Learning Paper

What's it like to be on the receiving end of exit? A partner and country office view

Produced on behalf of the PPA Partnership Approaches Learning Group

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About Bond and the PPA Learning Partnership

Bond is the civil society network for global change. We bring people together to make the international development sector more effective. Find out more at www.bond.org.uk.

The Partnerships Approaches Learning Group was set up through the PPA Learning Partnerships in 2014. It aims to develop learning and evidence, and encourage changes in organisational thinking, policy and practice, to strengthen partnership approaches and promote institutional effectiveness. With the PPAs coming to an end, all Learning Groups were brought under the umbrella of Bond groups in April 2016 where Bond provides practical advice and support to group chairs. This Learning Paper was produced as a result of a joint selection process of the Learning Partnership Steering Committee and Bond.

About the authors

This report was written by Sarah Lewis (INTRAC) with Ashokan Selliah, Dr Kapila Edussuriya, Gerhard Buttner, Hanitra Raharimanana and Yvonne Orengo, on behalf of the PPA Partnership Approaches Learning Group. Funding for the paper was provided by the PPA Steering Committee. The views expressed are those of the authors.

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Introduction

What's it like to be on the receiving end of exit? This paper tells the story from partners and country offices that have lived through exit and transition. It provides rich insights into how stakeholders in country handle the process; and lists their recommendations to INGOs and donors on phasing out.

Since 2011, INTRAC has been working on aid withdrawal and exit processes as part of a wider programme of work on civil society sustainability. We have supported INGOs to design and manage exit strategies and critically reflect on their practice. Understanding how local civil society partners and country offices experience withdrawal from partnerships, projects and programmes is crucial to improving exit strategies and planning for sustainability; yet these voices are often absent in debates. There is a significant gap in the evidence available about the experience of national level organisations and country offices when funding ends.

In 2016, the PPA Partnership Approaches Learning Group held calls on NGOs, partnership and exit strategies, and the longer-term impact of exit. In these calls, organisations including CWISH Nepal shared experiences of exit processes at the country level.

This paper builds on these calls by bringing together valuable stories from individuals that have been through exit and transitions by different funders, in varying timescales and in diverse contexts. We hear examples from:

> *"Phasing is important - quick fixes or short cuts damage relationships and legacies with partners."*
>
> - *Gerhard Buttner, Christian Aid*

- Gerhard Buttner, a Programme Officer, on his experience of Christian Aid's phase out from its Peru country programme;
- Mirella Gallardo, former Programme Coordinator at Christian Aid partner ETC Andes, on the exit process;
- Eutropia Medina, Director of Huñuq Mayu, on how the organisation was able to take its sustainability plan forward after Christian Aid's departure from Peru;
- Selliah Ashokan, former Finance and Support Services Manager, on Sightsavers' exit from Sri Lanka;
- Dr Kapila Edussuriya, a former partner of Sightsavers in Sri Lanka, on how a Low Vision programme has been sustained in the 12 months since exit;
- Hanitra Raharimanana, Director of Andry Lalana Tohana Madagascar, and Yvonne Orengo, Director of Andrew Lees Trust UK, on their experience of transitioning from a small INGO to a very small local NGO.

The authors discuss their understanding of the reason for the exit, what went well, and the challenges they faced. They also share their learning and views on how they believe INGOs and donors should plan for exit and sustainability in the future.

The paper contributes to the evidence on exit from the country perspective, and provides useful guidance for other organisations planning, going through or assessing exit.

Searching for examples

Gathering stories from those in country was a valuable learning exercise in itself. We put out a call for case studies via the PPA Partnership Approaches Learning Group and approached organisations in INTRAC's network that we know have experience in this area. While organisations did respond with interesting examples, getting beyond those responsible for designing exit strategies and reaching partners directly was quite challenging.

Organisations went out of their way to facilitate the process, including by translating or writing up testimonies from former partners. However, some organisations at Head Office level were cautious of us speaking to former partners too soon after exit, feeling it was too raw and wary of raising expectations that they would re-enter the partnership. Others could not reach former partners as staff had moved on or left the country and they did not have their contact details.

Some organisations had documented learning from the exit process, while for others this paper was the first time that they had undertaken this process. Finding space to delve back into emails and records, and write up the experience was difficult. Finally, the security situation prevented one former partner of a large UK-based INGO from speaking to us.

Organisations that have attempted to carry out post-closure evaluations have mentioned many of these issues before (INTRAC 2016). Yet they do raise questions about how we can overcome some of these barriers to understand the consequences of exit for country offices and local civil society partners (Valuing Voices 2016).

Stories

Phasing out Christian Aid's Peru Programme

By Gerhard Buttner, former Programme Officer, Christian Aid Peru[1]

Why phase out?

Christian Aid established its programme in Peru in the 1980s. Peru made some significant contributions to Christian Aid's work over the years including its work on climate change, tax and inequality. The Head Office in London managed the programme until 2007. It was then decentralised and a country office was set up in Lima, which also became the regional office for South America. In 2010, Christian Aid took over Progressio's programme in Peru.

