direct quotations from the following SAS resources: Martins, A. 2020. "Issue Paper: Communicating INGO Transitions." Accessible via: <https://bit.ly/3fygBHO>; Peace Direct. 2020. "Practical Guidelines: Communicating INGO Transitions." Accessible via: <https://bit.ly/372NJUc>

While exploring the final case studies in this book, we encourage readers to reflect on some of the core guidance about communication in transitions, highlighted in the “Communicating INGO Transitions” issue paper<sup>342</sup> and practical guidelines<sup>343</sup>:

- **Early communication is best** – letting stakeholders know about decisions, processes and timelines as soon as possible is key to effective communication;
- **INGOs should communicate consistently and transparently at and across all organizational levels;**
- **Systems for receiving and acting on feedback are essential components of transition communications.** INGOs should facilitate their staff to communicate their feelings about the transition, particularly staff at the local level who are most impacted by the transition;
- **Local entities’ vision for the transitions should be designed by the local entity itself** and use communication tools that best resonate within their contexts; and
- **Local actors should create a clear plan for communicating the transition to communities, government actors and partner organizations,** including implementation approaches and metrics for assessing effectiveness.

### **The cases profiled in this chapter are, in order:**

Chapter 15: Nuru Kenya transition from Nuru International, Kenya

Chapter 16: Plan India transition from Plan International, India

Chapter 17: SOS Children’s Villages Colombia transition from SOS Children’s Villages International, Colombia

Chapter 18: International Rescue Committee transition to Tuungane, Democratic Republic of Congo

Chapter 19: ActionAid Association transition from ActionAid International, India

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342 Martins, A. 2020. “Issue Paper: Communicating INGO Transitions.” Accessible via: <https://bit.ly/3fygBHO>

343 Peace Direct. 2020. “Practical Guidelines: Communicating INGO Transitions.” Accessible via: <https://bit.ly/372NJUc>

## Chapter 15

# Nuru Kenya transition from Nuru International, Kenya

By Haley Dillan, Joel Ouma and David Yamron

### Acronyms

CBO	Community-Based Organization
CSO	Civil Society Organization
EU	European Union
GDP	Gross Domestic Product
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
ODA	Official Development Assistance
SAS	Stopping As Success
USAID	United States Agency for International Development

## Type of transition

This case study is an example of a phased transfer of ownership and responsibility from INGO Nuru International to Nuru Kenya, including the exit of all international staff. Post-transition, Nuru Kenya is managed entirely by Kenyan staff, although it continues to receive financial support from Nuru International.

## Introduction

This report examines the organizational transition planned and implemented by the staff of the INGO Nuru International in Migori County (Kuria West), Kenya, focusing particularly on the transition of the organization's international staff from Nuru Kenya in June 2015. This transition, referred to by Nuru staff as the full turnover to the local team<sup>344</sup> provides a potent example of what is possible when an organization places locally owned and locally led development at the forefront of its organizational strategy and its measurements of success. Over a period of almost a decade, Nuru Kenya collaborated closely with local communities to design, implement, adapt, and ultimately transition ownership of its programming. Nuru International built sustainability into the foundations of its approach, planning the exit of international staff from the outset and developing local capacity to take over management.

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## Context

### Political and economic environment

Kenya is a country in the Great Lakes region of East Africa, bordered by Somalia, Ethiopia, South Sudan, Uganda, Tanzania, as well as Lake Victoria to the west and the Indian Ocean to the southeast. Its young, diverse population of 48 million is concentrated around the inland capital of Nairobi, along the Lake Victoria shoreline, and on the ocean coast. Kenya is home to more than 44 ethnic groups, with the five largest of these accounting for almost three-quarters of the total. Roughly 83 percent of the population identifies as Christian and 11 percent as Muslim.<sup>345</sup>

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<sup>344</sup> The full turnover to the local team can be distinguished from the "Financial Exit" of Nuru International from Nuru Kenya, which is expected to take place in 2020. For the purposes of this report, Stopping As Success researchers did not focus on the financial aspect of the exit, except where relevant to the full turnover to the local team.

<sup>345</sup> CIA. "The World Factbook: Kenya." Accessible via: <https://bit.ly/3l3984u>

With a nominal 2016 gross domestic product (GDP) of US\$71 billion (US\$1,455 per capita), Kenya's economy is classified as "lower middle income" by the World Bank.<sup>346</sup> It has averaged 5 percent GDP growth over the past decade and its growth is projected to continue at that pace or higher, driven largely by services and its role as a regional hub for information technology, finance, and transportation services.<sup>347</sup> However, this growth has not been widely shared: about 75 percent of the population is employed in low-productivity agriculture, and in terms of household income Kenya ranks as the 23rd most unequal country worldwide.<sup>348</sup> Kenya is among the lowest-ranked countries for overall human development (142 out of 189), with 36.5 percent of the country living below the poverty line.<sup>349</sup>

Kenyan democracy has experienced political upheavals in recent years. Its new constitution, adopted by referendum in 2010, introduced a series of checks on executive power and reformed the federal system, devolving authority to 47 new counties in an attempt to increase accountability and improve service delivery.<sup>350</sup> The first presidential election under the new system was held in March 2013 and won by Uhuru Kenyatta, son of founding father Jomo Kenyatta, despite lingering allegations of his involvement in violence surrounding the 2007 parliamentary elections. Uhuru won reelection in 2017 in a fiercely contested election that featured the return of widespread political violence.

Migori County, where Nuru Kenya has focused its efforts, is in southwestern Kenya, on the border with Tanzania. Its poverty rate of 41.2 percent in a population of slightly less than one million places it in the poorer half of Kenyan counties.<sup>351</sup> Within Migori County, the sub-counties where Nuru Kenya operates (Kuria West, Kuria East, and Migori) are composed of small farming communities, with citizens mainly planting maize, beans, and cassava as food crops.<sup>352</sup> Cash crops include coffee and maize – grown for both food and cash – which have over time have replaced tobacco as primary profit sources. The Kurian people also keep cattle. Given that this region is on the border with Tanzania, cattle rustling and other inter-clan and/or inter-tribal clashes related to cattle theft are commonplace.

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<sup>346</sup> African Development Bank Group. "Kenya Economic Outlook." Accessible via: <https://bit.ly/3nXDXJR>

<sup>347</sup> CIA. "The World Factbook, Country Comparison: Distribution of Family Income – GINI Index." Accessible via: <https://bit.ly/3l3nyS3>

<sup>348</sup> United Nations World Food Programme. "Kenya." Accessible via: [www.wfp.org/countries/kenya](http://www.wfp.org/countries/kenya)

<sup>349</sup> Pilar, D. and Wild, L. 2012. "Will Kenya's 2010 Constitution Work for Women and Children?" *ODI Project Briefing No. 74*. Accessible via: <https://bit.ly/3pXtwaX>

<sup>350</sup> Development Initiatives, "Kenya." Accessible via: <http://data.devinit.org/country/kenya>

<sup>351</sup> The areas where Nuru works are highly marginalized: the Kuria, who make up less than 1 percent of the country, are one of the smallest minorities in Kenya, and have just one member in parliament.

<sup>352</sup> OECD. "Kenya: Aid at a Glance Charts." Accessible via: <https://bit.ly/2Hxx0iW>

## Aid context

Official development assistance (ODA) in 2016 totaled US\$2.2 billion, with a majority of this funding earmarked for health, population, and infrastructure programming. The US is the largest bilateral donor, contributing roughly a third of total ODA, followed by the UK, Japan, and the European Union (EU). The World Bank, African Development Bank, and Global Fund all provide significant aid as well.<sup>353</sup>

Aid from the US over the past 50 years has focused on access to education, health care, infrastructure, and governance.<sup>354</sup> From 2000 to 2015, Kenya received an annual average of US\$956 million in aid from multilateral donors including the EU, the World Bank, the United Nations (UN), and various regional development banks. Over the same period, Kenya received an annual average of US\$1.8 billion in bilateral aid from its top donors, including the US, the UK, Germany, Japan, and France.

## Civil society in Kenya

CSOs in Kenya date back to the 1920s, when Kenyans set up “welfare associations” to advocate for their rights and express dissatisfaction to the British colonial government. Since the country’s independence, the government has encouraged the development of local NGOs and community-based organizations (CBOs) to promote peace and security, fight disease, and assist with service provision. Today, Kenya, and Nairobi in particular, is the primary hub for INGOs working in East Africa.

Different acronyms and registration processes for CBOs and NGOs disguise the fact that the distinction between the two types of organizations is unclear, making it almost impossible to discuss NGOs without talking implicitly about CBOs. Many, if not most, NGOs in Kenya now implement their work through CBOs. One example is an NGO that trains adults in agriculture, livestock rearing, and income generation. It organizes its trainings through CBOs: it has six programs in six zones, with six CBOs of 25 members in each zone. NGO–CBO relations often appear in this nested form: a large foreign-based NGO will fund the programs of a Kenyan-based NGO, which then distributes its funds via registered community groups.

NGOs began to be registered in the early 1990s, after their numbers began growing noticeably. The sector now comprises more than 8,500 registered organizations, employing more than 300,000 people full-time.<sup>355</sup> This represents 2.1 percent of the

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<sup>353</sup> USAID. “Kenya.” Accessible via: [www.usaid.gov/kenya](http://www.usaid.gov/kenya)

<sup>354</sup> USAID. 2016. “2016 CSO Sustainability Index for Sub-Saharan Africa (CSOSI).” Accessible via: <https://bit.ly/2Kv2APo>

<sup>355</sup> Central Bank of Kenya. 2016. “2016 Annual Report.” Accessible via: <https://bit.ly/2HwK4oH>

economically active population, and 16 percent of non-agricultural employment.<sup>356</sup> Most NGOs in Kenya are involved in one or more of the following eight types of activities: agriculture; education; environment; general development; peace and governance; health; emergency or refugee relief; and programs directed at disadvantaged communities (specifically, women, children, youth, the disabled, and the elderly).<sup>357</sup>

Locally led development has been important to Kenyan governance, especially following the devolution measures included in the 2010 constitution, with government offices often distributing services through NGOs and CBOs. For example, the Njaa Marufuku (Kicking Away Hunger) program, under the Ministry of Agriculture, provides local groups up to 120,000 Kenyan shillings (approximately US\$1,200) per project for food security programs.<sup>358</sup>

Despite this history, Kenyan civil society faces numerous challenges. In a speech delivered to the Constitution and Reform Education Consortium, Member of Parliament and civil society activist Millie Odhiambo described these challenges: high community expectations and mismatched goals; hostility and non-cooperation by some government agencies and individuals; gender inequality; ineffective networking with international NGOs; an unstable financial resource base; a society divided on urban–rural society lines; and undemocratic organizational structures.<sup>359</sup>

In terms of political rights and civil liberties for its citizens, Kenya is listed as “partly free” by Freedom House’s 2016 rankings.<sup>360</sup> The government has long been suspicious of the independence of the NGO sector, and since the early 1990s, has sought to extend control over the sector with new legislation. Kenyan NGOs are increasingly reluctant to undertake lobbying and advocacy because of the potential risks. While Kenya is still home to a vibrant civil society, these NGOs report an increasingly hostile local context as the government treats their actions with suspicion, in part because of their foreign connections. During the 2017 elections, for example, news outlets accused the government of cracking down on local NGOs critical of the vote leading to President Uhuru Kenyatta’s electoral victory.<sup>361</sup> Methods used by the government included accusations of money laundering and freezing of financial accounts using ambiguous

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356 Summary from the NGOs Co-ordination Board. Accessible via: <https://ngobureau.go.ke/>

357 Njoroge, N. 2012. “Socio-economic Factors Influencing Implementation of Njaa Marufuku Kenya Programme for Sustainable Food Security in Makuyu Division, Murang'a County.” *University of Nairobi*. Accessible via: <https://bit.ly/3l4dyYX>

358 Odhiambo, H.M. “The Role of Civil Society in Kenya Today.” Accessible via: <https://bit.ly/39hzgGv>

359 Freedom House. “Kenya.” Accessible via: <https://freedomhouse.org/country/kenya>

360 Abdi, A. 2017. “Kenya, Again, Represses Civil Society.” Human Rights Watch. Accessible via: <https://bit.ly/3l4xQkQ>

361 Jerving, S. 2017. “Legal Limbo Leaves Kenya Civil Society Vulnerable to Targeting.” Devex. Accessible via: <https://bit.ly/3pYi6D0>

laws regulating NGOs.<sup>362</sup> International rights groups, including Amnesty International, Human Rights Watch, and the Office of the UN High Commissioner for Human Rights, have noted a subsequent pattern of targeting critical NGOs and pressuring civil society actors.<sup>363</sup>

The relationship between INGOs and the Kenyan government has been strained. Many INGOs criticized the government's response to the 2007 post-election violence, pressuring the International Criminal Court to pursue President Uhuru Kenyatta and his deputy William Ruto. The Kenyatta administration has responded with a crackdown on NGO activity, including threats of deregistration, attempts to limit NGO hiring of international employees, and portrayals of INGOs as part of a "foreign plot" to take control of Kenya.<sup>364</sup> Given this context, NGOs focused on economic development, rural development, and service delivery typically have significantly less difficulty accessing funding and government assistance than those focused on human rights, government accountability, and public policy.<sup>365</sup>

## **Analysis of recent major trends in aid exits**

The 2016 USAID CSO Sustainability Index has noted a distinct change in donor behavior in Kenya in recent years. Donors have been increasingly moving toward offering project-based funding rather than unrestricted grants or general operating support. This trend has made it more difficult for NGOs to seek funding while adhering to their core mission. It has also hit Kenyan NGOs particularly hard, as most receive the overwhelming majority of their funding from foreign sources, and local sources of operating budget support are difficult to obtain. In this environment, exits can be particularly sharp: when funding for a project dries up, NGOs are in many cases obliged to lay off staff and halt further engagement with communities. This is one aspect of how power dynamics within aid play out in a local context: in order to survive, national NGOs are forced to pursue project-based funding, which sometimes involves programming that is outside their core competency or that is an imperfect fit for the country.

Given that closing political space and project-based funding are becoming global trends, and of growing interest to the development community, Kenya provides a fascinating contextual case for understanding how NGO transitions can succeed.

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362 Chonghaile, C.N. and Kweifio-Okai, C. 2014. "Has Kenya's NGO Crackdown Affected You?" *The Guardian*. Accessible via: <https://bit.ly/2Hy7dz>; Human Rights Watch, "World Report 2018: Kenya." Accessible via: <https://bit.ly/2JdTxBG>; Office of the UN High Commissioner for Human Rights. 2017. "Kenya at Critical Juncture, Leaders Must Act Responsibly – Zeid." Accessible via: <https://bit.ly/3mgSobz>

363 Maema, W. I. 2017. "Shifting Ground: Which Way for NGOs in Kenya." *ika*.

364 USAID. 2016. "2016 CSO Sustainability Index for Sub-Saharan Africa (CSOSI)." Accessible via: <https://bit.ly/2Kv2APo>

365 Sen, A. 1999. *Development as Freedom*. New York: Anchor Books.

## History of Nuru Kenya programming

The Nuru Kenya Exit Debrief and Best Practices Manual sets out the basis of the Nuru model as follows:

“Central to the Nuru model is the concept of locally led development that expands choice and builds capacity among people living in poverty. Founded on the work of economist Amartya Sen,<sup>366</sup> Nuru posits that successful development requires more than just an increase in finances or income. Rather, a crucial component of poverty eradication is expanding people’s capabilities and choices. Empowering people and enriching their lives should not just be a means to improve systems or economies, but also an end goal for development. Using this lens, Nuru works to restore agency and equip local leaders to become key decision-makers regarding development in their communities by owning Nuru projects and their outcomes. The theory of change behind Nuru’s interventions hinges on local leaders being able to manage, execute, and adapt the Nuru model as needed.”<sup>367</sup>

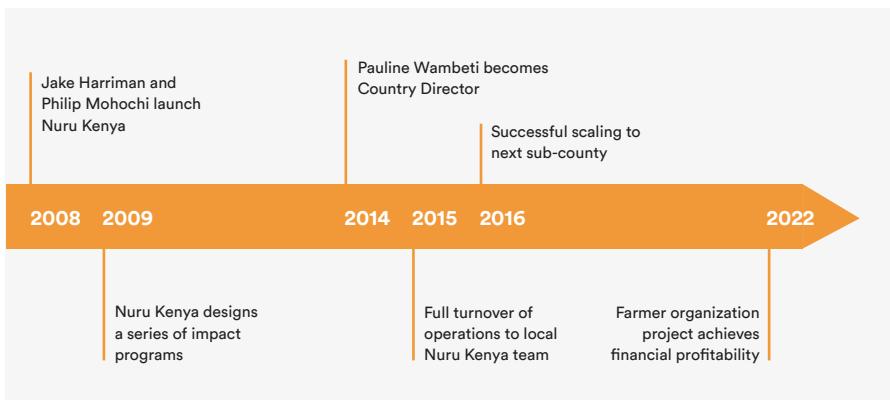
Nuru International is an INGO with the mission to eradicate extreme poverty in fragile rural areas, in order to build communities resilient to violent extremism. Nuru International’s approach, emphasizing holistic poverty reduction and local ownership, emerged from founder and CEO Jake Harriman’s studies at Stanford University’s Graduate School of Business, which followed a seven-year career in the US Marine Corps’ Special Forces. The first test of its efficacy was in the sub-county of Kuria West.

In 2008, Jake Harriman traveled to Kenya to meet and work with Philip Mohochi, a retired Nairobi based banker native to Kuria West, with whom Jake had established contact while at Stanford. Jake and Philip began by going door-to-door, speaking with community members in order to understand local concerns. There was no premeditated program design: as described by Nuru Kenya staff, Philip and Jake spent months sitting with farmers “under a tree,” designing Nuru’s programming in a collaborative and organic way (see Figure 2).

<sup>366</sup> Sherwood, A. 2015. “Nuru Kenya Exit Debrief and Best Practices Manual”; Nuru International. “The Leadership Program: Manual 2.0,” p. 10. Accessible via: <https://bit.ly/3m2dJ8g>

<sup>367</sup> Nuru International and Nuru Kenya promotional brochure.

## Figure 1: Nuru Kenya – Timeline of Key Events



## Figure 2: The Co-Creation Process<sup>354</sup>



Nuru Kenya was not operating in a vacuum in Migori County. Other INGOs had come and gone, while many continued to operate. Several Nuru Kenya staff members described a general feeling of suspicion from the community as a result of past experiences with other organizations that had arrived, implemented projects, and left without considering either what the community had invested or sustainability more broadly. Other staff pointed out that most organizations give things away for free (“handouts”), and then leave, creating an expectation by community members that they play a “passive” role in development. This was the operating context for Nuru International’s early days in the Kurian community, a legacy that influenced Nuru Kenya’s approach to sustainability.

The two founders determined from this consultation that the primary development challenge in the area was food security, with community members lacking sufficient food to feed themselves and their families. Farming yields in the community were very low, in part due to nitrogen-depleted soils (a legacy of tobacco farming), and in part due to substandard maize seeds and farming techniques. Accordingly, the first “impact program” focused on agriculture, coordinating local farmers and community leaders in order to connect them with modern farming knowledge. The intervention focused on affordability and being “low tech,” in order to be scalable and sustainable. The agriculture program was an immediate success, with the community witnessing increased yields from 5 bags of maize per acre to 25 bags per acre. As a result, Nuru gained credibility with the community.

Shortly thereafter, Nuru embraced a theory of change focused on four areas of need: food insecurity; coping with shocks; reducing unnecessary disease and death; and building up child literacy to promote opportunities for the next generation. The essential idea was that improving crop yields and farm income would not suffice if families could be driven back into poverty and deprivation by shocks such as illness or drought. The programs were as follows:

- **Healthcare:** Health shocks often cascade through households – particularly tobacco farmers engaged in the curing process – so this program was developed to address preventable illness and disease.
- **Financial inclusion:** This program was introduced to help families cope with shocks through savings and access to credit.
- **Education:** Lack of access to quality education reinforces intergenerational poverty, so this program was set up to help farmers’ children and reinforce the public school system.
- **Leadership:** In 2010, Nuru formalized this program in order to develop management and organizational capacity, the ultimate objective being to hand over leadership functions to local stakeholders.

Nuru Kenya approached its programming in Migori County knowing it would need to combine local knowledge with sector expertise, while developing local leadership capacity. Nuru Kenya's teams began by training farmers in groups. As one interviewee who began working with the organization through these groups and is now a staff member pointed out, the groups later became the units of project implementation.

Nuru International deliberately designed its staff structure as a dual hierarchy: for each position, an international technical staff member was paired with a Kenyan counterpart. The international staff – called the Field Team – consisted of a Team Leader, who worked directly with the Kenyan-national position of Country Director; and Program Specialists, who worked directly with Kenyan-national Program Managers across each program area: agriculture, financial inclusion, healthcare, education, monitoring and evaluation, and leadership. The Field Team acted as scaffolding for the local organization and leaders, enabling them to design, implement, measure, and scale the Nuru model. The Field Team was also responsible for mentoring and building the capacity of host country team members. By design, the international team was not integral to the Kenyan team's management structure, ensuring it could ultimately phase out.

Meaningful local ownership is critical to the Nuru model, and so from the outset the organization planned capacity development programs to ensure sustainability. The director of the Leadership Program emphasized that the discussion around the exit of international staff was a key component of Nuru Kenya's programming from the beginning. The Leadership Program trains Kenyan staff in capacity building, skills, knowledge, and attitudes that will help them take over projects, thereby creating a pipeline of leaders.

In 2015, in response to the three key exit drivers outlined below, all international staff left the country, with full control transitioned to the Kenyan staff and leaders Nuru International had trained and developed over the previous seven years. Four years later, Nuru Kenya operates in 68 sub-locations within three sub-counties across Migori County. The organization reports that in its ten years of operation it has impacted more than 93,000 local people via direct interaction with 15,500 farmers. It is currently involved in the operation of 14 cooperatives in Migori County, which it is planned will be self-sustaining within the next five years. Nuru Kenya also plans to scale its model to the neighboring sub-county district of Kuria East. The full turnover to the local team can be regarded as a success: Nuru Kenya is operationally independent and farmer organizations are on the path to financial self-sustainability through their business operations.

## **Mapping the exit and transition**

Full turnover of operations to the Nuru Kenya team was planned from the start, with progress tracked over a number of years using key milestones related to impact, operational capacity, and leadership. Conversations with Nuru International and Nuru Kenya staff revealed three key transition drivers that convinced both organizations that the full turnover to the local team could move forward in June 2015. These were, first, the achievement of key program impact milestones; second, the level of capacity reached by the Kenyan team; and, third, a strong local Country Director capable of leading the organization into the future.

### **Achievement of program impact milestones**

Nuru Kenya's mission is to eradicate extreme poverty in the areas where it operates. According to Nuru International's best practices, one critical question regarding whether international staff can exit is whether the organization is demonstrating sustained impact across all four impact programs. Quantitatively, the metrics that would demonstrate such progress were the program impact milestones. In Kenya, rigorous multi-year evaluation studies including non-intervention comparison groups and applying a difference-in-difference approach demonstrated consistent impact in all program areas. Nuru Kenya staff had also maintained ongoing monitoring since the outset of programming in 2008. By June 2015, Nuru Kenya had met the relevant milestones in all impact areas, including in the agriculture, financial inclusion, healthcare, and education programs, indicating that their programming was effective, and that further transition could proceed.

### **Kenyan team capabilities**

Through the international scaffolding/Kenyan leadership approach, completion of capacity development trainings, constant and consistent exit messaging, and the transfer of responsibility to local staff, Nuru had carefully built capacity to the point that international and local staff agreed that the leadership exit could go forward. It is important to note that technical capacity was not the only factor determining the readiness for exit of international staff. Years of experience with short-term development projects had left many Kenyans believing that once the international actor left the area, the project ended. Part of Nuru Kenya's approach was to remedy this belief by encouraging feelings of empowerment and ownership over Nuru Kenya's programming.

The Nuru Leadership Program, which identified and mentored local Kenyan leaders in the servant leadership approach (described in more detail below), was critical to this capacity building program.

## **Strong local leadership candidate**

The final key transition driver was the emergence of Pauline Wambeti. Pauline began as the Impact Programs Manager in September 2013, and was quickly identified by Philip Mohochi as a potential champion who could take over Nuru Kenya after the exit of international staff and his own planned retirement. The Impact Programs Manager position was not part of Nuru's original program design, with the position emerging because no one was providing oversight for all four impact programs.

Pauline fitted these requirements well, and by June 2015 was Nuru Kenya's Country Director, leading the organization's team with no international presence in the field. Her visionary leadership has been lauded by Nuru International staff as key to the successful transition.

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## **Key factors for successful leadership transition**

This section tracks the key factors behind the success of the full turnover to the local team in June 2015 and Nuru Kenya's successful post-exit performance. These factors can be divided into four broad areas: planning, principles, programs, and people.

### **Transition communicated from outset**

All Kenyan staff interviewed for this case study reported that from the beginning of Nuru's engagement, its leadership consistently communicated the planned exit of international staff. This included constant reminders – in meetings, official messaging, and conversationally – that the international team members would eventually be leaving the project in the hands of the Kenyan-national staff. One senior Kenyan manager commented: “From the beginning, when Nuru International came to Kenya, there was that awareness. There was that information and communication to the staff and the community that we are expecting to exit ... One of the key things is that the staff already knew, and that the community knew also. This was not going to be Nuru International: they were going to leave the local staff with the project.”

Similarly, another Kenyan staff member shared that Nuru founders Jake and Philip consistently reminded both the staff and the community that the time would come when they would have to take over the running of the program.

This messaging had two key intended objectives. First, to keep international staff and leadership focused on the end goal of local leadership, steering them away from getting caught up in the day-to-day management of projects. And second, to provide psychological support to Kenyan national staff in order that they could feel confident

– within a cultural context of feeling inferior to muzungu<sup>368</sup> – that they could lead and manage development projects implemented in their communities.

A senior Kenyan staff member who spent years with the Kenyan military doing national-level work before acting as a peacekeeper in Burundi, said Nuru's exit communication was "... initiated early, even before I joined, and the main aim of it was to prepare the managers psychologically and mentally to understand that a time is coming when the intervention will be run by [Kenyans]. A time is coming when it is you who will be doing the projects. A time is coming when it will be you who is doing the decisions in your program."

The "how" of the exit was created by international and Nuru Kenya staff, and was developed to include a plan with milestones, assessments, and training.

## **Transition as a gradual process, with joint planning and rigorous training**

The leadership training and capacity building to support the handover was conducted in a steady, gradual manner, with the transitioning of functions away from the international team done through intensive mentoring and systematic handovers to the local team.

All staff interviewed for this case study described the process that led up to the June 2015 exit as gradual, and that regular, constant training was a key component to the smooth transition.

The measured, iterative nature of the handover process was designed to allow staff the opportunity to give feedback on how the process was going, and how training could be adjusted accordingly. Interviewees repeatedly stated that exit was well managed by the leadership department through open communication with staff and the community.

The leadership team also provided feedback questionnaires alongside the trainings, in order to collect feedback and update materials and presentations. When prompted to explain what worked well during the exit transition process, the majority of staff mentioned these feedback questionnaires, reporting that they were useful to the process and helpful in making them feel included. Nuru International visualizes this model of project design and handover as comprising three phases, as can be seen in Figure 3.

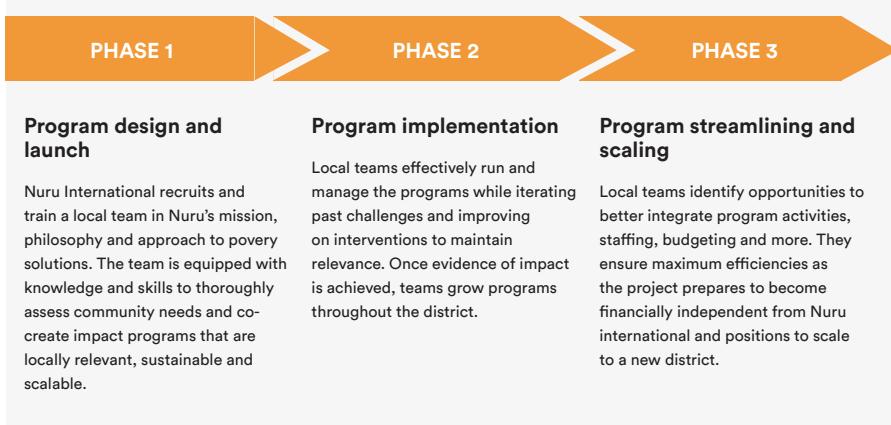
One Kenyan senior manager tasked with a significant amount of oversight and leadership once the international team left, commented: "... by the time [the international team] were leaving in June, it was just a normal ceremony. Yes, you're going, but we are so busy

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<sup>368</sup> Muzungu is the term used across East Africa to refer to a white person, and can be used with a neutral, appreciative, or pejorative tone, depending on the context. It can also mean someone who speaks English.

already.” This manager described how, by the day of departure, local staff were already running so many of Nuru Kenya’s moving pieces that the exit moved ahead seamlessly.

### Figure 3: Phases of a country project



The Country Director summarized the breadth and depth of the strategic planning and implementation:

“We will continue communicating; we have this post-exit relationship plan nailed down, which was communicated from the board to the team to the community. [Nuru International and Nuru Kenya leadership] had ‘high touch’ … meetings just immediately after [exit]. Weekly, then they tapered off to biweekly, then monthly, and now not everyone needs to talk to [Nuru International leadership]. Now there are just a few people who are talking with the [US-based international] team. So that was quite a good plan. It was phased so that we could also be cushioned from that shock of their departure. We had done the strategic planning together. Everybody was sold on the new things that needed to happen. So, we were not left without a clear vision of what needs to happen.”

It was reported by almost all Nuru Kenya staff that there was joint project planning between the Field Team and Kenyan staff, with varying degrees of collaboration described. Several staff members connected this to the increased training and capacities in monitoring and evaluation: joint planning and budgeting allowed for open reporting and monitoring, accountability with all stakeholders, and more inclusive planning.

This process also led to the creation of the Impact Manager role for improved data management and decision making.

Although the word “transparency” was not included in the Stopping As Success research protocol, it was the word Nuru Kenya staff consistently used to identify why the exit planning and execution felt so successful, with many staff mentioning that transparency was key to feeling the communication process was effective and empowering.

It is important to note, however, that despite the apparent success of this transition messaging, the level of openness is disputed. One staff member hinted at potential gaps in Nuru’s communication, saying: “All along there was always mentioning of a time when the mzungus will go back and leave the project with the locals. This was repeated in most meetings, both with staff and the community by the founders. It developed an expectation that one day the project will remain with the community but how that would happen was never said.”

At least four staff members mentioned that the transparency was not vertical, with transparency mostly existing among senior managers and the board, rather than including more junior staff working directly with community members. They described a sense of tension: despite representing the organization in the field, they did not feel included in the organization’s full planning process. As one staff member who had worked in both junior and management positions reported: “There was transparency at high levels but not down to junior staff. There were good relationships between the partners except that the junior staff were never involved in the decision-making process.” Another Nuru Kenya staff member commented: “There was an exit strategy in place, but the details of the exit strategy were confined and only shared among senior management and the board.”

## **The philosophy of “servant leadership”**

When asked about what made Nuru International leadership so effective, many Nuru Kenya staff mentioned the terms “servant leadership” and “mentoring.” Servant leadership is a core value of Nuru International’s global approach. It underpins the philosophy that guided Nuru International’s approach to the transition, and comprises a central element of the Leadership Program curriculum.

Servant leadership is described by the Servant Leadership Institute as “... a set of behaviors and practices that turn the traditional ‘power leadership’ model upside down” – instead of the people serving the leader, the leader exists to serve the people. Centered on a desire to serve, the practice emphasizes collaboration, trust, empathy, and the

ethical use of power. Its primary goal is to enhance individual growth, teamwork, and overall employee involvement and satisfaction.<sup>369</sup>

Staff described both Jake Harriman and Philip Mohochi's leadership qualities as those of servant leadership: they wanted primarily to serve the community and their staff members, and were not inclined toward consolidating and wielding power. One member of Nuru Kenya's senior leadership, in describing Philip's leadership style, said: "Without Philip it would not have happened the way it happened, and I do not think it would have taken off the way it did. One: Philip was prepared to serve the community wholly, without reservation. He was one person that was totally different because he was – he is – very honest, and very loving, and he would give his time to work and serve as a leader-servant without discriminating and without benefiting ... The leader servant is one of the training qualities in Nuru. But then, Philip as a person was already a leader-servant maybe without knowing that word."

Nuru embedded the principles of servant leadership into its Leadership Program. According to the Nuru Kenya After-Action Report, the program "... seeks to equip local Nuru staff with the knowledge, skills, and attitudes to create, implement, and scale poverty solutions independently." Importantly, it is not just intended for management: "The program offers two levels of trainings. Level one training is for all staff across a Nuru country project and includes trainings on program activities, roles and responsibilities, leadership, communicating effectively and program management. Level two training is for managerial level staff and covers topics such as understanding and using data to make decisions, communications for managers, advanced program management, and co-creating programs through a comprehensive design process."

## **Donors that give local leadership the freedom to fail, innovate, and experiment**

When discussing what has allowed her to flourish as a leader and meet the milestones set for Nuru Kenya's operational success, Country Director Pauline Wambeti repeatedly mentioned the freedom to fail, innovate, and experiment. She reported that, in line with the servant leadership philosophy, Nuru International leadership was extremely supportive of local staff making choices for themselves, even if this meant learning, adapting, and making course corrections along the way. She shared two key quotes from Nuru International to illustrate this. First: "You are the local people. You know what happens on the ground. You are the experts at the end of the day." And second: "Don't be afraid to say what needs to happen. Because things will change. They have changed already here. We thought things were rosy from 2008 to 2012 and then bop! All the

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<sup>369</sup> Servant Leader Institute, "What Is Servant Leadership?" Accessible via: <https://bit.ly/2J4xkq4>.

challenges of crop failure and all that drought ... So, as you continue on your own maybe things will change, and you need to tell us [Nuru International, ‘the donor’] ‘this will not work.’” Pauline, along with other local leaders, was encouraged to conduct interventions, adapt as needed, and not treat failure as something to avoid above all else.

Other senior Nuru Kenya staff we interviewed also brought up the importance of this atmosphere. One staff member tied the ability to create the architecture of the Nuru cooperatives to the “freedom to fail,” as “when you start something new, you really don’t know the exact challenges that you’re going to face. But had the concept of cooperatives been the beginning of Nuru, we could not be where we are now.” Their point was that if Nuru had prescribed developing cooperatives from the beginning, the organization would not have the success it has now. Nuru Kenya staff had the freedom to develop and design alongside Nuru International for years, and after the full turnover to the local team, they were able to identify cooperatives as the next development for the organization.

As the Country Director stressed, the freedom to innovate and fail is crucial in a development intervention focused on agriculture. This is illustrated by Nuru Kenya’s attempt to diversify the crops grown by community members, in order that they could have a cash crop other than surplus maize (or, as was previously the case, tobacco). As she explained: “We piloted the chilis as a cash crop for the farmers so that we could wean them off of tobacco farming. We were doing a lot of pilots, planning, and introducing new concepts. We still had to do these evaluation studies and comparison studies. If you’re a Nuru farmer, how much is your yield? If you’re not a Nuru farmer, how much can we see is working, is not working. So, 2014 we were able to make progress, good progress. But we had some failures, like the chili did not work. But at least the sorghum, millet worked well.”

Nuru’s ability to foster flexibility, innovate, and adapt its programmatic implementation accordingly, was key to its success. The support provided by Nuru International as Nuru Kenya’s “donor” was repeatedly referenced as the source of this ability.

## **Collaborative design leading to ownership and creativity**

In Nuru’s approach, collaborative design between international and Kenyan-national staff was central to creating a sustainable, locally led, and locally owned program.

When asked how Nuru identified where and how to intervene, Nuru Kenya staff repeatedly highlighted that community members themselves helped in identifying their needs, which is how agriculture became the focus of the initial intervention. From the very beginning, collaborative design was a part of Nuru’s operating methodology, with one Nuru Kenya staff member commenting: “They guide us, they show us the direction

they want to go or the direction they like, but they do not ask us to take their position. They give us options and leave us to make the best decision.”

In one interview, a Nuru International staff member who played a key role in the exit reflected that those in the international team, due to their educational and professional backgrounds, relied on theory and “best practice” in their approach to designing and implementing successful interventions. Accordingly, they were focused on year-to-year impact, leadership capacity building, and the eventual transition. It was not until they opened up collaborative design conversations with Kenyan staff that the idea of founding cooperatives to sustain Nuru’s work was developed. In the interviewee’s view, it was the Kenyan staff who advocated for leadership at the community level, pushing Nuru to focus on community needs, the eventual community takeover, and the end goal of community management through the cooperatives model. She reflected that, while from a theoretical standpoint this had always been the intention of the international team, it was easy, due to their backgrounds, to be sidetracked into a focus on research instead of the reality. She said shared design and creation with Kenyan staff was crucial to creating the cooperatives, which are at the heart of Nuru Kenya’s current sustainability plan. As of May 2018, Nuru Kenya is playing an active role managing the cooperatives, training 14 of them to manage themselves.

One Kenyan senior manager explained this process from the Kenyan perspective. Given many Nuru Kenya staff were either farmers in the community or worked directly with them, their collaborative design process involved the community designing the programs that Nuru Kenya would embrace, eventually leading them to the cooperative, community-owned model. In early bumper crop years, farmers found themselves with a surplus of produce, which they were not always able to sell. The cooperative model allowed for a more reliable way for farmers to sell their goods. Importantly, as the model was collaboratively designed, community members view the cooperatives as their own, rather than Nuru’s. The cooperatives are farmer-owned and farmer-driven, driving them to acquire – through Nuru – the technical expertise and cooperative management capacity needed to eventually run the cooperatives without the support of Nuru Kenya. This final level of self-reliance is projected for 2022.

A technical expert on the international team also highlighted the ability of locally owned cooperatives to create more accurate data, saying that giving cooperatives the tools to assess the environment themselves allows such tools to be better tailored for risk analysis.

The collaboration that allowed for the formation of cooperatives is closely aligned with the theme of ownership explored below. Participatory design was crucial to shifting the

attitude of community members, and Nuru Kenya staff, toward creating a project they could take true ownership of. As the Nuru Kenya Country Director shared, collaboration was central to fostering ownership:

“This is a community that was used to things being done for them. Giving seeds, someone comes out with extension services, helps them out with planting and everything. They get the yield. They deliver it to a certain point, etc. Now we are telling them, ‘Think! Think how you’re to get the inputs, think how much profit you’re going to charge your members, the profit you’re going to make and what you’ll need to be responsible for, the decisions you’re supposed to make. Think where you’re going to sell your produce.’”

Another senior Nuru Kenya staff member added to this:

“If Nuru exits today, as Nuru now, and there’s no funding from Nuru, which structures are we leaving behind? Because we have realized, when we are reaching out to farmers directly, if Nuru left them, these farmers would not even know where they can get inputs from, they do not know who they can sell their products or produce to, how can they control the pests in the field and all that. But if we put them in the cooperative, and we empower them in the management of the cooperative, then it means eventually when Nuru exits completely, this cooperative knows where to buy seeds from, where to buy fertilizer from.”

For Nuru and Migori County, establishing and managing the cooperatives and, ultimately, the cooperative union, from a co-created design process to local ownership of these mechanisms, was a foundation for the sustained achievement of outputs and outcomes.

## **Designing programs to create ownership**

At its inception, Nuru Kenya operated primarily as a farm extension service, loaning inputs – such as seeds, pesticides, and equipment – to farmers, with the expectation of receiving payment. Some Kenyan staff mentioned that some of the farmers who were early adopters of Nuru’s programming, especially before the June 2015 exit, expected to receive the inputs for free, as had previously been the case with other development actors in the region.

One Regional Manager for Nuru Kenya explained the phenomenon thus:

“When a Black person sees a muzungu, he thinks he has a lot of money and all the solutions to solve their problems. They perceived Nuru International, when they were here, as people who would solve their problems. When Nuru International exited, it took a lot of time for [Nuru Kenya staff] who remained to try to create awareness, teach farmers on why muzungu exited, why we are changing our strategy ... When a program comes with muzungu intentions, or muzungu initiatives, it can become hard to implement. Or at times, you implement, and at the end of the day, you don't get that impact. Many times you hear, ‘we are supposed to be given [things] for free.’ When the strategy changed, moving toward cooperatives and making the farmers own it themselves, many were negative about it. But for the ones who understood it, they embraced it first. Nuru doesn't give handouts. Handouts are the norm, they're what people expect [from muzungu-led International NGOs]. People like being given handouts. But they also think ‘the muzungu would know better’ [in fixing/creating solutions to problems]. When they participate in the process, they own the process.”

One international staff member who supported the Kenya team for years, and directly supported the exit, spoke honestly about the tension she experienced as a development practitioner working in extreme poverty alleviation: “Most of us got into this work because we want to help people and we care about the issue.” But in a moment of challenging climate realities, such as drought or floods, insect infestation, or a failed crop season, there can be a tension between wanting to “help” and making the right decision to facilitate long-term shifts of mindset among the chronically poor.

As the staff member explained:

“You have to pick and choose, when something goes wrong. Our intention is to be a long-term, institution-building form of sustainable development, but that's really hard to do consistently in poor rural communities because it's really hard for poor rural communities to succeed year after year. Long-term development implies year on year progress ... Do we want to quickly help them bounce back so that we don't lose ground gained, or be more consistent with the fact that we don't do [humanitarian response]? There was a drought in Kenya in 2013 and [Nuru International] chose to forgive loans and be lenient the following year. It

created cascading [negative] effects. You can ask [the Kenyan Country Director] about this; she wasn't [employed with Nuru at the time]. I am positive she wouldn't have made that decision."

This Nuru International employee knew that having local leaders make these difficult strategic decisions helps overcome the international urge "to help," when what is really required is to facilitate ownership from community members.

Pauline, the Nuru Kenya Country Director, described a similar instance when an infestation of fall armyworm appeared in many of the farmers' crops. She said many of the farmers were crying, visibly upset to lose valuable crops before the harvest. Jake, the head of Nuru International, wanted to lessen the loan repayment burden, and told Pauline that she needed "to listen." She described her response as being: "I know the farmer is crying, but it is through that crying that they will sort themselves out." She knew that going through the hardship was an important step in changing the mentality of community members toward one of "Yes, they will receive help from Nuru, but it is not simply free support," and to realize that in the long run better outcomes result from requiring repayment on farm inputs, which in turn creates ownership.

The Country Director reported that at the end of that season "... we had actually 117 percent increase in yield. The farmers cried, but they were able to tough it out." She further shared that due to negative cascading effects from loan forgiveness following the 2013 drought, mixed with financial challenges resulting from the organizational restructuring (outlined below), loan repayments to Nuru were as low as 44 percent. In the two years following the drought, she was able to increase loan repayments to 88 percent, and after the full turnover to the local team, to 97 percent (as of May 2018). Nuru Kenya staff read this change as reflecting an increased sense of ownership on the part of local farmers and community members.

## **Strong local leadership**

As discussed above, the leadership of Nuru Kenya's Country Director Pauline Wambeti has been lauded by Nuru International staff and management as key to the successful transition. Having Pauline in post gave confidence that the transition would be well managed, and that she would serve as a champion to continue Nuru's mission post-exit.

## **The value of networks and building a community of practice**

When asked about the initial establishment of Nuru International in Kuria West, near the border of Tanzania and far from any major cities, one Nuru International staff member

replied that not basing themselves in the capital city helped buffer them from the aid space in East Africa, where Nairobi is the primary hub. In the beginning, Nuru was “almost intentionally” isolated from the perceived top-down, managerial, Western-led dynamics of so-called “Big Aid.” At the same time, reflected the staff member, too much isolation results in having to reinvent the wheel, and since its founding, Nuru has come to a more balanced space: “We’ve used a lot more consultants and developed a lot more relationships with [NGOs] … One Acre Fund has been super instrumental … I definitely have a lot of respect for them. They’re good at what they do. They’ve shared a lot of research/innovation capacity that they have and changes that they’ve made around their operations, particularly around technical agriculture stuff. We started out likening ourselves to them.” The staff member added that Nuru and One Acre Fund now have different models and goals, but even so maintain a close and valuable relationship.

Since the June 2015 exit, Nuru Kenya has attempted to increase its collaboration with other organizations and institutions. Under the Country Director’s leadership, Nuru Kenya established the Development Partners Forum for organizations in Migori County, in order to minimize the duplication of effort and resources. Development Partners Forum had its first meeting in late 2017, and another in early 2018. Some participating organizations have preventative programs, some have livelihood programs, while others have education programs. They are all part of a collaborative approach to ending extreme poverty. As Nuru Kenya’s Country Director stated: “We are the drivers of this process.” Nuru Kenya also participates in international forums, including Humentum, Locus Coalition, The Movement for Community Led Development, and the International Literacy Association.

Nuru Kenya’s Country Director shared that the local network was set up in an effort to learn. Given Nuru Kenya is in the process of handing over cooperative management and leadership to farmers, establishing networks is a sustainable way to ensure knowledge transfer. One organization in particular – Child Fund – has helped Nuru Kenya with their dairy strategy regarding the purchasing of new breeds of cows. Child Fund, having failed in a similar capacity, learned from its experience and so has been able to pass on valuable knowledge to Nuru Kenya. As a result, Nuru Kenya revisited its strategic approach, with the Country Director reporting: “When they heard that we were doing dairy, and we were seeking their opinion, they were very surprised; ‘I failed, why do you want my opinion?’ I said, yeah, exactly, that’s the reason why. We want to know the reason why, and see how we can work together so that you don’t fail.” These types of local networks, sharing both successes and failures, have expanded Nuru Kenya’s knowledge base and laid the groundwork for future sustainability.

## Challenges

Despite the fact that Nuru Kenya was well-placed for the full turnover to the local team, the transition was not without its challenges. This section outlines some of the difficulties faced, and how they were addressed.

### Getting community buy-in as an “outsider”

Even though a muzungu is clearly not East African, there are still varying levels of “local” within Kenya, Migori County, and even sub-counties such as Kuria West and Kuria East. Given that Nuru Kenya’s County Director is not from the Kurian community, but rather from another region in Kenya and another ethnic background, there was a level of trust and buy-in she had to build after the Nuru International staff departed. The process she underwent (and Nuru International before her), provides salient lessons about how to define the “local” in local ownership, as well as how to build support in a community, regardless of whether the people involved are the same nationality, the same ethnicity, or from the same background.

From the outset, the Nuru International team had instilled a strong feeling that the most effective way to conduct an international development intervention is collaboration with a community, and cultivating ownership by that community. After the international staff left, the Country Director utilized this approach when attempting to gain buy-in from community members who had no prior relationship with her, and therefore no reason to trust her. She credited Nuru International’s two founders, Philip and Jake, with their support and encouragement when such processes proved challenging:

“[Philip] made me remember the time I had to drop out of school because of school fees. And I had to do odd jobs like sell second-hand clothes that could supplement my mom’s income so they would not take my sisters out of school, you know? It was tough for her, and I had to make sacrifices as the first-born, and [Philip] kept telling me, you went through that. Make sure the community understands that. So that they don’t see you as different from them... Like when this lady told me, “I’m not taking my girls to school anymore” and I told her, “You know what? Let me come and talk to you on Saturday.” And when I shared my story with them, they were shocked. “We thought you went to school and everything worked out” and I was like, “No. But I didn’t give up on the opportunity because of lack of funds. I had to drop out for two years, I had to do this and this. But eventually I was patient, I toughed it out, and here I am.”

And then I decided, okay now, what do I do with the males ... So I decided, okay, let's start having chiefs meetings on a quarterly basis. So I start with the chiefs. They are the ones who are listened to, they are the gatekeepers. If I have them on my side, at least I'll be fine. So I started engaging. And the first meeting was not good; it was like an interview. Grilling me, and they're seated, "What are you going to do differently?" The other time I had the Deputy Director, he was from Kuria and so, I would front him to firefight for me. Then he'd give me the opportunity in those meetings to share my vision, share my strategy, why I believe in this, why I think it will work, why they should not be insecure that Jake is not around anymore or his team, that they are in good hands, we're in this together, we may not have all the answers, but that is the beauty about it, we're going to figure it out together. It's not like we're going to be doing things for them, we're going to be doing things with them. You know, and they felt that they were included, and their opinion is welcome. And I told them, we'll be having these meetings and you'll be rating us: hold us accountable, tell us what's not working, and how do you think that we need to proceed. So that really helped. So now things were changing, and they would even champion for me. They would tell the team, "You have to support [Nuru Kenya Country Director], you are working, this is your community, you can't let us down."

Another key Nuru Kenya leader related a story about building trust with a community through sharing his experiences as a Kenyan peacekeeper in Burundi, and how that was similar to Nuru International's operations in Kuria. He joined Nuru Kenya in January 2015 as a Community Outreach Officer, and after two years was working as Regional Manager of Cooperatives, eventually spearheading the formation of (and then heading) seven cooperatives. He returned to being a Community Outreach Officer in April 2018, as the cooperatives began to be self-governing.

His role in the community outreach department is to create a conducive environment for Nuru's operations within the community. He asserts that the most important thing to learn about is the culture and people of a new place – effectively, he acts as a point-person, explaining to community members exactly what Nuru is, and it is supposed to do, and how it plans to do this. The role is pivotal in making leaders – the chiefs, the members of county assemblies, the government leaders, ministry officials – understand Nuru's approach. His work as a UN peacekeeper provided him with keen insight into the dynamics of an international presence in a community, and how to build trust.

As he described:

"I had the opportunity to work in the [UN] as a peacekeeper in Sierra Leone [and] Burundi. So all those were a matter of talking to the community ... [When] you reach the community, tell them exactly what the UN is doing, why we are here, why do we want [them to] bring back the weapons and all that. It entails a lot of talking. When I take that and bring it back to what I'm currently doing, it's similar. I think the most important thing here is that first, before any approach to a community, the international community must understand the basic needs of the community that you are going to work with. Because there are a lot of times you could be having a good idea; you want to help a community, but the approach or the need that you think is their need would not be their need ... You will get to understand what's the basic need of this particular community and how do I get in to assimilate myself into them so that you can move together and solve these problems together."

Lastly, a Technical Advisor from Nuru International shared insights about his ongoing relationship with the leadership of Nuru Kenya. He said that prior to the exit, they had been (organizationally) very focused on defining the relationship. As a result, they had become "hung up" on this need for a definition, relying on various frameworks developed by think tanks and academic institutions that focus on partnerships. He argued that "What actually works is trust-based relationships with Kenyans, based over time." Effectively, a theoretically robust definition was no substitute for long-term relationship building.

### **Community assumption that transition meant the collapse of Nuru Kenya**

Many interviewees mentioned that community members thought that when the international team left, Nuru would close. One staff member reported that most of the farmers were thinking "now without the muzungu, there is no finance, there is no Nuru," while other interviewees reported fear among the community as the day of the full turnover to the local team approached.

Nuru Kenya's management staff knew the transition was going well and that there was a strategy in place, but it was important that this was effectively communicated to farmers. At the time of the exit, Nuru Kenya was also forming cooperatives, as well as downsizing and restructuring the organization (discussed in detail below), so managing public relations was critical.

One of Nuru Kenya's regional managers and Nuru Kenya's gender expert shared that there were both positive and negative impacts for the community after Nuru International exited. While some farmers simply assumed Nuru would close, others were able to understand the strategic aspects of the graduation plan, viewing the cooperatives as structures that would be able to sustain development outcomes over the long term. This is why, she explained, despite the fear that Nuru would close, many farmers embraced the cooperatives

Nuru Kenya staff explained that many community members had seen international-led organizations close when a project ended and the international staff left, and that they associated community development with international management. Though the area has strong local leadership in the form of chiefs, local government, and other public-sector roles, there was a perception within the development sector that projects started and led by muzungu were not generally handed over to Kenyan leadership.

Nuru Kenya staff shared stories about the challenges they faced persuading local community members that Nuru would survive, indeed thrive, under Kenyan leadership. As discussed above, combating these perceptions while psychologically empowering Kenyan staff with techniques such as the servant leadership method was a critical part of Nuru International's exit.

## **Downsizing and restructuring**

Shortly after Nuru International turned over operations to the local team in June 2015, Nuru Kenya realized it needed to restructure the organization, the staff, and its programming. Before the exit, Nuru had more than 200 people on staff. This was because Nuru was serving around 7,000 farmers, and reaching them directly required a large staff. For example, even if each staff member within the agriculture program could reach 100 farmers, this would still require 70 staff members. The health and financial inclusion programs also had their own teams.

Given Nuru Kenya was shifting its operational model from direct extension services to the cooperative system, it did not need nearly as many staff members. Though this shift in the operational model was necessary for sustainability and community ownership, laying off so many staff members was a challenge that required savvy communication from the Nuru Kenya team. The team received criticism from staff who were laid off, some of whom spread problematic stories in the community, such as that Nuru would indeed close after the departure of the international team.

Nuru Kenya also restructured the board of directors and some of its technical expert staff post-exit, with Kenyan staff feeling the organization needed new expertise to allow it to test new ideas. As the Country Director said:

“Because you see, with Nuru, the strategy is holistic and it has to be integrated, and we have to integrate all these different things together. And I’m not the expert in all these things. Every area. I have all these ideas to do it, and when you bring in a board that has the expertise they tell you, yeah, this is possible, this is possible, this is my area of expertise, I’ll give you what you need. So we had to restructure the board. We brought in an expert in cooperatives. We brought in an expert in law. We changed the education representative. We have a health expert. And we brought in a market linkage person. Cooperatives and market linkage were new sectors, so we brought those people in.”

This transition caused growing pains, both in terms of layoffs and restructuring. These types of changes can be difficult for small local organizations, who may face community ill-will, new demands for technical expertise, and other short- and long-term issues.

## Key lessons

It is not a stretch to call Nuru a singular case – it is rare to find an organization so single-mindedly focused on long-term sustainability, so focused on inclusive community collaboration, and so disengaged from the project-driven cycles that often define contemporary development. There is much that the development community, including donors, implementers, and local CSOs, can learn from Nuru’s experience. Below are a list of recommendations, reminders, and suggestions to assist teams in designing, implementing, and transitioning locally led, locally owned development interventions.

**Listen to the community before programming.** If sustainability is to be meaningfully put at the heart of program design, programming should be community based and focused on solving problems actually faced by the community. While this approach is often discussed, it is rarely put into practice. Nuru Kenya found success and community buy-in through learning about community issues before designing interventions, spending months listening to community members, then collaboratively deciding on program sectors and specific interventions. Involving all stakeholders from the local community can also improve program design and implementation, with community members more often-than-not understanding their context and needs better than donors.

**Reconsider project timelines.** Standard project timelines and top-down course corrections can frustrate local partners and communities, often serving to perpetuate and sometimes worsen power dynamics already present in development. In the words of Nuru Kenya's Country Director when talking about previous experiences:

“...[From previous experience] short term fragmented approaches don’t work. I’ve been in them for so many years. I’ve wound up their programs according to their work plans. After one year they’re supposed to run for three years and in the middle you’re told, stop, change directions, go left. And you have no say. If you don’t change, no more funding.”

It is notable that a significant part of Nuru’s early work involved addressing damaging assumptions about development assistance harbored by local Kenyan communities, which were accustomed to prescriptive three- and five-year projects followed by abrupt departures.

By bucking the global trend toward project-based funding, Nuru was able to make a long-term community investment and ensure long-term sustainability. In addition, through its collaborative program design and implementation, it was able to meaningfully include the communities it served, thereby making true local ownership possible. Though Nuru Kenya does not anticipate financial independence in its NGO operations, it does support farmer organizations, which are for-profit, farmer-owned entities. Through business and technical support, as well as injections of seed capital, Nuru Kenya intends that these entities become independently financially sustainable.

**Be aware that in times of repression, the choice of sector matters.** Although Kenyan civil society remains relatively open, there is no doubt that the political and social space to criticize government activities is shrinking. Countries experiencing this closing of space for freedom of expression can be difficult places for NGOs to operate. This is especially true for INGOs, which can be painted as hostile foreign actors.

Nuru Kenya, however, was able to sidestep this issue, reporting no negative interactions with government representatives. It is a perhaps uncomfortable truth that in these cases, the choice of sector matters: NGOs focused on economic development, such as Nuru, find operating in difficult political environments far easier than those involved in monitoring corruption or human rights violations. A Nuru International board member from Kenya confirmed that even their relatively uncontroversial work came under government scrutiny, and that the government council “was against the [internationals] working here.”

**Planning and implementation is a process of transition.** Teams interested in long-term project success should, from the very beginning, plan for sustainability with the communities involved. This helps make the vision for the future clear to both international and local staff, and to psychologically prepare local staff to take over management.

As one senior Nuru Kenya staff reflected: “You’re getting into a relationship that you know will end one day. Have exit in mind. Plan for it from the beginning.” From its inception, Nuru incorporated sustainability into its planning, building a scaffold of international staff around local leadership, holding technical trainings, building capabilities through its Leadership Program, and maintaining consistent messaging about the forthcoming transition in order to psychologically prepare local staff for ownership. Thus, staff exit transitions should be gradual, jointly held, and rigorous.

**Provide room for failure and learning.** Nuru International’s experience mentoring Nuru Kenya staff in preparation for the 2015 turnover shows the value in providing room for failure. Nuru Kenya staff were allowed the freedom to experiment without fear of sanction, which built leadership and staff capacity, as well as encouraging a culture of innovation. A quote from the Nuru Kenya’s Country Director illustrates this point:

“I think [donors say], ‘We’re investing too much in this, why should we allow failure?’ Circumstances that are unforeseen, sometimes you need to let things happen for you to be able to address them. Be liberal. Be open minded. Be risk-takers. Donors who are risktakers will usually be more impactful. Because they give people room to figure it out. They give them room to practice what they want. You’re not training people to spend your money. “You need to spend our money this way and that way, look at the burn rates...” When I was working for USAID that was the word. What are your burn rates? What are the allowables? When you give people room to figure it out, it’s not just about the bandwidth. Maybe we don’t even need to spend that much money, but we need to know how to spend a little money and in an impactful way. Maybe we need to know how to have systems that are efficient and cost effective in the long run. Maybe we need to know what we have, how do we evolve what we have, develop what we have, turning things around. Change what we have.”

A strategy of encouraging grantee experimentation can also be an effective risk management technique: by making several small approaches, donors can more easily identify successful, context-specific interventions that can then be adapted and scaled up, just as Nuru was able to do with its system of cooperatives. Such an approach can dovetail with adaptive management strategies that are based on real-time monitoring

data, including, for instance, USAID's Collaborating, Learning, and Adapting (CLA) Framework.

**Allow accountability to flow both ways.** Aid donors are traditionally good at holding their staff and local partners accountable, with Nuru Kenya's Country Director summing this relationship up as: "Why did you spend this? Spend it this way, and don't do this and don't do that." Donors, she said, can be "very rigid." At the same time donors should allow their local partners to hold them accountable as well. As the Country Director said, donors should ask themselves: "Are they being receptive to feedback? Are they giving room to be held accountable? Are donors receptive to feedback not just from their implementers, but by the communities in which the implementers work?"

The Nuru case shows that two-way accountability flows can improve the relationship between donors and implementers, local partners, and the communities in which they work. Nuru Kenya leadership reported that Nuru International "... values feedback from the community. It's not just us going back to [Nuru International] to tell [them] 'yeah, things are OK, we spent this amount of money, we did it this way, we have an urge to do this and this,' but it's also them now looking at the community, how is the community valuing Nuru, how is the community perceiving themselves, and what is the progress that has been made." These feedback loops, whether operationalized through post activity questionnaires, after-action reviews, or other techniques, make local staff and communities feel more involved, thereby eliciting a stronger sense of ownership. Furthermore, they generate a standard of accountability that improves trust, encourages community buy-in, and ultimately contributes to long-term sustainability.

**Learn how to let go.** The Nuru case study shows the importance of sharing, and then surrendering, ownership to local partners and communities. This can be a difficult proposition for international organizations with years of experience and technical expertise, especially when local staff experience challenges. Nuru Kenya's Country Director described the process thus:

"You need to throw us in the fire for us to get ourselves out. We realize we are getting burned, and we need to step out of the fire ... Let's experience the uncomfortable things. And that will trigger us to reality and proactivity. And next time we will be proactive about it, if we find ourselves in the same situation, we will think ahead and not do the same thing as before ... Those meetings in 2013, 2014, were so stormy. "The farmers are suffering!" And I'm like, "Yeah, suffering is good." "We need to cushion them!" and I'm like, "No, let them realize it's a problem. And it's their problem. And they need to be responsible about getting

their solution to their problem.” And they’re like, “She’s being so ruthless.” And I’m like, “I need to be.” So I think donors need to be – they’re not God. No one here is God, and you can do a miracle all of a sudden and things turn around. Let’s go through the thing together … When we get rained on, we are together in the rain.”

Sustainability plans are becoming ubiquitous for international development programs, but it can be difficult for organizations to execute them successfully. Learning to let go involves donors being willing to follow through on sustainability plans and truly test the ability of local organizations to succeed once they transition.



## Chapter 16

# Plan India Transition from Plan International, India

By Adrienne Monteath-Van Dok and Kshitit Gala

### Acronyms

CSO	Civil Society Organization
FCNO	Field Country National Organization
FCRA	Foreign Contribution and Regulation Act
IH	(Plan) International Headquarters
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
SDGs	Sustainable Development Goals
CMT	Country Management Team

### Type of Transition

This case study describes the transition of an international entity within India (Plan International) into a locally led organization (Plan India). The transition was triggered by a worsening operating environment for international actors, and driven by a desire to achieve financial sustainability and an autonomous identity.

## Introduction

Plan International registered in India in 1979 as an international organization. Funded by individual donors in the Global North, it started working as a traditional sponsorship charity<sup>370</sup> supporting children in rural communities. In 2010, Plan India transitioned to a full local entity, closing down its Plan International India office. The transition occurred due to four main reasons:

1. A national legislative change;
2. Changes in the global development discourse;
3. The need for financial sustainability; and
4. The need to establish an Indian identity.

As the localization of the aid agenda became more prominent within development discourse, Plan International started to question its membership structure, whereby Plan entities in the Global North formed the organization's Member's Assembly. By contrast, Plan Country Offices – which implemented programs in the Global South – were not represented on the Member's Assembly.

This report describes Plan India's transition from international entity to locally led organization, focusing on the internal transition the organization underwent and the components that made it a success. The report draws on data from ten semi-structured key informant interviews with Plan India staff, as well as interviews with one of the organization's partners at the time of transition. A short literature review was also conducted, as well as interviews with civil society experts.

<sup>370</sup> "Although Child Sponsorship activities across INGOs are not uniform, they do have a number of common characteristics including a historic emphasis on regular giving, the motivation of donating to benefit individuals, and the provision of regular updates for the benefit of sponsors." Watson, B. and Clarke, M. (eds). 2014. "Child Sponsorship: Exploring Pathways to a Brighter Future." Basingstoke: Palgrave Macmillan.

## Context

India hosts some 1.3 billion people,<sup>371</sup> constituting 18% of the world's population. The country has shown rapid GDP growth in recent decades, with the World Bank estimating it will be the world's fastest-growing economy by 2021. As per the World Bank's revised international poverty line of US\$3.2 a day for lower middle-income countries, 659 million Indians (about half the country's population) are poor. Within this category, 176 million people are living in extreme poverty.<sup>372</sup>

In the 1960s and 1970s, a number of NGOs emerged in India focused on poverty alleviation, especially among the rural poor. Generally, despite the first Indian philanthropy funds (Tata Trusts) being set up as early as 1892, these were funded either by the state or international funders. In recent decades, an ever-increasing number of CSOs, alongside INGOs, have been working to address the country's long-term systemic challenges. In 2015, the Indian Express reported that India has 3.1 million NGOs<sup>373</sup> – more than double the number of schools in the country and 250 times the number of government hospitals. This equates to one NGO per 400 people.<sup>374</sup> These numbers indicate that while civil society is widespread in the Indian context, it is also fragmented due to the continued prevalence of poverty.

Recently, the Indian government adopted the 2030 Agenda for Sustainable Development. The agenda includes the United Nations' 17 Sustainable Development Goals (SDGs), which set measurable and outcome-oriented social, economic, and environmental objectives. To achieve these by 2030, the National Institute for Transforming India (NITI Aayog) created an SDG India Index, which rates India's 29 states using 62 national indicators in order to capture 13 of the 17 SDG targets. At the same time, India's civil society has unified into a movement called "Wada Na Todo Abhiyan" (meaning "Don't break your promise"), the aim of which is to ensure government accountability regarding the SDGs. As such, it is unsurprising that the government remains India's largest contributor to social sector funding, at about 6% of GDP.<sup>375</sup>

The funding landscape has, however, been changing, partly due to government legislation. In 2013, the Corporate Social Responsibility Act was brought into law, requiring Indian companies to spend at least 2% of their average net profit on social causes. This has resulted in an increase in private social sector funding. Meanwhile,

<sup>371</sup> United Nations, Department of Economic and Social Affairs, Population Division. 2017. "World Population Prospects: The 2017 Revision, Key Findings and Advance Tables." Accessible via: <https://bit.ly/379QzGK>

<sup>372</sup> World Bank. 2019. "Poverty & Equity Brief: South Asia." Accessible via: <https://bit.ly/2V5nVkp>

<sup>373</sup> Utkarsh Anand. 2015. "India Has 31 Lakh NGOs, More Than Double the Number of Schools." *Indian Express*. Accessible via: <https://bit.ly/3q0Sarh>.

<sup>374</sup> Central Statistical Institute of India. 2009.

<sup>375</sup> Bain & Company/Dasra. 2019. "India Philanthropy Report 2019." Accessible via: <https://bit.ly/3m3cl5p>

foreign aid contributions declined by approximately 40% during 2015–18 due to a government crackdown on NGOs for not complying with FCRA legislation, with data from the Ministry of Foreign Affairs revealing that more than 13,000 NGO licenses have been withdrawn in the past three years.<sup>376</sup> On the other hand, individual philanthropic giving has increased, though it remains relatively small, particularly in relation to the country's wealth, which is concentrated in the hands of relatively few people.<sup>377</sup> This changing funding landscape has provided both challenges and opportunities for Indian civil society.

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## Plan International India's transition to local entity

Plan International registered in India in 1979 as an international organization. While its main office was located in the country's capital, New Delhi, its work on improving children's rights took place across various Indian states. The Country Director of Plan International's India office came from outside the country,<sup>378</sup> while most of its staff were local. As per Indian legislation, Plan International India had to work through local partner organizations in order to be allowed to deal directly with communities, which it successfully did for many years. Over the years, Plan International India grew to about 100 staff and in 1996 Plan International (India Chapter) was registered under the Indian Societies Registration Act as a local NGO<sup>379</sup>. Plan International India had grown to employ approximately about 100 staff. The local registration became a parallel structure to the Plan International India Country Office registration, but remained dormant for some time, until three key factors initiated the transition journey. Specifically:

1. Changes in the global development discourse;
2. The need for financial sustainability; and
3. The need to establish an Indian identity.

### Changes in global development discourse

Plan India's local entity remained dormant for eight years, with the local board comprising Plan International staff. However, over this time the development discourse began to change, with a greater shift of power from the Global North to the Global South being

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<sup>376</sup> Ibid

<sup>377</sup> BBC News. 2019. "Why India's Rich Don't Give Their Money Away." Accessible via: <https://bbc.in/3pZlITY>

<sup>378</sup> It is common practice within Plan International for a Country Director to not originate from that country in order to ensure sufficient levels of objectivity.

<sup>379</sup> A person or association of persons can be registered for not-for-profit purpose under the CompaniesAct Section 8 if its objective is the promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of the environment, or any other such object. Further, the income and profit generated should be applied toward said objectives.

discussed. During the 1990s, debates on aid effectiveness and the importance of local ownership became increasingly topical, with Plan International Headquarters (IH) recognizing that new organizational models were needed in countries where poverty and wealth co-existed. As such, it developed a “Growth and Transition Policy.” This meant exploring new ways of working in Plan offices located in countries with an improved Human Development Index (HDI), particularly where the economic situation provided opportunities to mobilize local funds.

Within Plan International’s federation, discussions took place about the need for greater Southern representation in governance and handing over “power” to local boards. Plan International operated through a membership model whereby the National Offices in fundraising countries controlled the governance of the organization through the Member’s Assembly. However, Country Offices – which implemented Plan International’s programs – were not represented on this governance body. This was a complex and political path to navigate, as “some powerful NOs [National Offices] had serious concerns about transferring the oversight of the program portfolio to Plan India.”<sup>380</sup>

In 2002, a strategic planning meeting took place, which laid out the transition toward becoming a fully local Plan India office that would also be represented in Plan International’s Member’s Assembly. Within Plan International’s federation, this would give rise to a new structure called the “Field Country National Organization” (FCNO), which would allow representation on the Member’s Assembly. As one interviewee commented: “It was beautiful. The small organization would take over the big one.”

## Financial Self-Sustainability

A key motivation for transitioning was the vision of becoming a full, self-sustaining member of Plan International. However, it was recognized that seed funding from Plan International was required to achieve this. A detailed business plan outlined the steps needed to create an independent board, start marketing and fundraising activities within India,<sup>381</sup> and appoint a National Director. A grant from the Finnish government provided the seed funding required.<sup>382</sup>

Despite the fact that, even today, Plan India is not fully financially self-sustainable, the organization has commented that, following the transition, it has been able to reach areas that were previously outside Plan’s traditional sponsorship areas. Whereas money used to be tied to sponsorship locations, now Plan India can allocate funds where it deems

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<sup>380</sup> Ibid

<sup>381</sup> As all work to date had taken place through local partners, Plan India was not itself a well-known brand within India.

<sup>382</sup> Jayawickrama, S. 2012. “Diversifying Membership and Building Inclusion in Governance: Lessons from Plan International’s Experience,” Cambridge: Harvard Kennedy School, p. 13. Accessible via: <https://bit.ly/3fuEBv8>

appropriate. For example, it was able to reach children from marginalized sections of India residing in the North-Eastern states, as well as provide financial support after the Kerala floods in 2018. In addition, Plan India was able to start urban programs focused on the most excluded and vulnerable children. Senior staff who were interviewed stated there was now greater flexibility in spending money raised locally, with the move toward locally funded development a hallmark of successful transition.

Furthermore, IH set out the importance of continued growth for Plan International, with funding diversity an important driver in achieving this.

## **Establishing an Indian identity**

During the process of IH exploring alternative ways to fundraise, it reached out to a number of “new paradigm countries,”<sup>383</sup> proposing that the traditional INGO model be replaced by one that also involved raising funds locally. Plan India decided to rise to this challenge, putting itself forward as one of Plan International’s transition countries. The transition was communicated positively to all staff and regarded as a constructive challenge for the Plan India office. Plan India set itself the goal of becoming a nationally important institute, strategically building its national presence through both marketing and advocacy.

In interviews, Plan India staff proudly shared that they currently support and work closely in partnership with the Indian government in formulating national policies. For example, Plan India recently signed a memorandum of understanding with the government as part of the latter’s Aspirational Districts Programme, something which would not have been possible had it not transitioned into a local entity.

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## **Outcomes and impact**

Plan India has come a long way since its transition into a local entity, directly impacting around 1.7 million children in 5,400 communities across 25 states. Over the years, it has worked with various partner organizations – such as the government, private corporations, and local CSOs – holding to principles of mutual respect and mutual benefit.

Plan India did not undertake its transition merely for the purposes of registering as a local entity, but, importantly, because it wished to develop its own identity. In doing so, it has not only made a difference regarding locally led development in India, but also acted as a positive example within Plan International. In 2009, a two-person team appointed by IH

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<sup>383</sup> Countries such as Colombia, Brazil, El Salvador, the Dominican Republic, Thailand, and India were identified as potential transition countries by IH. Ibid.

to conduct due diligence of the transition concluded it had been a “success,” with Plan India’s leadership team ensuring that there were “Good internal controls and high-quality programs, so that the due diligence team could not feel doubtful.” In doing so, Plan India demonstrated how the larger organizations within Plan International’s federation could learn from the smaller organizations.

Plan India has become a mentor for other organizations undergoing transition. It is currently, for example, a learning partner for Plan Indonesia, which is undergoing a similar transition from international entity to local organization. In addition, Plan India’s communications team plays a vital role for other National Offices, which draw on Plan India’s ground-level stories of change to aid their international communication and fundraising initiatives. At the same time, Plan India’s communications team has benefited and learned from working with colleagues in other countries.

While strong local leadership and a comprehensive communication strategy were the most important lessons highlighted in the case study interviews, it should also be noted that Plan India has worked hard toward becoming a financially self-sustainable organization. This is of particular importance given that the traditional sponsorship model of fundraising has been in decline over recent years. During the 2018/19 financial year, Plan India was able to diversify its sources of funding, raising funds globally as well as in India. It is noteworthy, though, that over half its funds are raised locally. Currently, the organization has about 45,000 donors, of which as many as 42,000 are individuals. Thanks to account management, Plan India has set the financial gold standard for the wider Plan International federation, playing an important role regarding “Southern representation” in the Member’s Assembly.

In order to create more evidence-based advocacy, Plan India has worked on developing and advocating for (through the legal system) the Gender Vulnerability Index, which has poverty, education, health, and protection components. The organization continues to work with children, with a particular focus on girls, adhering to its motto of “Learn, Lead, Decide and Thrive.” Plan India’s story demonstrates that an INGO transition is not only beneficial for the local entity and the communities it serves, but also for the wider federation it remains affiliated with.

## Key Lessons

While Plan International India Office's transition to a local entity provides many lessons, two main areas were paramount in making the transition a success: local leadership and communication.

### Local leadership

The role of local leadership – especially the National Director,<sup>384</sup> Country Management Team (CMT), transition team, and the local board – was crucial to making the transition a success. Some of their successful practices are described below.

**Ensure complete alignment of two organizational leaders.** The role of local leadership in facilitating a smooth transition cannot be underestimated. In 2004, a National Director was appointed, operating alongside the existing (international) Country Director for a year, during which time the Plan International India and the Plan India offices co-existed. Interestingly, staff not feeling any difference between the two leaders. Instead, they operated with a single voice, ensuring the two entities felt like one. As one interviewee noted: “We all worked under the same roof and were able to build a relationship.” Another interviewee commented: “The then Country Director fully believed in the process of transition and was extremely supportive throughout.”

**Set up a new senior management team with prior transition-related experience.** A new CMT was established for the FCNO structure, some of whom had prior experience of transitioning an INGO to a local entity. They were therefore well aware of what challenges might be faced. In particular, this experience helped both the CMT and the transition team anticipate and manage the risk of miscommunication, or lack of communication, during the transition period. Throughout, the leadership walked the talk with sincerity, displaying a clear commitment to the transition. It should be noted that the local CMT performed these tasks in addition to their regular jobs, as they felt this was preferable to bringing in a new person. Staff we interviewed indicated that the CMT made the “bumpy road” of the transition appear smooth. As mentioned by one interviewee: “We tried to keep disruption to the minimum.”

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<sup>384</sup> As the new structure of Field Country National Organization (FCNO) would have a seat at the Member's Assembly, a National – rather than Country – Director was appointed.

**Appoint a Transition Manager.** A Transition Manager, trusted and well respected by staff, was appointed. Crucially, the Transition Manager was not a part of the CMT, rendering them a “neutral party,” and therefore making it easier for junior staff to approach them with concerns and queries.

**Streamline back- and front-end processes.** A distinction was made between back-end and front-end work. The former focused on communication with staff and partners, with processes for all steps involved clearly laying out. For the latter, a comprehensive checklist of back-end action points – closing down bank accounts, issuing new contracts, etc. – was created, with the transition team steadily working their way through them. Thus, a systematic listing of all tasks and a step-by-step approach was employed. As one interviewee commented: “The process did not happen in a day’s time; it was a gradual process.”

**Emphasize teamwork.** Throughout, the CMT emphasized that teamwork was paramount, employing an internal motto of “Together Everyone Achieved More (TEAM).” In doing so, they created a positive goal that everyone could work toward collectively. The team spirit was such that when Plan International implemented a salary freeze (during the global financial crisis of 2007/08), Plan India (which was no longer bound by Plan International rules), decided to also freeze its salaries in solidarity. Many interviewees mentioned the importance of working as a team, with one representative comment being: “A leader is as good as the team.”

**Create a dynamic and active board.** The development of a strong, local, and independent board was set out as part of Plan India’s transition plan. Board positions were established in accordance with the organization’s need, with high-caliber people bearing appropriate skillsets approached to join. Once established, the CMT involved the board in key decisions and actively sought board members’ mentorship. Board members – comprising media, finance, government, and corporate sectors leaders in India – committed to meeting in person four times a year, despite a legal requirement of only having to meet twice a year. The board provided mentorship to the National Director and CMT on a need-specific, rolling basis, in four key areas:

1. Governance;
2. Financial accountability;
3. Marketing and communication; and
4. Program implementation.

As one interviewee observed: “The board is a sounding board. They’re engaging, very supportive, but also demanding and they ask us difficult questions. They made

themselves available to mentor us and played a very important role with the CMT and transition team.”

**Manage the complete and smooth closing down of the old entity.** Just as important as the starting of the new entity (Plan India) was the closing down of the old entity (Plan International India). Closing down the old office in an efficient and comprehensive manner meant dealing with previous rental agreements, partnership contracts, bank accounts, assets, insurances and licenses, among other administrative and financial requirements. This required a lot of time, work, and attention, which was duly granted. As one staff member commented: “You want to close something with a clean slate.”

**Make use of cross-country learning.** Plan India’s National Director had multiple conversations with the transition team in Colombia. Furthermore, there was a bi-weekly triangular call between the CEO in IH and the new National Directors in Colombia and India. This supported cross-country learning on transitioning to local entities. While the challenges faced in India were very different from those in Colombia, it was nevertheless useful to exchange information and have a support network, particularly regarding the issue of South–North representation within Plan International’s Member’s Assembly. As one interviewee commented: “It is always good to know that you are not alone.”

## **Communicating the transition**

Given members of the transition team were aware of the potential consequences of a lack of communication or miscommunication, they were mindful of developing a people-centric communication strategy for staff and partners. Every possible step was taken to ensure clear and transparent communication with stakeholders, with the risk of getting it wrong emphasized by one of the interviewees: “The transition had to be correct the first time, because when you are dealing with people, there are no second chances.” Below are some of the practices that worked well for Plan India, with the caveat – expressed by interviewees – that there can be no one-size-fits-all approach, as each organization has its own culture of communication.

**Communicate the need for transition.** The first question posed by staff was: “Why is this happening?” The vision of the transition was used to help answer this question, providing staff with a rationale to be proud of. Transitioning to a local entity was communicated as a positive challenge, with the goal being to work together in order to achieve this.

**Have regular and timely transition team meetings and updates.** In addition to their regular roles and responsibilities, the CMT and transition team made time to come together and update each other regularly. Close to the transition deadline they even met daily, sharing concerns and ensuring time and resources were made available to

address them. As one interviewee observed: “Every question from staff and partners was attended to”

**Utilize multi-channel, staff-specific communication.** The CMT realized that there was anxiety among staff about their employment status, and therefore “Staff were clearly told that they were not going to lose their job because of the transition.” To address this, the CMT created a wide range of inclusive communication tools, ensuring everyone was heard, either in person or anonymously. As one interviewee stressed: “Give updates on a regular basis and create a common goal for everyone.” Communication methods used included:

1. Townhall meetings at which all staff had the transition explained to them at the same time – visually as well as orally – thereby avoiding speculation and rumor mongering, and instead facilitating transparent communication;
2. A transition-specific secure email address used to send regular email updates or for staff to ask anonymous questions;
3. A suggestion box inviting critical but anonymous feedback from staff; and
4. An open-door policy implemented by CMT members and the Transition Manager whereby staff could walk into their offices and raise questions and concerns at any time.

**Employ partner-specific communication.** Partners were assured that their work and terms of engagement would not change and, as regards their collaboration, the transition was no more than a change in paperwork. Any grievances brought forward by partners were resolved. As one interviewee stated: “We gave assurance – for partners it was business as usual.” Even so, for some partners, the fact that Plan was becoming a local entity raised concerns. As one partner explained: “Now we can’t tell the government we are working with an international organization.” Explaining the vision for Plan India was used to reassure partners, with board members occasionally attending meetings in order to provide further assurances. Crucially, as one interviewee commented: “Partner organizations were involved in a consultative process right from the beginning of the transition.” The same interviewee went on to say: “... in addition to annual in-person partner meetings for strategic planning, regular email and telephonic communication exists between Plan India and its partners.”

**Ensure swift and efficient creation of paperwork.** Attention to detail in terms of paperwork was tremendous, and meant that Plan India could offer all 100 of its staff both their redundancy and their new employment contracts at the same time, with all HR transition processes completed within a week. Efforts were made to keep job profiles, pay scales, and other employee benefits the same after the transition. As a result, staff

attrition was avoided during the transition. As one interviewee commented: “Change only happened on paper.”

**Create a positive narrative of change.** The CMT and transition team considered their words carefully, with communication delivered in a positive tone in order to cultivate confidence and encourage people to align themselves with the transition. Through creating a shared vision and common goal, senior leadership was able to develop a sense of loyalty and belonging toward the organization. As one interviewee observed: “Everything was taken in a positive way.” Meanwhile, multiple interviewees emphasized the sentiment that “The key to a successful transition is communication, communication, communication!”

## Chapter 17

# SOS Children's Villages Colombia transition from SOS Children's Villages International, Colombia

By Farzana Ahmed and Natalia Rodriguez

### Acronyms

CBO	Community Based Organizations
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
FARC	Revolutionary Armed Forces of Colombia
GoC	Government of Colombia
IDP	Internally Displaced People
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
PSA	Promoting and Supporting Associations
UN	United Nations

### Type of transition

The case of SOS Colombia is an example of a devolution from an INGO central body to its local country office. The transition has involved shifting financial responsibility onto primarily domestic rather than international sources.

## Introduction

This case study examines the devolution of responsibility from SOS Children's Villages International, an INGO, to its country office in Colombia – a process that it is anticipated will be completed by 2020. By making a number of changes to its operational, fundraising, and programmatic strategies, SOS Colombia has managed to grow significantly since the transition was announced in 2012. In particular, it has established and maintained key relationships with private companies and continued to work with the Colombian government at different levels. This report draws on ten semi-structured key informant interviews, which took place in-country during November–December 2017. Those interviewed include representatives from academia, government, INGOs, and civil society organizations, all of whom were connected to SOS Colombia and/or had valuable insights as a result of working in the civil society and aid sector in Colombia.

## Context

With a population of 48 million, Colombia is the third most populous country in Latin America.<sup>385</sup> For almost 50 years, Colombia experienced a conflict involving guerrilla insurgents, paramilitary groups, drug traffickers, and the Government of Colombia (GoC). In 2016, a historic peace agreement was signed between the GoC and the Revolutionary Armed Forces of Colombia (FARC), the longest-standing and largest left-wing rebel group in the country. The peace deal brought fresh opportunities for foreign donors, aid agencies, and NGOs, many of whom increased their activity in order to support the GoC during the post-conflict reconstruction phase.

Despite the political, social, and economic progress made in the peace process, Colombia continues to face a number of humanitarian and development challenges. It has one of the largest populations of internally displaced people (IDPs) in the world, estimated at approximately 7.7 million.<sup>386</sup> The needs of IDPs and other conflict-impacted communities include physical protection, food assistance, as well as access to healthcare, education,

<sup>385</sup> World Population Review. 2019. "Latin American Countries Population." Accessible via: <https://bit.ly/3fuydnP>

<sup>386</sup> United Nations High Commissioner for Refugees (UNHCR). 2018. "Colombia." Accessible via: <https://bit.ly/372PYa4>

and safe water.<sup>387</sup> In many areas in Colombia where there is a lack of state presence, non-state actors have taken on the role of delivering such services. Regaining control over the various regions remain a priority for the GoC, which has accepted the support of foreign donors.<sup>388</sup> As explained by a member of the government, this includes capacity strengthening programs aimed at "... increasing connectivity and access [of the state] with other parts of the country by improving roads, electricity, infrastructure and business."

The international community has been involved in Colombia's development and peace initiatives since the early 2000s.<sup>389</sup> Official development assistance to Colombia increased from US\$269 million in 2000 to over US\$1 billion in 2016.<sup>390</sup> The US alone pledged \$450 million in aid to Colombia in 2017, which represented an increase on 2016. Various UN agencies and humanitarian organizations operate in Colombia, and have a long history of working with local and national organizations, as well as government bodies. Outside of traditional foreign donors and aid actors, Colombian CSOs also receive funding from private foundations and businesses. According to one national CSO director, funding from private foundations offer a greater level of flexibility than bilateral aid, particularly in terms of access to FARC strongholds that have pressing humanitarian needs.

## Civil society in Colombia

Civil society in Colombia has a long and rich history. The first CSOs had strong historical ties to the Church and were established to address gaps in public welfare services. These were later supported by the Colombian government and came to be known as community based organizations (CBOs). Even so, civil society in Colombia remains largely independent, comprising a diverse range of organizations working in the social, political, economic, and humanitarian spheres. In doing so, they interact and form partnerships with national government bodies, INGOs, UN agencies, and private institutions.

According to a Colombian academic, a large number of INGOs came to Colombia in the 1980s to deliver programs aimed at strengthening civil society, against a backdrop of a "... social cleansing campaign and police violence in Bogotá, as well as a series of civic strikes and protests across the country." As people began to demand better services from the state, the role of INGOs was also debated among a more politically active, largely young, population. As the academic explained: "Local staff [of INGOs] were critical and

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<sup>387</sup> European Civil Protection and Humanitarian Aid Operations. 2018. "Colombia." Accessible via: <https://bit.ly/3nTd6l>

<sup>388</sup> Congressional Research Service. 2019. "Colombia: Background and U.S. Relations."

<sup>389</sup> Ramirez Ocampo, A. R. 2004. "The Role of the International Community in Colombia," *Accord 14*: 75. Accessible via: <https://bit.ly/3m5M1Yh>

<sup>390</sup> Stirk, C. 2013. "Colombia: Resources for Humanitarian Response and Poverty Reduction." *Global Humanitarian Assistance*, p. 16. Accessible via: <https://bit.ly/3kYzPal>

young. They clashed with the approaches of INGOs and considered models to be too patronizing. People were homeless not brainless. They wanted INGOs to empower them rather than be paternalistic.”

## Current trends

The interviews conducted for this case study revealed mixed views of the policies and practices current employed by foreign aid actors in Colombia. Some interviewees expressed concerns about shrinking civic and political space, with human rights defenders and social leaders facing significant risks. According to one INGO actor, continued international support is particularly important for human rights accompaniment programs. However, funding for such work is often limited, as it does not directly align with the priorities outlined in the peace process, toward which much of the international and national funding is geared. These views were echoed by a former director of a national NGO, who felt that currently “... political support is more important than financial support.”

Nonetheless, most interviewees spoke of the high levels of local and national capacity in Colombia, which is particularly visible within CSOs. With regard to what role INGOs should play in Colombia, one government representative stated: “INGOs should be the yeast, and not the flour.”

Given that foreign aid actors are currently increasing their presence in Colombia, and that an “exit” may refer to the complete closure of a country office or project, the term “transition” is more appropriate in terms of engaging local and national partners in substantive conversations. Moreover, given this increased presence, now is a timely moment for INGOs to start thinking about how their “entrances” may eventually influence their “exits.”

## Mapping the transition: devolution of SOS Children’s Villages

SOS Children’s Villages began operating in Colombia in 1971. The SOS model involves constructing villages that comprise of 6 and 15 houses, in which children without parental care can reside and access various support services. Over the years, SOS Children’s Villages in Colombia has also implemented programs involving child protection, education, and vocational training. Currently, its activities in Colombia can be categorized into three broad areas:

1. Family and community strengthening to prevent family separation.
2. Providing support to children that have lost family care through a family-based care service, such as SOS families, foster families, or kinship care.
3. Support to young adults in order to achieve an autonomous and self-sufficient life, through youth communities and independent living services.

In most countries where SOS Children's Villages operate, national associations are set up. These associations often have their own board of directors and are registered as a separate legal entity (for instance as a foundation, trust, association, non-profit, or a CSO). Each member association is expected to adhere to the values and principles of the General Secretariat of SOS International, which is based in Austria.<sup>391</sup> Some members, such as those in Spain, Norway, and the US, are known as Promoting and Supporting Associations (PSAs). PSAs hold reserves equal to one year of their running costs, and from that provide funding for international projects to national associations across the globe.<sup>392</sup> National associations receive different levels of funding and support from the SOS federation, with some currently in the process of becoming financially independent. In Colombia, the main SOS office is based in Bogotá, with additional offices in ten states across the country. According to SOS staff, over 15,400 children and youth in the country are enrolled in SOS programs.

Over recent years, SOS Colombia has experienced a gradual decrease in funds from SOS International. In late 2012, SOS International announced that by 2020 it would withdraw all financial support to SOS Colombia. As a result, SOS Colombia has been implementing a sustainability strategy, which includes both financial and programmatic components. Driven by a commitment to not only sustain itself but also grow, SOS Colombia significantly expanded its fundraising and communications teams, changing its programmatic focus in order to appeal to more domestic funders. By 2016, they were able to secure 65% of their funds from the public and private sector within Colombia. In 2018, this increased to 92%.

Drawing on interviews conducted with SOS staff members and local CSOs in Bogotá, this report outlines the different perspectives of and steps taken during the transition, with a particular focus on its financial, operational, and programmatic aspects. Although this case study offers valuable insights into the role local entities play during a transition process, it should be noted that at the time of writing it is too early to fully assess the outcome, given that complete withdrawal of funds from SOS International is planned for 2020.

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<sup>391</sup> Devex. "SOS Children's Villages International." Accessible via: <https://bit.ly/3ftobDs>

<sup>392</sup> SOS Children's Villages International. 2017. "Facts and figures 2017." Accessible via: <https://bit.ly/33aup6f>

## The decision to transition

The decision to transition came from SOS International's HQ in Austria. With an economic crisis at the global level, the SOS federation felt that some associations, particularly those in middle-income countries (as defined by World Bank income categories), should raise their own funds locally. Similar reasons for local transition were cited by other INGOs. For example, Plan International felt that Colombia's development into a middle-income country meant that it was best positioned to be one of their "transition countries," along with India, Thailand and Brazil. The greater likelihood of mobilizing local resources in such contexts was seen as a key contributor to a successful transition.<sup>393</sup>

SOS Colombia was given three options for funding withdrawal: 1) wind down steadily between 2013 and 2020; 2) wait and wind down quickly by 2020; or 3) wind down quickly now then slowly taper out the rest of the remaining funds by 2020. As one staff member put it: "They [SOS International] basically told us: we're reducing funds. The question was: 'how do you want us to do it?'"

Despite the fact that the decision to transition came from SOS International, the national office in Colombia played a key role in designing and leading the transition process. Although the official announcement regarding withdrawing funds by 2020 came in late 2012, funding had already been slowly decreasing since 2005. This had encouraged the directors at SOS Colombia to consider a sustainability plan early on: "We decided to prepare ourselves for a day of no funding. We saw funds were slowly decreasing over the years, which is why we made that choice [to develop a sustainability strategy] on our own."

As part of this preparation, early on in the transition process the national office invited program directors from the ten states of Colombia to participate in conversations on sustainability. According to National Director Angela Rosales: "It was necessary for a 'holistic' sustainability. The federation is sustainable if countries are sustainable. Countries are sustainable if all programs are sustainable."

During interviews, SOS staff members expressed their continued support for the sustainability strategy. Firstly, it was widely felt among staff that SOS Colombia's existence was dependent on the successful delivery of the strategy, in which sustainability was tied to economic and programmatic growth. As one staff member said: "... in order to survive we had to grow."

Secondly, despite Colombia's middle-income status, staff felt that pressing development needs continued to exist throughout the country. There was a genuine motivation to

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<sup>393</sup> Jayawickrama, S. 2012. "Diversifying Membership and Building Inclusion in Governance: Lessons from Plan International's Experience," *Cambridge: Harvard Kennedy School*, p. 13. Accessible via: <https://bit.ly/3fuEBv8>

continue implementing SOS development programs in areas that were affected by the conflict and that received limited services. This was echoed by other Colombian actors who felt that branding the country as “middle-income” was not entirely accurate, and that the decentralized nature of the state manifested in regional economic and social disparities. According to a government actor this has had an impact on INGOs exits: “... [INGOs] don’t know when to exit because work at national level isn’t getting to local areas. There is no feedback channel between local civil society and government and INGOs.”

## **Operational changes**

As soon as SOS International announced its intention to withdraw funding, SOS Colombia made operational changes in order to prepare for the transition. It found a new office, restructured the national team, spoke to new donors, and built a new strategic relationship with the Colombian state. The fundraising and communications teams were expanded and a new strategy team was created to focus on building new partnerships. The strategy team was put in charge of advising other teams on the overall organizational strategy, as well as ensuring that legal processes, ICT systems, and monitoring and evaluation mechanisms all supported the transition. The phase-out of SOS International did not lead to a reduction of staff or activities within SOS Colombia, but rather pushed SOS Colombia to grow their teams and programs. As one staff member reported: “We are growing every day. In 2012 we had 400 staff members working for the National Association across the country. Now we have near 1,000.”

Additionally, strategic decisions were made to retain SOS’ brand and identity, which had a long, half-century history in Colombia. If SOS Colombia had decided to dissociate itself entirely from SOS International and instead register itself as a new legal entity, this would likely have caused a legal backlash with the Colombian government. By continuing to work under the SOS banner, SOS Colombia was not only able to preserve its relationship with the government, but also retain all prior contracts agreed between the two. This demonstrates that even in the absence of financial support, the international office can continue to support local offices politically by allowing them to continue using the SOS branding and identity. Similar sentiments were expressed by several other local organizations interviewed in Bogotá, who felt that political support from international agencies was needed even more than financial support, particularly during transitions.

## **Financial sustainability**

Financial sustainability is at the core of SOS Colombia’s long-term strategy. With the shrinking of international funds, SOS Colombia started to look at domestic sources

of funding. This led to stronger relationships being formed with national and local government bodies, with SOS Colombia at present receiving direct funding for some of their projects, while working as implementing partners on others. SOS Colombia has a long history working with the government, receiving funding as early as 2007 to provide support services to children. As such, the foundations for building strong relationships had already been established prior to the start of the transition in 2012. Currently, 60 percent of programs implemented by SOS Colombia have some sort of government involvement. According to one staff member: “To be sustainable we need funds from the government. At the same time the government does not have services according to needs and for that reason they need our support to fulfill their responsibility.”

The private sector has not typically been the dominant source of non-profit income in Colombia. However, given the country is now becoming middle-income, many companies have shown an interest in corporate social responsibility (CSR). While some companies have their own foundations to handle CSR, many are looking to national NGOs, such as SOS Colombia, to work through and with. Since the start of the transition, SOS Colombia have sought partnerships with various corporations, and this has also influenced the types of programs it has taken on.

Moreover, as part of the financial sustainability strategy, greater focus has been placed on public awareness campaigns, which have both fundraising and advocacy strands. These campaigns aim to bring attention to children impacted by conflict, abuse, poverty, and deinstitutionalization, while at the same time soliciting donations from the public. The communications team are responsible for reaching out to the public via digital platforms, while volunteers are taken on to collect donations at supermarkets, shopping centers, and other public spaces. Money generated through these campaigns is SOS Colombia’s main source of unrestricted funding.

SOS Colombia’s vision goes beyond just financial sustainability, with one of the longer-term aims being that it become a PSA for SOS International. This would enable SOS Colombia to provide services and financial support to national associations around the world, and in fact it already does provide technical support to other country offices in Latin America. However, SOS Colombia’s key focus at present is to provide quality services to children in its target group. Once its own sustainability has been guaranteed, it can then move to support other national associations.

## **Programmatic shifts**

SOS Colombia made a number of programmatic shifts in response to the funding cuts proposed by SOS International. In some cases they closed down programs, while in others they shifted their focus to appeal to a more domestic audience of funders.

In the three to four years following the announcement of the transition a number of programs, such as SOS day care services and a number of SOS villages, were closed down. During this period of phasing out, care shifted to providing for children living in SOS families, and moving young adults into other services, such as youth communities and independent living. According to one staff member, SOS Colombia "... closed services where other NGOs and the government were serving the population already". As the transition led to SOS Colombia coordinating more closely with the government, they were pushed to identify areas not adequately served by the state, rather than provide services that duplicated existing government efforts. As one SOS staff member said: "The idea was to focus on the family. That was the shift. The decision was made to strengthen the family because that was an area we could do work on that the government was not currently doing."

However, SOS Colombia's increased emphasis on providing family services can also be attributed to the fact that maintaining SOS villages was becoming both financially unsustainable and unpopular among Colombian civil society and private funders. As such, the transition may have triggered programmatic changes that were already conceived of as far back as the 1970s.

By depending less on international funds and more on domestic funding sources, SOS Colombia is able to focus on projects that are more relevant to the local context. For example, a partnership with a private retail company prompted SOS to consider programs tackling child malnourishment, as this was one of the main interests of the company. As a result, SOS Colombia designed and implemented a program supporting families to improve their socio-economic situation. The partnership underwent further change when Colombia experienced large-scale floods, with the private company supporting SOS Colombia when it proposed a program to deliver counseling services to children and families affected by the natural disaster. According to one staff member: "International support is oriented toward financing their own agendas, not consolidating organizational structures of NGOs here. We now have a very well-defined structure. We get lots of money from the state. This has helped make us strong."

The narrative around child and family welfare within SOS Colombia has changed since the transition, and this has influenced the types of programs implemented by the organization. Less effort is put into building and maintaining SOS villages in Bogotá, with more focus put on designing programs relevant to the Colombian context. This in turn has meant such programs are more likely to be funded by domestic funders.



## Chapter 18

# International Rescue Committee transition to Tuungane, Democratic Republic of Congo

By Farzana Ahmed, Arlette Nyembo and Alex Martins

### Acronyms

CBO	Community Based Organizations
CDC	Community Development Committee
CDR	Community-Driven Reconstruction
CSO	Civil Society Organization
DFID	Department for International Development
DRC	Democratic Republic of Congo
ETD	Entite Territoriale Decentralisee
INGO	International Non-Governmental Organization
IRC	International Rescue Committee
NGO	Non-Governmental Organization
ODA	Official Development Assistance
SAS	Stopping As Success
USAID	United States Agency for International Development
VDC	Village Development Committee

## Type of transition

Tuungane is an example of an INGO program transition driven by the end of a donor funding cycle. This report outlines how IRC shifted programming priorities in the final phase of Tuungane in preparation for closedown, including working more closely with governance structures already existant in eastern DRC.

## Introduction

Do community-driven development (CDD) approaches facilitate successful transition when programs run by INGOs come to an end? This is the key question explored in this case study on the Tuungane<sup>394</sup> program in the Democratic Republic of Congo (DRC).

Tuungane is a large-scale community-driven reconstruction and development initiative funded by the UK's Department for International Development (DFID). The program was implemented in approximately 1,300 conflict-affected communities across eastern DRC by three large INGOs: lead organization International Rescue Committee (IRC) alongside CARE International and Search for Common Ground. The program began in April 2007 and ended in June 2016, operating with a total budget of £104.5 million (US\$133.1 million).<sup>395</sup>

During its implementation period, Tuungane was DFID's largest and longest-running CDD program, and as such several large-scale evaluations have been conducted in order to ascertain its outcomes and impacts. The purpose of this case study is to map out the process of program transition: how it was communicated, managed and evaluated, and how IRC sought to ensure sustainability through working with local actors in eastern DRC. While it is too early to tell whether the program contributed to sustainable outcomes over the long term, especially given the ongoing humanitarian and conflict-driven crisis in eastern DRC, evaluations have shown that elements of Tuungane have been sustained since the program ended in 2016.

## Type of transition

Tuungane is an interesting case study of INGO exit as, in contrast to other Stopping As Success case studies, there was no handover of the program's structures to a defined local entity (for instance, a Congolese NGO) when the program ended. Nevertheless, one of the grounding principles of CDD is that the transition of ownership and power to local stakeholders is built into the model from the outset. And the program did, in a

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<sup>394</sup> Tuungane means "Let's unite" in the local Kiswahili language.

<sup>395</sup> UK Development Tracker. "TUUNGANE (Let's Unite) – Community Driven Reconstruction Programme in DRC."

general sense, hand over existing infrastructure – such as schools and health centers – to Congolese government entities. Tuungane is also interesting in that it is one in a series of large-scale CDD programs funded by both bilateral and multilateral donors over the past decade, and therefore any lessons learned may have broader applicability beyond the DRC context.<sup>396</sup>

This case study is based on interviews with 27 key stakeholders, including Tuungane's international management staff in New York, Nairobi, Washington DC, and London; Congolese staff based in the communities where the program operated; community members; as well as with other external stakeholders with extensive knowledge of the program. Interviews were conducted across three locations in DRC – Kinshasa, Bukavu, and Walungu (a territory in South Kivu) – by Peace Direct's Senior Researcher, Farzana Ahmed, and Congolese researcher Arlette Nyembo.

#### Defining “local”

In this case study, the term “local” is used to refer to a wide and diverse set of stakeholders operating at the local level in DRC, including community/village leaders and members, Tuungane’s Congolese staff, customary chiefs, religious leaders, government officials at the most local administrative level, and others. The term is not intended to minimise the role of such stakeholders in any way by placing local actors below international actors in a perceived hierarchy.

The case study also draws on the program’s extensive prior documentation, including in-depth evaluations carried out by Columbia University and the World Bank. We opted to focus primarily on IRC, as it led the implementation of Tuungane’s exit.

## Context

International media coverage portrays DRC as a country suffering from high levels of violent conflict, political insecurity and, starting in 2018, an Ebola outbreak in the western and eastern parts of the country. This, though, is only part of a much more complex picture. DRC is the second largest country on the African continent and one of the most populous, with approximately 80 million inhabitants. It has vast natural resources, including 80 million hectares of arable land and over 1,100 types of minerals and precious metals. Despite being one of the most resource-rich countries in Africa, however, DRC

<sup>396</sup> CDD programs are well funded in general; according to the World Bank, as of 2018 there were 199 active CDD projects in 78 countries, with a total budget of US\$19.7 billion. An additional US\$12.4 billion was being provided by other borrowers and donors. Accessible via: <https://bit.ly/3987NXQ>

is among the poorest countries in the world, ranking 176 out of 187 countries in the UN's Human Development Index.<sup>397</sup>

Following 32 years under the dictatorship of Mobutu Sese Seko, DRC experienced both civil and international war between 1997 and 2003. During this time, an estimated 5 million people died as a result of violence, disease, or starvation.<sup>398</sup> The conflict was eventually brought to an official end through a peace process that began with a ceasefire agreement signed in Lusaka, Zambia, in 1999.

A transitional government was put in place in 2003, culminating in the country's first democratic elections in 2006. Joseph Kabila, in power since 2001 after succeeding his assassinated father, was elected President. During Kabila's presidency, DRC underwent a series of governance reform processes, the two most significant being découpage and decentralization. As part of découpage, DRC's 11 provinces were carved up and replaced by 26 new ones. Meanwhile, decentralization, a process intended to bring decision-making closer to the people and specifically designed to benefit entités territoriales décentralisées (ETDs) at the sub-provincial or local level, has largely stalled.<sup>399</sup> As described by our interviewees, IRC deliberately chose to work with ETDs in support of the decentralization process from phase 2 of Tuungane onwards. As a senior IRC staff member put it: "It was an optimistic time in DRC in 2007... Government planned to really decentralize, with a lot more to be done at the territorial level. And this was basically our way of saying we will meet you from the bottom up."

Despite the relative political stability of Kabila's regime, violence and humanitarian crises continue to affect the lives of Congolese people across the country. The UN Office for the Coordination of Humanitarian Affairs (OCHA) estimated in July 2019 that 12.8 million people are in dire need of assistance as a result of local-level conflict and health threats, the most serious being Ebola.<sup>400</sup>

Meanwhile, DRC has also been preoccupied with a growing political crisis. The country's first democratic transfer of power was scheduled to take place through national elections held in December 2016. Kabila successfully delayed the elections by two years, employing a variety of tactics in a process that came to be known as "glissement," or slippage. Although Kabila eventually agreed to step down as President, this delay and concerns about the legitimacy of the electoral process sparked anti-government

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397 UNDP Human Development Reports. "Congo (Democratic Republic of the)." Accessible via: <https://bit.ly/3m5cvcj>

398 International Rescue Committee. 2007. "Mortality in the Democratic Republic of Congo: An Ongoing Crisis." Accessible via: <https://bit.ly/3nM2qBl>

399 Englebert, P. and Mungongo, E.K. 2016. "Misguided and Misdiagnosed: The Failure of Decentralization Reforms in the DR Congo," *African Studies Review* 59(1): 5–32.

400 UNOCHA. "Democratic Republic of the Congo (DRC)." Accessible via: <https://www.unocha.org/drc>

protests across DRC's largest cities, which were in turn often met with violent force by government security forces.

Presidential and legislative elections finally took place on 30 December 2018. In an outcome that surprised the international community, Kabila's appointed successor, Emmanuel Shadary Ramazani, did not win. Even so, there is documented evidence that the electoral process was manipulated to ensure that the opposition candidate with the greatest amount of support (Martin Fayulu) was not pronounced the winner. Felix Tshisekedi of the DRC's largest opposition party, the Union pour la démocratie et le progrès social (UDPS), was sworn in as President on 24 January 2019. The political situation remains unstable due to the manipulated electoral process and the fact that Kabila's coalition still holds a majority of seats in the DRC's legislature.

## Aid trends and international interventions

In terms of official development assistance (ODA) statistics, DRC continues to be a highly aid-dependent country. Total ODA to DRC decreased slightly from US\$2.6 billion in 2015 to US\$2.3 billion in 2017.<sup>401</sup> The US is by far the largest bilateral donor to DRC, followed by Germany and the UK.

In terms of humanitarian assistance and international peacebuilding, there are many reasons why the 2003 peace process failed to end violence and bring about lasting political stability in DRC. Political scientist Séverine Autesserre argues, however, that international actors have constructed three dominant narratives, which have served to eclipse other important factors.<sup>402</sup> According to Autesserre, these narratives focus on a primary cause (violence and the illegal exploitation of natural resources); a main consequence (sexual violence against women and girls); and a central solution (reconstructing state authority). This has meant international interventions have overlooked other important conflict drivers, including grassroots antagonisms over land, and traditional and administrative power struggles at the subnational level.

The political, economic, and humanitarian crises in DRC affect the security not only of Congolese people, but also aid workers in the country. Between January and June 2017, of the 97 cases of humanitarian workers reported kidnapped globally, 50 occurred in DRC.<sup>403</sup> In December 2017, 14 peacekeepers were killed by Ugandan fighters from the Allied Democratic Forces (ADF). Partially connected to the increasingly difficult security

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<sup>401</sup> OECD. "Aid at a Glance Charts." Accessible via: <https://bit.ly/2J9MTwB>

<sup>402</sup> Autesserre, S. 2012. "Dangerous Tales: Dominant Narratives on the Congo and Their Unintended Consequences." *African Affairs* 111(443): 202–22.

<sup>403</sup> Insecurity Insight. 2017. "Aid in Danger Incident Trends: Aid Workers Reportedly Kidnapped (January 2017–June 2017)." Accessible via: <https://bit.ly/3l3CQ9i>

environment, the UN peacekeeping mission, MONUSCO, reduced the size of its troop ceiling by around 3,600 personnel in the 2017 renewal of its mandate.

The insecurity of some of the areas where Tuungane operated between 2007 and 2016 meant that access to certain communities and villages was extremely challenging, both for staff (Congolese and international) and for participants in the program, limiting their movement between areas receiving funding. The original selection of communities chosen by IRC to participate in Tuungane was therefore constrained by security and accessibility considerations.

## The role of civil society

Prior to the collapse of Mobutu Sese Seko's regime in the early 1990s, few civil society organizations other than government-registered churches and churchrun organizations providing social services – such as nutritional support programs – were allowed to operate. The repressive nature of Mobutu's rule drove civil society underground, but also honed their political and organizational skills.<sup>404</sup> Indeed, civil society in DRC plays both a political and social role, in many respects taking on some of the traditional roles of the state.

Civil society played an active and instrumental role in the South African-brokered peace process that took place between 2001 and 2003.<sup>405</sup> Following this, prominent members of civil society assumed roles as Members of Parliament in the transitional government that operated between 2003 and 2006. This contributed to a politicization of civil society in the country, and to a large degree leadership in this sector is seen as a springboard into political life. Nonetheless, in a context in which state service delivery is virtually absent, civil society actors – most prominently the Catholic Church – play a crucial role in both the education and health sectors. Without their involvement, such services would all but collapse in many parts of the country. The Church has also played a prominent role in recent political protests against Kabila.<sup>406</sup> This history helps explain the prominent role civil society organizations continue to play in the country's political development, as well as its social infrastructure.

Due to donor concerns about corruption and the capacity of the DRC government, a relatively high proportion of aid to DRC is channeled through civil society and multilaterals.

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<sup>404</sup> Koko, S. 2016. "The role of civil society in conflict resolution in the Democratic Republic of the Congo, 1998-2006: An appraisal," *African Centre for the Constructive Resolution of Disputes (ACCORD)*. Accessible via: <https://bit.ly/3l4oGVu>

<sup>405</sup> Ibid

<sup>406</sup> Kabilia, J. 2017. "DRC Blocks Internet as Anti-Kabila Protests Planned." *Al Jazeera News*. Accessible via: <https://bit.ly/375M7ZJ>

In 2014, aid via civil society increased and, as a result of continuing reductions in aid to Afghanistan, DRC became the largest recipient of aid via civil society in the world.<sup>407</sup>

Tuungane, however, did not directly fund formal civil society organizations, opting instead to fund and engage with community members and leaders at the village level (some of whom were part of the civil society sector), and, later on, with local government officials. As IRC told us: “The whole concept [of Tuungane] was to pull together and get the voices of citizens in terms of what they were prioritizing as their needs and not go through traditional power structures.” In many ways, this includes broadening the definition of civil society to include all members of a community in a given village or area, not just those who are formally part of a civil society organization or NGO.

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<sup>407</sup> Baobab. 2016.“Civil society aid trends.” Briefing No 5.

# IRC in DRC: an overview of Tuungane

## History of IRC in DRC

The IRC has worked in DRC since 1996, and, with offices in Kinshasa, Katanga, Kasai, North, and South Kivu, remains one of the largest INGOs operating in the country.

The IRC2020 Global Strategy highlights five key thematic areas of focus: health, safety, education, economic wellbeing, and decision-making power. IRC aims to "... reach 8.4 million people in DRC by the end of 2020, specifically targeting internally displaced persons, host communities, women and children, victims of gender based violence, and the economically and socially disadvantaged."<sup>408</sup>

In order to implement its strategy, IRC has decided to focus its efforts in specific areas of DRC, based on an analysis of where need is greatest. IRC therefore has a geographical approach to exit and transition. This decision was adopted by IRC DRC for its full portfolio of work, separate from the exits carried out under Tuungane.

IRC partnered with fellow INGOs CARE DRC and Search for Common Ground to deliver Tuungane. CARE has operated in DRC since 2002 and focuses on "... emergency relief, reconstruction and development projects, and programs to prevent sexual and gender-based violence and support survivors."<sup>409</sup> Search, known locally as Centre Lokole, was established in DRC in 2001 to support the country's peace process.

## Background and overview of the Tuungane program

Tuungane was IRC's single largest program in DRC, both in terms of budget and size of target population. It was implemented by IRC in North Kivu, South Kivu, and the former province of Katanga (now the new provinces of Haut-Katanga and Tanganyika). IRC continues to operate in North Kivu, South Kivu and Tanganyika – areas highly affected by conflict and displacement. CARE was responsible for implementing the program in Maniema.

The program implemented the following activities, among others:<sup>410</sup>

- Training of 170,201 community members in the use of community scorecards, used by community members to rate service delivery in their area.

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<sup>408</sup> International Rescue Committee. 2017. "Democratic Republic of Congo: Strategy Action Plan." Accessible via: <https://bit.ly/3988pwC>

<sup>409</sup> Ibid

<sup>410</sup> CARE International UK. 2019. "Democratic Republic of Congo." Accessible via: <https://bit.ly/3l0K5iA>

- Training on leadership, responsible management of development projects, and good governance of 9,715 village development committee (VDC) members, 6,271 user committee members, and 1,029 local government officials in ETDs.
- Supporting the rehabilitation or construction of 1,448 classrooms, 1,514 WASH facilities (latrines, springs, reservoirs, wells and pumps), 33 market places, 118 health facilities, 495 meters of bridges and 275 kilometers of roads.

The main approach adopted was the provision of grants – ranging from US\$2,000 to US\$60,000 – to committees to spend on service delivery needs identified by the community. The community-driven development or reconstruction work under Tuungane comprised five broad phases, summarized in Figure 4 below.

## **Figure 1: Areas of work under Tuungane**



In addition, Tuungane worked with 20 ETDs (the lowestlevel administrative unit in the DRC) to improve their capacity to deliver services, manage public resources, and support local development in a transparent and accountable way. Grants were also given to select ETDs to support public works. Finally, Tuungane supported the development of village savings and loans associations (VSLAs) in select communities in Maniema and South Kivu, giving the poorest community members increased access to basic services

through access to credit and a solidarity fund for household emergencies. As described by a senior IRC staff member: "... the philosophy behind the program was learning by doing with communities but also the organizations themselves are learning by doing."

Tuungane received political (rather than financial) support from the Congolese government, as it delivered on key service delivery priorities at the village level. As noted above, the original intention of the program was to complement the planned (and subsequently longdelayed) decentralization process promised as part of the 2005 constitution.<sup>411</sup>

### What is a community-driven development/re-construction?

CDD or CDR, is a widely used development approach that "...emphasizes community control over planning decisions and investment resources."<sup>401</sup> It is informed by a range of principles, including local ownership, community empowerment, accountability, and transparency. Often used in the world's most fragile contexts where service delivery by government is virtually absent, CDD programs in conflict-affected areas are most commonly implemented to build social infrastructure (including schools, hospitals, and water and hygiene systems) based on community priorities.

Evidence on the effectiveness of CDD as a programming mechanism is mixed. In 2013, IRC and DFID jointly produced a critical review of CDD programs in conflict-affected states.<sup>402</sup> A 2018 study by 3ie also critiques the assumption that CDD programs lead to greater social cohesion, although the evidence does show that they are highly successful in building public infrastructure.<sup>403</sup>

This case study does not assess whether Tuungane was effective in achieving results, an area already explored in three separate evaluations. Rather, we seek to add to the evidence base on how exits from CDD programs and locally led development may be enhanced by the community-led approach, especially in programs implemented over a longer timescale than traditional development projects.

<sup>411</sup> International Rescue Committee. 2017. "Factsheet – Tuungane – Let's Unite!" <https://bit.ly/2lY2FeI>

<sup>412</sup> Bennett, S. and D'Onofrio, A. 2015. "Community-Driven Development in Conflict-Affected Contexts: Revisiting Concepts, Functions and Fundamentals," *Stability: International Journal of Security and Development* 4(1). Accessible via: <https://bit.ly/3kWxSve>

<sup>413</sup> King, E. 2013. "A Critical Review of Community-Driven Development Programmes in Conflict-Affected Contexts," GSDRC. Accessible via: <https://bit.ly/3fuAxem>

<sup>414</sup> Menon, R. and White, H. 2018. "Moving the Debate Forward on Community-Driven Development." Accessible via: <https://bit.ly/37l1wg>

## Tuungane's adaptive approach

In recognition of the value of Tuungane within DFID DRC's wider portfolio, a decision was made to extend the program twice, resulting in two additional phases that extended the program by five years: Tuungane 2 (T2) and Tuungane 2+ (T2+). As a result of these extensions, Tuungane had a longer life cycle than the roughly five years experienced by many traditional development programs. To contextualize the changes made under T2+, it is important to understand the earlier programmatic shifts that occurred throughout T1 and between T1 and T2.

Tuungane began with micro-programs, providing unrestricted grants of up to US\$3,000 to VDCs, which could then decide what to do with the entirety of the money. As T1 progressed, the size of the grants increased significantly to a maximum of \$60,000 given to community development committees (CDCs) – formed of a collection of VDCs – to enable them to do bigger projects.

During T2, the program began to focus more explicitly on the governance aspects of social accountability and working with local power structures, as opposed to pure CDD approaches, which prioritize service delivery. As one international IRC staff member put it: "Community groups as the unbiased voice of their constituency [are prioritized] to ensure that voices of citizens are taken into account."

This shift resulted in closer engagement with village chiefs and ETDs in Tuungane areas, as well as the introduction of community scorecards. ETDs also received grants under the second phase of the program, creating a means by which local authorities and civil society could come together to ensure community priorities were taken into account by political decision-makers. Another key change was a more sophisticated approach to the program's gender component. On top of the requirement that 50 percent of VDC membership be female, IRC introduced the stipulation that either the president or vice president of the VDC be a woman. In addition, a gender-gap analysis of barriers to women's inclusion was conducted, followed by the introduction of a gender and inclusion checklist for all staff. Finally, IRC conducted targeted women's empowerment activities, including exchange visits between women to share advocacy strategies and lessons learned.

**Table 1: Overview of Tuungane's phases<sup>415</sup>**

Phase	Tuungane 1 (T1)	Tuungane 1 (T2)	Tuungane 2+ (T2+)
Dates	2007/2011	2011/2014	2015-2016
Budget	£18 million (US\$22.9 million)	£60 million (US\$76.4 million)	£7.5 million (US\$9.6 million)
Locations	Haut-Katanga, Tanganyika, South Kivu, Maniema	Haut-Katanga, Tanganyika, South Kivu, North Kivu, Maniema	Haut-Katanga, Tanganyika, South Kivu, North Kivu
Target populations	1,250 VDCs, 280 CDCs	1,025 VDCs, 10 ETDs	413 structures (schools, health facilities, water points), 16 ETDs
Grant sizes	US\$3,000 per VDC, US\$60,000 per CDC	US\$24,000 per VDC	US\$8,890 education and health, US\$2,358 for water
Choices of sectors	Unlimited	5 sectors: health, education, water and sanitation (watsan), roads and bridges	3 sectors: health, education and watsan
Gender	Quote for women on VDCs of 50 percent	Requirement for VDC president or vice president to be female	Encourage gender parity on committees and gender sensitivity overall, work with female leaders at ETD level (pilot), all-staff gender sensitivity training

## Mapping the transition

Tuungane is a case of an INGO program transition determined by a donor decision (in this case by DFID) to end program funding, resulting in IRC having to wind down activities within an agreed timeframe. Despite having little say in the decision to end the program, however, IRC and local communities were able to manage the process in a way that prioritized local ownership. In 2015, IRC was notified by DFID that no further extensions would be granted, signaling the end of the program and spurring Tuungane staff to develop an exit strategy.

### Tuungane's approach to transition

Despite the uncertainty of the program's exact end date, IRC had submitted a written exit strategy to DFID for phases T2 and T2+. It was clear in the minds of the management team

<sup>415</sup> DFID Project Completion Review, Tuungane, 2016.

and staff we interviewed that T2+ was the de facto exit phase, and programming changes were made accordingly. Senior international program staff explained in interviews that IRC undertook a deliberate shift between T2 and T2+, transitioning from “... a focus on created committees to actual structures that already exist within the DRC.”

This new direction resulted in several key changes under T2+, including:

- A shift in the overall focus of the program from democratic governance, socioeconomic recovery, and service delivery to the “... sustainability of good governance and service delivery improvements.”<sup>416</sup> While subtle, this shift represented an awareness that with no additional grants to provide directly to communities, the program needed to focus explicitly on longer-term sustainability.
- A change in modalities by moving beyond social accountability, gender, and inclusion tools toward capacity-building activities (including on how to create targeted advocacy strategies) and equipment purchases in preparation for the program’s end.
- A decrease in the size of available grants and a narrowing down of targeted sectors from five to three (education, health, and water and sanitation) in an effort to focus attention in the program’s final phase.
- A transfer of mandate, roles, and responsibilities from the VDCs, which were responsible for managing Tuungane grants, to existing education, health or water committees. This transition had been planned from the outset of the program.

It is important to note that while T2+ was the official exit phase of Tuungane, the program had already exited from many communities at that point. T2+, therefore, did not include all of the original communities that participated in T1 or T2.

As described by a Congolese Tuungane staff member, the approach to T2+ was about making the exit as sustainable as possible: “...sustainability was ensured by working closely with authorities and beneficiaries on how to lobby and advocate for themselves and to know what the authorities are supposed to provide for them. We worked a lot with service delivery agents as well. Before we did not really have those platforms where people could interact with authorities and to make sure that that was understood by everybody that was a strategy in itself.” We will return to sustainability in section 5 of this report.

In addition to the exit strategy implemented as part of T2+, IRC organized a series of lessons learned events with program stakeholders and participants. These included conferences and workshops at the local, provincial, and national level in DRC. The aim was to communicate lessons from the program’s lifespan to a wide group of stakeholders,

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<sup>416</sup> Ibid

including the DRC government, international donors, NGOs, civil society, and the media. A national Tuungane conference was held in June 2016 on lessons learned on social accountability, attended by other DFID implementing partners, the DRC government, Congolese civil society, and international organizations based in Ethiopia and Kenya doing social accountability work. Lessons from the Tuungane experience also informed several high-profile international workshop processes, including the Global Partnership for Social Accountability, consultations on the 2016 World Development Report, the 2016 Ethiopian Social Accountability Program National conference, and a workshop by the Overseas Development Institute (ODI) on CDR in fragile states.<sup>417</sup> This commitment to sharing lessons has raised Tuungane's profile as an influential CDD program.

## **Engagement with local stakeholders**

Successfully managing an eventual transition process, particularly for programs as large as Tuungane, requires strong engagement with local stakeholders from the moment activities start. As described by a senior stakeholder within IRC: "... the program was about more than infrastructure. It was about relationships."

Throughout Tuungane, the program emphasized local engagement, consultation, and joint decision-making, all core concepts of the CDD approach. As DFID noted in the program's Project Completion Review: "... the nature of CDR means that the program has been implemented both within and with communities. Accordingly, it had to navigate local realities including high levels of mistrust among people and between people and those who provide services, including international actors, a high potential for community-level conflict, and high levels of corruption and fraud. This required strong awareness, systems and structures for managing the risks of operating in eastern DRC."<sup>418</sup>

Tuungane's core decision-making process was driven from the outset by local communities via general assemblies and meetings in selected villages. During these meetings, communities decided which sectors to focus on from a list offered by IRC (choosing between, for example, health, education, or roads), with community leaders counting the number of votes for each sector to create a ranking of priorities.

A former staff member emphasized the importance of Tuungane being a different type of program from its inception: "It was an innovation in terms of implementing a project because we were always used to INGOs arriving and implementing a project that they already designed outside. But with Tuungane they had a project, yes, but the communities were choosing themselves what they wanted to implement in the area and they knew exactly how much money was available to them. That was something different for them

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<sup>417</sup> DFID Project Completion Review, Tuungane, 2016.

<sup>418</sup> Ibid

because no one had ever done that in the past.” One of the key outcomes was, therefore, that Tuungane introduced a new way of operating, creating in some cases a standard against which other INGOs seeking to operate in these communities might be measured.

In the spirit of maintaining strong relationships with local stakeholders, the program sought to work closely with chiefs in target villages, who in the absence of elected local officials are crucial to decision-making on issues of governance and resourcing. The main role of chiefs was to encourage citizens in communities to participate in general assembly meetings, as well as serving as an adviser to the VDC in the capacity of an honorary member. IRC initially required a minimum participation rate of 70 percent for meetings in order to ensure any vote was representative of the majority view, but this was later adjusted downward when lack of participation led to delays in implementation. In cases where Tuungane was unable to engage with village chiefs, who in some instances opposed the program, IRC staff targeted religious and civil society leaders instead. This helped bridge the gap between national/provincial-level approval for Tuungane – which had already been secured – and local-level endorsement.

A community chief interviewed for this study was complimentary of the relationship that developed, saying that “... when IRC first arrived in the province, they first met with the authorities at the provincial level and then met with all our territorial representatives, even the tribe chief of villages. And when they started implementation of the projects, they were working closely with the population. It was a collaborative relationship.” Another community leader also praised the relationship with IRC, highlighting the training received as part of the program and noting that IRC encouraged communities to contact other villages working in the same sectors. Laying the groundwork for this engagement early on was crucial to the success of future communications regarding the end of the program.

## Communication on the transition

IRC created communications plans for the first “community-level exits” of the program, that is, for communities that participated in T1 but were not included in T2. IRC recognized the importance of communicating the decision clearly and well, as former T1 communities might be in close proximity to communities selected for T2. There was a further reduction in the number of participating communities from T2 to T2+, due to the number of sectors being narrowed down. In a sense, a natural end point was reached once the grant money for a particular project had been spent, with infrastructure having been built and maintenance handed over to the authorities, in collaboration with communities. IRC held an end-of-program event with each community, also attended by

territorial authorities, marking the official handover of responsibility from the Tuungane VDCs.

Once DFID notified IRC that it would no longer be extending the program, IRC began communicating the program's definitive end to its staff and participating communities. Three to four months prior to the program's closure in June 2016, workshops were held at the national, provincial, and local level, with the aim of communicating the end of Tuungane to a wide audience, from community leaders to government authorities.

Former Congolese Tuungane staff members from IRC noted that the end of the program was not a surprise to them – it was clear from the outset that the program would be timebound. One former IRC staff member noted that all staff were “psychologically prepared” for the exit, having been given clear communications from the start. This enabled them to prepare communities for the end of T2+.

Similarly, communities were informed at the beginning of Tuungane that it would be a timebound project, as outlined in the partnership contracts held with each participating community. Despite this, the granting of two extensions over time created an expectation that Tuungane would continue to operate. Even when informed that T2+ would be the final phase of the program, several community members initially believed that it would nevertheless be extended for a third time.

We interviewed leaders of several communities that participated in Tuungane, who, while not necessarily a representative sample, confirmed that they were always aware of the program's time-limited nature and were not surprised when it came to an end. They also referenced the close-out workshops, noting the message of Tuungane staff that they hoped communities would continue with the work. Nevertheless, there was an inevitable sense of disappointment from communities that they would no longer receive direct grants to support infrastructure projects, particularly in a context of growing political crisis and further delays to the electoral timetable, especially at the local level. Given that the decision to end of the program was donor-driven, this was not something that IRC could directly address.

## Outcomes, impacts, and challenges

In order to assess the outcomes of a transition, we need a sense of what post-transition success looks like in terms of locally led development. This section outlines some of the shorter-term outcomes of the program exit, assesses the emerging story on impacts, and highlights challenges faced by IRC.

### Positive outcomes

It is difficult to fully capture all the outcomes associated with the exit process in a program as complex as Tuungane. Instead, captured below are some of the reactions to and perceptions of the end of the program from a selection of key stakeholders.

The overarching outcome in the logical framework (or logframe, a monitoring and evaluation tool) for T2 and T2+, the exit phase, was outlined as follows: “Communities and local levels of government are active agents of development within a governance system that effectively addresses their priorities.” Community leaders interviewed for this case study emphasized the accountability elements introduced as part of Tuungane, including those that had come about since the program came to an end. As a president of one of the Tuunganeera committees in South Kivu noted: “... besides bringing us the projects and helping us with peace, [Tuungane] also taught us a lot of things. We benefited from a lot of training from the project, for example improving accountability and transparency. They were at first saying Tuungane was a governance project – we asked what governance was. So they organized a lot of training. It was beneficial for us because it helped us know what our rights are and what were the obligations of our authorities and it reduced the fear in us because we were very fearful of authorities – we hardly questioned them even when we knew they were stealing money.”

In a similar vein, a village chief in South Kivu explained that his community feared holding the paramount chief to account over his handling of the village’s taxes. Since Tuungane ended, community members have been invited to participate in the preparation of the budget, something which had never happened before. Participating in Tuungane allowed the paramount chief to “... make his leadership better and bring him closer to the people.” The president of another community in South Kivu provided another example in relation to Church leaders. Prior to Tuungane, Church leaders had not been fully transparent about their finances, including how money that had been collected was going to be used. Now, the Church has introduced accountability and transparency as key principles of its work in this particular community.

The accounts we heard of improved social accountability in the final phases of the program were confirmed by the World Bank’s evaluation of T2, which “... performed

well on outcomes related to the relationship between villagers and service providers. We find evidence that service users and service providers are better informed about line ministries; there is more interaction between villagers and user committees and service providers and user committees; and villagers in Tuungane 2 areas are more positive about service provision and the actions of their local user committees.<sup>7419</sup>

Meanwhile, an external government stakeholder told us that "... in terms of strengths, the Tuungane model encouraged a culture of accountability and transparency which somewhat lasted upon project completion. For example, in Lubumbashi one of the chiefs of the ETD would be accompanied by a citizen delegate to withdraw money from the IRC account, even for purchasing any furniture. This was just to show that no money was being stolen. Everything was known by the communities."

Finally, community members reported gender as another area where significant outcomes were observed as the program wound down. A former IRC staff member noted that Tuungane had contributed to a "shift in mentality" when it came to the role of women in social accountability, enabling women to attend committee meetings by putting in place gender parity quotas.

Although this evidence is largely anecdotal (albeit backed up by external evaluations), such reflections provide valuable insights that might be applied to ongoing and future CDD programs, especially in conflict-affected areas and countries.

## **Sustainability of Tuungane: the story so far**

Although the program ended in 2016, in many ways it is still too soon to assess the long-term sustainability of Tuungane's end. With this caveat in mind, below we outline two of the program's most sustainable aspects, as highlighted by Tuungane stakeholders, participating communities, and evaluation reports.

- **Lasting service delivery infrastructure** As noted above, Tuungane's exit phase was used to hand over maintenance of any program-financed infrastructure to communities. There is evidence to show that this approach has led to sustainability via the creation of maintenance committees post-Tuungane. In one community in South Kivu, we were told that this committee uses the equipment it has received to conduct ongoing maintenance of the roads. Once a week, the committee organizes a community service day where community members work together to help fix the roads. While funding sources have been scarce since Tuungane ended, community members and village chiefs contribute small

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<sup>7419</sup> Laudati, A., Mvukiyehe, E., and van der Windt, P. 2018. "Participatory Development in Fragile and Conflict affected Contexts: An Impact Evaluation of the Tuungane 2 Program in the Democratic Republic of the Congo." *World Bank*. Accessible via: <https://bit.ly/2UVo761>

amounts of money to invest in wood, nails, and other material to help with the maintenance of local bridges. More important than the equipment itself were the wider benefits of communities coming together for the good of the entire village. A former IRC Tuungane staff member provided a similar example from another set of villages, which had previously received a grant of US\$24,000. The communities decided to come together after the program ended to establish a maintenance committee that would mobilize community members to contribute 200 Congolese francs per month to cover repairs over time. Another community reported using the same method to maintain water and sanitation infrastructure. However, this approach has worked less well for communities in more remote areas, especially those with high poverty levels.

- **Working within existing structures and systems** IRC recognized that – as opposed to the VDCs and CDCs, which were created under Tuungane – T2+ needed to work with local committees and structures already existent under the official Congolese legal and governmental structure. Some of the CDCs, which had already been phased out in T2, had attained a level of legitimacy that would allow them to continue to direct village-level affairs. However, without a grant to manage, their mandate was diminished. The approach in T2+ was therefore to work with existing committees in Tuungane's chosen sectors. For instance, in the education sector the program worked with parent committees, offering training in accountability and evaluation methods. A positive side effect of Tuungane was that the committee structures put in place served as a model for the government, which has adopted a similar model. According to a member of the World Bank evaluation team, Tuungane's work with local government authorities impressed on them the importance of using committees to manage local community funds, and several subsequent projects have adopted this approach. Indeed, one community that operated development committees under Tuungane was able to secure funding from the Fonds Social – a government-managed program funded by the World Bank – to build new classrooms and toilets.

## Emerging impacts

Given Tuungane's large budget and significance within DFID DRC's portfolio, several reviews and evaluations were commissioned during the lifetime of the program.

The first evaluation, led by Columbia University and published in 2012, focused on the VDC component of T1. Data collection took place between 2010 and 2011 using a randomized impact evaluation approach, with the outcome being that no evidence was found of Tuungane having had an effect on the program's stated goals of improving

economic and social outcomes. The evaluators did, however, find that “Tuungane was successful in implementing a large number of projects in the target areas, that the projects were in line with the preferences of the populations, and that the populations reported very high levels both of exposure to project activities and satisfaction with the outcomes of the project.”<sup>420</sup>

As this evaluation took place before the program had come to an end, and given it only looked at a single component of Tuungane, DFID commissioned the World Bank’s Development Impact Evaluation (DIME) group to conduct impact evaluations of all three phases of Tuungane. Taking on board the first evaluation’s findings and changes to implementation over time, the World Bank evaluations shifted focus from measuring local governance and social cohesion improvements (social outcomes more broadly) towards evaluating infrastructure and service provision, as well as long-run impacts.

The evaluation of T1 found that Tuungane successfully implemented a large number of projects across target communities, and the program was known by name to around 80 percent of the population area. Participation levels in the program were also high, with a large share of the population reporting having attended and voted at meetings. The evaluation also concluded: “The Tuungane 1 program performed well on outcomes related to activities that were directly under its control – namely improvements in the quality of infrastructure and to some extent on the presence of material and supplies – but appears to have had few downstream socioeconomic effects. This suggests that improvements in socio-economic infrastructure, in and of themselves, may not be sufficient to produce the desired impact.”

The shift in emphasis between T1 and T2 from service delivery infrastructure to broader accountability dynamics appears to have made a difference to the types of outcomes observed. The accounts we heard from communities of improved social accountability in the final phases of the program were confirmed by the World Bank’s evaluation of T2, which “... performed well on outcomes related to the relationship between villagers and service providers. We find evidence that service users and service providers are better informed about line ministries; there is more interaction between villagers and user committees and service providers and user committees; and villagers in Tuungane 2 areas are more positive about service provision and the actions of their local user committees.”<sup>421</sup>

The evaluations were conducted shortly after the closure of the program, and therefore it is too early to tell whether these initial impacts will endure or change over time.

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<sup>420</sup> Humphreys, M., Sanchez de la Sierra, R., and van der Windt, P. 2012. “Social and Economic Impacts of Tuungane: Final Report on the Effects of a Community Driven Reconstruction Program in Eastern Democratic Republic of Congo.” Columbia University. Accessible via: <https://bit.ly/33eFa7w>

<sup>421</sup> World Bank. 2018. “Tuungane 1 – Evaluation Final Report.”

Tuungane's sheer scale of ambition, as shown in this evaluation overview, means that it is challenging to capture.

## Challenges

As with any INGO program transition, IRC faced challenges in the winding down and eventual end of the program.

- **Communities felt the timeframe for the exit (and no longer receiving grants) was too short.** One unanticipated outcome of the program's end was that the handover to communities was not always straightforward. A community leader in South Kivu noted that despite his view that "... it's not for a project that is short term to fix things in our community," community members were disappointed when they were informed three months before the end of the program that funding would come to an end. Although Tuungane activities were always tied to grant cycles, the T2 extension raised community expectations about future funding. The reasons for wanting the program to continue went beyond the desire for additional financing: improving governance is an issue that requires sustained, long-term attention, especially in fragile contexts such as DRC. At the same time, it was appreciated that the remaining time in the program was used to conduct training and capacity building in areas related to governance. Another issue that arose was disagreement between IRC staff and committees on the best service providers to work with after Tuungane's end. While IRC was keen that villages consider service providers from outside of the community, in communities where this path was taken post-Tuungane, some projects remained unfinished due to external service providers proving too costly.
- **Randomized evaluations with data collection after the end of the program can potentially raise expectations.** As mentioned above, Tuungane has been a heavily evaluated program. One of the benefits of this is that such evaluations can help to inform program exit, as well as adding to the evidence base of what works in similar CDD or CDR programs. However, large-scale evaluations, particularly those relying on randomized methods, can also pose challenges when it comes to program exits. Given external evaluators are asking questions about which areas of the program were most and least effective, there is the potential for raising false expectations that communities or villages may receive new funding. Striking the appropriate balance between collecting robust, high-quality data and managing expectations in a respectful way can be challenging, but it is important to consider this question when designing evaluation approaches. At the time of Tuungane's closure, there was discussion about a potential follow-on program that would focus on collective action (working with civil society and

communities across the country) and systems strengthening (working directly with government institutions). As of mid 2019, a follow-on program has yet to be released, widening the gap between the official end of Tuungane and any further DFID-funded work in the area of CDD. In many ways this is understandable, given the shift toward addressing the growing humanitarian crisis in eastern DRC. The most sustainable option for CDD programs in the long-term is therefore for communities to use their own assets and resources to self-fund development. This, however, is easier said than done in a context such as the DRC, where poverty and instability are prevalent.

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## Key lessons

**Planning for transition is challenging in a context of a time-limited development program that may or may not be extended.**

While not knowing the program's exact end date prevented the writing of a detailed exit strategy, IRC was nevertheless able to use the final phase of the program as de facto exit planning, building on earlier programmatic shifts. Ideally, and regardless of the duration of a program, INGOs should put in place some form of exit strategy that can be finalized when program closure is decided.

**In highly participatory, community-driven programs, not having a say in the decision to end the program can cause tension.**

One of the challenges INGOs face when a CDD program winds down is precisely the fact that it has hitherto been led by community priorities. The decision by an international donor to end a program (for whatever reason) is not community-driven, nor is the way in which the exit is communicated (that is, from the donor to the INGO, and from the INGO to the communities). This speaks to a wider issue about potential tension between locally led development and donor-driven decision-making processes, something it is important to acknowledge as early as possible in the program.

Disappointment over decisions to end CDD programs, especially those that disburse sizable grants, is largely inevitable, as they provide communities with resources they often lack from government sources. What donors and INGOs can do is work together to prepare considered and careful messaging about any extensions, as well as the eventual program exit, creating space for community members to voice any concerns about this process. By extension, it is crucial to establish robust local engagement processes at the outset of a program, not just when it is coming to an end. Thus, CDD programs similar to Tuungane should focus on creating social capital within groups (for instance at the

village level) and between groups (as occurred through the CDCs), to ensure the coming to terms of a program's exit is more of a shared process

DFID itself has recognized that a greater emphasis on local ownership is important when designing CDD-type programs, with its Tuungane Project Completion Review noting: "Tuungane delivery was heavily resourced and staffed: in effect, Tuungane represented a non-state structure which reached right down to the village level, almost dwarfing existing local government structures. This provided significant benefits in terms of the programme's responsiveness and delivery capacity, but also created some perverse incentives and costs by not working through existing structures. At the same time, working through Congolese systems proved difficult because of the high risks in using these. This raises questions about the balance between risk and value for end beneficiaries. To improve the sustainability of future 'Tuungane-type' programmes, DFID should consider doing more to build local capacities, finding innovative ways to manage higher risks resulting from this (for example through innovative third party monitoring)."

**Processes and practices, such as accountability mechanisms, often last longer than infrastructure.**

Tuungane's central aspect was the provision of grants – based on agreed priorities – to community-led committees to build infrastructure such as classrooms, latrines, health facilities, and roads. The "softer" side of Tuungane, however, was about rebuilding social fabric eroded as a result of conflict and political instability. Communities expressed that through and as a result of Tuungane they were more informed about the responsibilities of local service providers, and thus better able to hold them to account. This has, in many instances, improved relationships between community members and their leaders. Since Tuungane ended, many of these processes and practices have endured at the community level. The lesson here is that while building service delivery infrastructure is a core part of locally led development, less tangible elements – such as reinforcing existing social accountability mechanisms – can be equally important, especially in the medium- to long-term.

**Where feasible, transition funding for communities to continue activities beyond a program's exit could help mitigate the cliff-edge.**

Former Tuungane staff and participating community members spoke of the challenge of funding coming to an end within a few months of program closure being formally announced. According to a former IRC staff member, the Tuungane projects would have been more sustainable if a small amount of funding was allocated to communities in preparation for the: "One of the shortfalls of Tuungane is that these projects were short term and all the structures created were short term. I think what IRC should have

done was to introduce income-generating activities to prepare the communities to be autonomous once the projects stopped.”

While hope was expressed that program activities would continue using other funding sources, communities noted that transitional funding for use after the program ended would have been very helpful. Equipment was left in villages for future use, but communities often struggled to raise money for maintenance costs, especially in poorer areas. This may have been compounded by the fact that although the number of sectors was narrowed down throughout the program, communities continued to outline a large number of priority activities, making program closure more noticeable.

We do, though, acknowledge the difficulty of transition funding within the context of traditional donor programming, with bilateral donors such as DFID facing constraints regarding their ability to disburse funds outside of a contracted program. In lieu of additional grant finance, our interviewees suggested focusing on income-generating activities in future programs, thereby enabling communities to fund their own service delivery priorities in the absence of external sources.

## Chapter 19

# ActionAid Association Transition from ActionAid International, India

By Kiely Barnard-Webster and Kshiti Gala

### Acronyms

AAA	ActionAid Association
AAI	ActionAid International
CBO	Community Based Organizations
CSO	Civil Society Organization
INGO	International Non-Governmental Organization
NGO	Non-Governmental Organization
SAS	Stopping As Success

### Type of Transition

This case study is an example of a transition from an INGO to a national entity –in this case, the transition from INGO ActionAid International to the fully Indian entity, ActionAid Association.

## Introduction

This case study outlines the transition of ActionAid International (AAI) to ActionAid Association (AAA), an Indian organization. The report focuses on how AAA applied its organizational mission and values to the transition, particularly through internal and external messaging. In doing so, it builds on Sherine Jayawickrama's 2012 report<sup>422</sup> documenting ActionAid's systems and processes for transitioning its governance framework, starting in 2003.

This case describes the organization's "internationalization" agenda prior to the establishment of AAA. This agenda noted the demand for INGOs to be more accountable at the national level so, rather than "exit," the focus was on setting up transparent national governance processes.

The report was written based on an analysis of relevant publicly available research, interview notes, lessons drawn from a 2017 online consultation led by Stopping As Success, and a thorough literature review published by Stopping As Success in 2018. The Stopping As Success consortium also fed into initial findings following fieldwork in India, and has remained engaged in analyzing lessons from each of the case studies in this collaborative learning project.

This case was produced using qualitative methods, through a series of semi-structured key informant interviews. AAA staff and several external experts familiar with the organization's transition contributed to discussions. External experts with knowledge of the country's civil society context were also interviewed.

In total, seven semi-structured key informant interviews were conducted in Delhi, Mumbai, and remotely with individuals at the local, national, and international level. The interviewees were, first, people who had managed the organization during transition or immediately afterwards; and, second, people who had worked at the organization during the transition phase. Given the small scope of the case study, government partners, donors, and program participants were not contacted for case research. The team also interviewed external experts with knowledge of the country's civil society context.

<sup>422</sup> Jayawickrama, S. 2012. "Diversifying Membership and Building Inclusion in Governance: Lessons from Plan International's Experience," Cambridge: Harvard Kennedy School, p. 13. Accessible via: <https://bit.ly/3fuEBv8>

## Context

India's constitution mandates that the government work toward a sovereign, socialist, secular, democratic republic, upholding the fundamental rights of its citizens. Following independence, the state could not initially reach many of its most marginalized citizens living in remote rural areas, resulting in civil society taking on a crucial role in enabling and implementing last-mile delivery of development programs and services. Over the years, while the state has increased its outreach to remote areas, it is still not extensive. Hence, the state and civil society continue to work in synergy, complementing each other's needs. At the same time, however, civil society has often challenged and critiqued the government's policies and programs.

NGOs and community-based organizations (CBOs) that work with government, the political leadership, and other stakeholders find it easier to function in India's current development financing landscape. Environmental and rights-based advocacy work can be challenging, with organizations focused on these areas often facing difficulties working and raising funds either locally or from international agencies. Recent developments concerning Greenpeace India<sup>423</sup> and Amnesty India<sup>424</sup> are illustrative in this regard.

Collectively, civil society has succeeded in bringing about important legislative change in India, especially during the last two decades. One example is the strong grassroots movement that led to the formulation of the Right to Information Act in 2005. This landmark act has meant greater accountability and transparency from the Indian government, especially regarding public information and finances. As noted in an interview with an ActionAid staff member: "Progress will not happen only because civil society exists. Progress will happen only if civil society is successfully able to bring about legislative changes and set the national agenda."

Global foreign assistance to India has declined significantly<sup>4</sup> since the latest amendment to the Foreign Contribution Regulation Act in 2010, which limited and placed greater restrictions on such assistance. Given this, Indian organizations have increasingly sought support from private companies via their corporate social responsibility policies<sup>425</sup> and high net-worth individuals. This shift in funding sources became apparent during data collection for this case study, with those working in the development and peacebuilding sectors seemingly having shifted how they think about funding sources. One high-net worth individual interviewee commented: "I don't even think of foreign funding

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<sup>423</sup> Dhara, T. 2019. "Greenpeace India May Be Forced to Halve Staff, Operations Amid Government Crackdown." *The Caravan*. Accessible via: <https://bit.ly/3fvbZBH>

<sup>424</sup> Das, K. N. 2018. "Amnesty India Says Raid, Frozen Accounts Aimed at Silencing Government Critics." *Reuters*. Accessible via: <https://reut.rs/2J5xSfu>

<sup>425</sup> India's Corporate Social Responsibility Act, 2013, states that all companies falling under the legislation "... shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy."

anymore.” As a result, a new model has begun to take hold in the public sector. In effect, Indian companies are acting as “channelers” to local organizations: “They channel money because they have relationships with the government. It’s now making more sense to be in a resource provider role given this model that’s happening. They find the CSOs doing really good work.”

Kshiti Gala, Stopping As Success research partner, describes the situation as follows: “INGOs know and are good at sharing information networks, providing financial and other resources. What INGOs do not know is the lived realities of people for whom they design development programs. It is best for INGOs to leave developmental planning to local actors. For example, channeling funds to credible local CSOs in India that have built long-term relationships with the Indian government and local communities. These can deliver programmatic impact in a way that USAID and others cannot achieve. Leave development planning and implementation to local actors and facilitate progress by providing resources.”

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## Mapping the transition

AAI tackles poverty and injustice globally. The organization’s commitment to addressing inequality was an early influence on the organization’s decision to transition and devolve power. The shift from AAI to AAA, a local Indian entity, embodies the organization’s values of equality and transparency: “... the people whose lives our work affects should decide how we’re run.”

ActionAid has been working with India’s poor since 1972, and by the time of the organization’s transition to an international federation in 2003, staff, according to an interviewee, “... felt we couldn’t do what we wanted to by staying who we were.” This sentiment was indicative of wider changes taking place organizationally. Thus, ActionAid embarked on a process that became known as its “internationalization” journey. A 2012 report on ActionAid’s transition from international to national noted that “... the ethic of internationalization has become a point of pride at ActionAid.”<sup>426</sup> The description of ActionAid’s structure on its website reads: “Rather than emphasize the divide between rich countries which raise funds and poorer ones which spend them, we choose to recognize the more complex modern reality, and strive to work together in a spirit of equality, democracy and accountability.” The organization is also proud to note it was the first large INGO to physically and symbolically relocate its headquarters from Europe to South Africa, signaling a shift in governance and decision-making power toward the Global South.

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<sup>426</sup> ActionAid International website, Spring 2019. [www.actionaid.org](http://www.actionaid.org)

On 5 October 2006, the legal aspect of the transition was completed, with ActionAid Association, an Indian organization, being registered under the Societies Act of 1860 (an act governing the registration of Indian charitable societies). Similar to most INGOs, AAA is governed by an independent general assembly and an independent national governing board.

Though AAA is still a member of the AAI federation, and in many ways did not experience a significant amount of operational transition in 2003, its staff and leadership feel the national NGO is distinctly independent from the larger organization. As one interviewee commented: “The transition was thought-through and well managed. There was no conflict of interest and a memorandum of understanding was signed between AAI and AAA.” Another added: “ActionAid International always had a hands-off approach so even through the transition, some things have changed but many have remained the same.”

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## Key lessons

**It is worthwhile for INGOs to consider a transition in their overall partnership approach role when assessing their mission and relevance.** This is in addition to any project or country office transition. AAI found this to be an important distinction during the “internationalization” process. Given civil society (including global civil society, not just “local” civil society) is crucial for states to succeed and – as noted by an AAA senior staff member – “will always be needed,” staff felt a shift in the overall partnership between AAI and AAA was both necessary and strategic. This enabled ongoing support to the newly registered Indian entity.

**Strengthening civil society and people’s movements can be enabled by further decentralization, even within a local entity.** After AAA was registered, significant strategic visioning was still required to determine how best to support locally led development at the community level. For this reason, AAA has continued to decentralize its staff and projects within India. As noted by an AAA senior staff member: “A balance of power is crucial within any organization.” AAA’s work is spread across 25 states and one union territory, and is carried out through 14 regional and field offices rather than being centralized at the headquarters in Delhi. AAA’s interventions take place in 317 districts,<sup>427</sup> with over 252 grassroots partners referred to as alliance organizations. This decentralized structure places decision-making at the state, district, and local level, in the hands of staff who are also originally from these areas. AAA feels that a decentralized approach is true to the spirit of democracy and is the best way of supporting citizens’ movements,

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<sup>427</sup> A district is an administrative division of an Indian state or union territory. As of 2019, there are a total of 725 districts in India

community initiatives, and state-level NGOs. This, in its view, most accurately represents an inclusive model of locally led development work in India. AAA designs projects at a community level, allowing its work to be driven by the values of social, ecological, and gender justice espoused by these communities.

**A strong and inclusive board can be critical during a transition.** This was certainly the case with AAA's transition, which involved a board with 100 percent Indian representation. A senior AAA staff member noted that "... it's the spirit of democracy they inculcate at that level that flows through the entire organization." AAA's board not only supports and mentors, but also challenges and questions organizational decisions, providing constructive suggestions. It incorporates representation from various sections of society, including different genders, those from marginalized communities, people from diverse religions, and differently abled people. As noted by a senior AAA staff member: "You cannot challenge externally, until you imbibe the same values internally."

**Feedback from all stakeholders during a transition process can enhance perceptions of local ownership.** Feedback from communities, staff, and partners is still used today by AAA's leadership during strategic planning processes. The process of formulating AAA's five-year strategy is a case in point of the organization's bottom-up, inclusive approach toward agenda setting, with a senior staff member noting: "Hiring a consultant to come in and write a strategy is the death of a strategy." Strategic planning is an extensive and thorough process in which regional offices articulate local agendas based on community consultations. A rigorous internal and external review takes place, with subject experts consulted on the feasibility of the strategy. Hence, the strategy is not a document imposed from above, but rather an agenda that evolves from the community and staff of AAA.

A senior AAA staff member elaborated on the process as follows: "Our strategy is bottom up. First, we look at our previous five-year agenda, then we check if government policies exist in this agenda and if they don't then we do a lot of campaigning for the needed policy changes. For example, in dealing with the critical issue of droughts in Maharashtra, we have done a lot of community consultations and subsequently trained people. We find experts who have subject knowledge, they visit the field and then the experts make a report. We believe in expanding and improving existing programs. For example, agriculture and gender-justice programs are converged, and interesting initiatives are developed focusing on women-led agriculture."

**Supporting locally led development does not necessarily mean supporting CSOs, CBOs, and NGOs.** Often, locally led development can be achieved by supporting existing people's movements and collectives. This can be done, for example, by taking the message of a movement and using ActionAid networks to amplify this message

(locally, regionally, or even globally) in order to direct attention to relevant issues. AAA supports, among others, various farmers' movements, trade unions, tribal community collectives, Muslim women's groups, urban informal sector workers, construction worker trade unions, and migrant laborers. In AAA's experience, strengthening these movements has often catalyzed change. This is because NGOs may not always truly represent marginalized sections of society.

**A successful transition is not simply a technical or programmatic exercise, with a start and end date.** Rather, for AAA, the commitment to a transition of power should be something continuously strived toward within the organization. As a senior staff member explained: "The transition is a technical term which does not mean much. It is the thought that is powerful." Thus, more than a technical process, it is an organic process that must imbibe the organization's strategy and functioning, with a senior staff member noting: "The transition means that we have to reach out to people in a rooted, organic way, in a large strata of society, with whom we share our mission and vision."

**A decentralized structure may be a useful model for INGOs and NGOs to consider.** A senior staff member at AAA described in detail why this might be the case: "Federalism [or decentralization] is such an important part of AA globally. It is said that democracies are mainly meant for the minorities. In a democracy, the rights and freedoms of the minorities ought to be protected. A federal structure allows for independent thought and no one country or person can dictate how AA functions at a global and national level. A federal structure ensures for greater voice and agency from local countries. I would say that AA International and AA India share a lot (for example on funding, resources, and issue-based campaigns) but the transition has ensured that the umbilical cord has been cut."

**Complementing, rather than duplicating, ongoing government initiatives that enhance citizen's rights can support state systems while also promoting an organization's vision.** As a senior staff member at AAA observed: "Don't duplicate the government's work because restoring and ensuring fundamental rights is the responsibility of the state. We need to help the state to delegate their mandate instead of taking up responsibilities assigned to them. If we start doing all the work, then, why do we need the state and what will the state do?"



# Conclusion and Appendix

# Conclusion

For those of you who have made it to the conclusion of What Transformation Takes, thank you for being on this journey. We hope you are equally energized, inspired and challenged by the case studies. The inherent value of each case is both for its contribution to global learning, and for the analysis opportunity they offered participating organizations. Together, this data, analysis, and the stories within also contribute to a growing body of evidence on how INGO transitions can support a locally led development sector when INGOs transfer responsibility, ownership, resources and power to local partners. Additionally, these cases exemplify that stopping as success can be a reality when transitions lead to new forms of partnerships that support continued collaboration and solidarity between INGOs and local organizations post-transition.<sup>428</sup> In this way, they represent examples of how transformation, rather than just transition, is within reach for people and development institutions worldwide.

Across the cases, the ‘recipe’ for success has varied across each organization and context and in most cases evolved over the course of a transition. However, common features of a successful transition process are clear; they address both technical and procedural aspects of transitions while giving significant attention to relational and partnership-based features. The ‘how’ matters. While Partnerships, Capacity Development, Leaders and Champions, Financial Sustainability, and Communication are important elements, a procedurally perfect transition that does not address fundamental issues of power and legitimacy is incomplete.<sup>429</sup> Notable, power and legitimacy is a cross-cutting theme throughout this volume and is reflected in every case study.

While the calls for locally led development are growing louder from more corners of the aid system, there are still critical power imbalances between INGOs and local partners. And, at times, these imbalances also cause fissures among local organizations with different experiences of INGO partnerships. This further highlights how responsible transition processes must take a systems lens to consider the wider context, not only the dynamics within partnerships.

Throughout the Stopping As Success program and in the aid system more broadly, there is a rich conversation about how ‘local’ an entity that transitions away from an INGO can truly be. Indeed, there are documented and ever present potential negative impacts that establishing a new local entity through a transition can have on pre-existing local dynamics and actors. Largely due to their prior relationships with external and national actors, newly established organizations are often afforded higher visibility and legitimacy

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<sup>428</sup> Martins, A. 2020. “Case Study Synthesis Report.”*Stopping As Success: Transitioning to Locally Led Development*. Accessible via: <https://www.stoppingassuccess.org/synthesis/>

<sup>429</sup> Ibid

among funders and can thus have greater access to financial and other resources. As such, smaller, local organizations with less visibility outside of their communities inevitably face disadvantages for resource opportunities and are at risk of being ‘crowded out’ of the local development space.

Acknowledging and mitigating these dynamics are a practical application of INGO commitments to do no harm when transitioning out of a context and a local entity is being established. Due to the positive deviance nature of the SAS program methodology, many of the case studies in this volume feature new local entities established to fill a gap left by an INGO departure. Other cases exemplify organizations that shifted programming based on local priorities and the ability to set the agenda due to being a locally-led organization.<sup>430</sup> The SAS program’s objective is that these successful cases serve as a model for how transitions can contribute to locally led development and ultimately “transformative transitions”.<sup>431</sup>

In this light, What Transformation Takes is indeed a stepping stone. This volume, and the Stopping As Success program as a whole, considers some of the many approaches of transitions to locally led development and their impact. More work is needed to understand, advocate for, and enact responsible transitions on a deeper and wider-reaching scale. The wider body of SAS products highlights specific actions by specific actors in the aid system, as well as areas for further learning.<sup>432</sup> For the opportunity that stands in front of us, the SAS consortium organizations are energized by the idea that readers are continuing in their commitment to shifting power, and that the learnings presented further encourage authentically partnering with people living across the globe to ensure sustainable, equitable, and impactful development.

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430 Martins, A. 2020. “Case Study Synthesis Report.”*Stopping As Success: Transitioning to Locally Led Development*. Accessible via: <https://www.stoppingassuccess.org/synthesis/>

431 This is a quote that emerged from the SAS closeout workshop in February 2020.

432 For more information, see *Stopping As Success: Transitioning to Locally Led Development*. Resource Library. Accessible via <https://www.stoppingassuccess.org/resources/>

“

Transition is the process, but transformation is the outcome. It's a journey of discovery - there are moments on mountaintops and moments when you feel frightened, messed up, knocked down, but it's the best work you'll ever do.

KETI GETIASHVILI, BOARD MEMBER AND HEAD OF  
DEVELOPMENT AND EXTERNAL RELATIONS FOR BRIDGE -  
INNOVATION AND DEVELOPMENT

# Appendix

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## Project Methodology

The Stopping As Success project aimed to address the overarching question: How can INGOs, NGOs, CSOs and donors transition responsibility in order to foster locally led development? To answer this question, we focused on two primary elements

- 1) INGO transitions; and
- 2) outcomes of the transition and its effects on local entities involved in the transition.

The Stopping As Success consortium chose not to establish an objective definition of ‘successful transitions’ for the project to allow for the use of flexible, diverse and locally led definitions according to each context. The precise meaning of ‘success’ is unique to each case study and reflects what local actors feel best represents their experience of success. As such, ‘success’ should be broadly interpreted as ‘transitions that result in a positive outcome as defined by local communities.’

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## Stopping As Success project approach

The SAS project employed a qualitative case study design using a “collaborative learning approach”. Collaborative learning takes an iterative approach of “looping” back through the evidence gathering and analysis phases to ensure findings are well-informed, reflective of local realities and useful for those who might engage with the final materials produced through the work. The project had five primary phases:

### **1. Desk research: a review of literature, policy and practice**

At the start of the Stopping As Success, the consortium conducted a desk review of relevant literature and information to inform the overall methodology, research questions and framing of key lines of inquiry for the Stopping As Success project. The review included analysis of academic and grey literature as well as key informant interviews with practitioners who had direct experience with aid transitions. This process allowed the consortium to identify various current perspectives regarding what “responsible” and “successful” transitions required.<sup>433</sup>

### **2. Online consultation: “aid exits and locally led development”**

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<sup>433</sup> The published literature review can be accessed at <https://bit.ly/2J7beD1>

Building on the knowledge developed through the desk review, the Stopping As Success consortium convened an online consultation to begin initial discussion on the topic of INGO transitions and locally led development. From 3 to 6 October 2017, 95 participants working in over 40 countries engaged and responded to prompts organized around daily themes such as: power dynamics; the role of local actors; and capacity building and sustainability. A report which discusses the findings of this consultation was published and these insights were used to inform the following phases of the Stopping As Success project.

### **3. Case studies**

The case study phase of Stopping As Success formed the most substantial aspect of the project. Over the course of two years, the consortium documented the experiences and results of different transitions between INGOs and local entities. In all, 20 separate case studies were conducted across 13 countries.

#### **Case study identification**

The Stopping As Success project conducted 20 case studies in 13 different countries: Bosnia and Herzegovina, Colombia, Republic of Georgia, Kenya, Morocco, the Philippines, the Democratic Republic of Congo, Thailand, Bangladesh, Burundi, India, Guatemala, and Timor-Leste.

To identify case potential case studies, an open call was disseminated online, through various networks, and in-person through local contacts. Upon compiling a tentative list of both specific organizations for case studies and of the potential country focuses, the consortium selected final options based on geographic diversity, sectoral diversity (health, micro-finance, gender equality, governance, peacebuilding, etc.) and the types of transitions reported. Furthermore, only cases of ‘positive deviance’, or in other words ‘successful transitions’, were selected for the activity. By focusing on successful transitions, Stopping As Success aimed to provide examples where transitions were done well in order to learn what went right and why. Challenges within the transitions were reported within the case studies, however the outcome of each case was considered successful by the participants and no ‘negative cases’ were examined.

## **Case study methodology**

The case study process employed a qualitative case study design, including desk review of relevant documents (public reports and grey literature such as strategic plans and protocols), key informant interviews and focus group discussions. Where relevant or possible, observation of transition related meetings with partners (in one examination of a real-time transition) were also conducted. Data collection and analysis was conducted by Stopping As Success consortium members and local research partners.

The amount of resources available for evidence-gathering and the amount of evidence itself varied from case to case. Therefore, case studies vary in length and depth, loosely categorized into “maxi”, “midi”, and “mini” case studies. However, each case study features the following six focus areas:

1. Context overview (historically informed)
2. Analysis of recent trends in aid
3. Background and description of the transition
4. Motivations and triggers for the transition
5. Description of the transition process
6. Outcomes and impacts of the transition.

## **Data analysis**

Document review, key informant interviews and focus group discussions formed the basis for all cases and allowed for data triangulation within a case study, thus increasing the credibility of our findings. Each individual case study represents the views and perspectives of a variety of people interviewed at the time of the visit along with historical background. Broad generalizations about the project’s findings cannot be made from a single case study.

## **4. Regional evidence review meetings**

Throughout the project, the Stopping As Success consortium facilitated regional evidence review meetings to conduct collaborative analysis of both case study developments and the overarching themes of the project, as well as solicit feedback on the tools/ resources being produced. The joint analysis and feedback informed the project and allowed the Stopping As Success team to adapt further iterations of the research in order to better reflect the lived experience of participants. Meetings took place in Nairobi, Kenya; Bangkok, Thailand; and Washington D.C., USA, and participants included local and international development and peacebuilding practitioners, donor staff, and researchers focusing on aid effectiveness, local ownership and exit and transition strategies.

This step in the collaborative learning process was critical to generating findings, recommendations, and practical tools that were grounded in broader experience and contain both generalizable lessons and context-specific examples.

## **5. Tool/resource development**

In the final year of the project, the Stopping As Success team developed 20+ tools and resources based off of the feedback from regional evidence review meeting participants and consultations with other stakeholders. The consortium developed a series of issue papers (analyzing key themes emerging from the cases), thought pieces and practical guidelines to support INGO, NGO/CSO and donor staff planning for or going through a transition.

Three case study review meetings were organized where Stopping As Success program team members identified cross-cutting themes of the case studies. These themes were organized into four issue papers (capacity development, leaders/champions, financial sustainability, and communicating transitions). The themes also helped the consortium develop the tools and resources relevant to various aspects of transitions, both technical and political, including partnership and power and legitimacy.

The third and final year of Stopping As Success was dedicated to developing thought pieces and practical guidelines to support responsible transitions. The concept for the thought pieces, which are essentially condensed versions of issue papers, was created in partnership with Bangkok regional evidence review participants and other stakeholders. Drafts of the resources were shared with the Nairobi regional evidence review participants in order for the Stopping As Success consortium to make the resources more practical for INGO, NGO/CSO, and donor staff working on transitions. The tools and resources are considered to be ‘living’ documents, and the Stopping As Success consortium intends on informing further iterations of the resources through informal user feedback and through a piloting phase.

## **6. Synthesis**

Following the finalization of the case study process, the 20 case studies were cross analyzed to develop a synthesis of lessons across the project. The synthesis was developed by coding the key findings from each case study and using Dedoose to perform a qualitative analysis of recurring themes and findings. The synthesis report is the main document which summarizes lessons learned and practical insights for international and local actors about sustaining partnerships post-transition.

## Limitations of the project

Overall, the Stopping As Success project aims to provide practitioners and stakeholders with positive and inspirational examples of how to support locally led development before, during, and after transitions. In light of this, the methods used for the project were meant to provide insight into the approaches and actions available to stakeholders planning for or undertaking a transition, rather than provide a rigorous analysis of the necessary or sufficient conditions for successful transitions. It is important to view this project as a collaborative learning activity. As such, there are a number of potential limitations to keep in mind for stakeholders wishing to operationalize the findings from this project:

- The focus of the Stopping As Success project was on the development and peacebuilding sectors specifically. We intentionally excluded humanitarian INGO exits and humanitarian localization efforts from this inquiry due to the differing political, operational and institutional contexts in which such exits or transitions take place.
- The lessons learned are drawn exclusively from cases analyzed by Stopping As Success. Since the case studies are not a representative sample of all INGO transitions, the lessons learned should be interpreted as insights drawn from a specific selection of findings that focus on responsible transitions.
- Stopping As Success did not evaluate or assess whether specific transition approaches or models were more effective than others; rather, the ‘lessons learned’ focus on the positive aspects of each case study transition.

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## Research ethics: addressing assumptions and biases

The Stopping As Success consortium aimed to conduct best practice in research ethics throughout each stage of the project. At the center of the work was a recognition of the assumptions, biases, positionality, and the impact of researcher(s) on the research process and subsequent data analysis and interpretation of findings. In order to address the inherent biases, the Stopping As Success team explicitly acknowledged them in data collection and analysis processes. Where possible, the team partnered with local researchers for data collection, analysis and write up stages. Additionally, the Stopping As Success team ensured INGOs and local entities whose experiences are highlighted in the case studies were provided the opportunity to review and provide input before case studies were finalized.

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## **What Transformation Takes: Evidence of Responsible INGO Transitions to Locally Led Development Around the World**

The relationships among local and global organizations in international development are complex and layered, particularly in moments of change. Critiques within the “localization agenda” rightly highlight significant limitations of the international development paradigm, as well as opportunities. On the one hand, international development efforts can inadvertently undermine the work of local development actors as well as development processes more broadly. On the other hand, there is opportunity in the growing movement to shift more power and resources in international development towards people leading and operating within their own contexts. It is well understood that such shifts in leadership involve reorienting relationships among international and local partners. And, ‘the how’ matters. Examples of mutually agreed upon transition strategies and collaborative decision-making processes that have positive results for local leadership are rare. Learning with the people and organizations experiencing these fundamental shifts in power and relationships illuminate how they can be responsible, effective, and transformative for the organizations involved and the ultimate goals of development.

The 19 case studies included in What Transformation Takes invite readers on a journey around the world to examine diverse processes of responsible leadership transitions from international non-governmental organizations to locally led entities. Pursuing these rich experiences was a multi-year process and the foundational learning of the Stopping As Success (SAS) program, coordinated by Peace Direct, CDA Collaborative Learning, and Search for Common Ground, with support from the US Agency for International Development. The case studies are organized by theme, with additional insight from the Stopping As Success program, including practical lessons for how shifts in international development paradigms can lead to more sustainable, effective and culture- and conflict-sensitive partnerships, contributing to increased local leadership.

To access individual case studies and Stopping As Success resources, tools, and other guidance documents for practitioners, funding partners, and policy makers alike, please see the website: [www.stoppingassuccess.org](http://www.stoppingassuccess.org).

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