Because of a revised corporate strategy, senior management made a decision in late 2012 to focus programmes and rationalise the use of Christian Aid's core funds. The need to reduce our geographical footprint to 'do more in less places' and the increasing demands on a very small office (including

[1] Now Programme Manager for South Africa at Christian Aid.

complex donor requirements) led to a decision to phase out the Peru programme. Other factors taken into account included comparative niche between countries.

As Programme Officer in Peru during the decision process, I supported the development of relevant strategic documentation, as requested from senior management in London during consultations. My involvement in the exit process only began after the decision was made by senior management to withdraw from Peru.

What happened?

The country programme team designed and completed a 'phase out strategy', with support from regional and global colleagues. This included an exit plan agreed with each of the partners, with at least one final grant disbursement to allow some exit activities. These included support to their future funding strategies (such as paid time from Christian Aid staff for proposal writing); helping to make connections (for example with other ACT agencies still present in Peru or between partners); and other aspects of organisational strengthening identified as a priority by partners.

Other key activities included:

- The DFID PPA funding enabled two regional thematic learning events on advocacy and Inclusive Market Development with notable Peru partner participation.
- The actual office closure, which involved archiving essential documents digitally and in storage (as per legal requirements).
- Closure events with partners in country, with representation from the Christian Aid Board of Directors and Head of Latin America and the Caribbean.
- Internal messages for Peru gathered from colleagues across Christian Aid and made available on the intranet.

Box 1: The exit timeframe

Based on existing commitments in late 2012, six partners were phased out for mid or late 2013; five others until March 2014 just before the physical Peru office was closed; and one small partner contract maintained until May 2015 (as part of an external trust-funding). The March 2014 phase out was related to the timing of the Peru Resilient Livelihoods PPA. During 2013-14 this continued making important contributions to global targets of the Christian Aid PPA, and was topped up by an additional small sustainability exit grant for each of the partners.

What went well?

- Internal audit information from Peru (2012) provided a clear list of technical issues that needed to be resolved. These included legal requirements for document retention, the legal steps required for a country closure, and human resource implications.
- Closure events were very positive and constructive. Partners, staff and external visitors seemed to agree that the closure process was dignified and focused on Christian Aid's important contribution and commitment over three decades in Peru, rather than bitterness due to the exit.
- Gradual phasing out of partners allowed time to withdraw from partnerships ethically and sustainably. Four PPA partners especially made excellent use of their exit planning activities, allowing space to create connections for the future. Links remain between partners and other countries,

which were given a boost by the learning exchange events in the final year, for example with Bolivia partners around Climate Change Advocacy.

What did not go so well?

- Managing partners beyond closure of the Peru office (i.e. from London). A formal relationship between partners and the LAC team at Head Office lasted only one year after phase out. However, at least two partners remain in contact with the Bolivia country programme.
- Phasing out was more of a labour intensive process than we anticipated, with scarce resources to manage this. There are an enormous amount of 'invisible' tasks (administrative and physical) involved in closing an office, which take time and energy. In our case, this included asset disposal and capturing of key legal financial and programme documents. This all had to be done by a reduced team of two staff members, while completing rigorous reporting to DFID, and providing ongoing support to partners in the implementation of the exit strategy.
- Staff left before the planned end of contract (notably the finance officer); and partners experienced staff loss in the final PPA year.
- Legal matters were very challenging. Peru has many legal requirements, for example around human resources that are different from the UK. Dealing with all legal aspects adequately by the timeline was hard.
- Loss of institutional memory, especially when country staff were long-standing staff members in the organisation.
- At least two partners had become overly dependent on Christian Aid financially for several years before the exit.

How were these challenges overcome?

- Documentation of programmatic learning/exit lessons, including via blogs on the intranet.
- The country manager and finance officer roles merged, which critically allowed continuity in the legal representation.
- Head of LAC Division based in the UK played a key role in supervising the process. This included galvanising support from communications, finance, fundraising and other divisions within the organisation to remotely support some of the essential exit steps and share some sustainability guidance for partners.

Figure 1: Partner meeting in 2013 © Christian Aid

- The global PPA team at Head Office in London recruited one of the Peru programme staff after the closure, keeping some of the institutional memory.
- To overcome partner dependency, we agreed with the partner to hold strategic planning workshops with a local external consultant and made connections with other ACT Alliance agencies (notably Diakonia Sweden). Some ACT agencies adapted their own (though much smaller) funding to incorporate some of the partner's activities into their programme. We also allowed the partner to use Christian Aid paid staff time to write proposals, of which at least one was successful shortly after closure.

What happened next?

We fostered good relations between various countries in the build-up to the Lima COP2014, with our partner the Peruvian Climate Change Network. They used their final funds very strategically to connect even better within Latin America and give continuity via joint similar work of other ACT agencies[2] in Peru and in particular, co-ACT partner Diakonia who had several shared partners with Christian Aid.

The PPA partners continue their contact made over the last three years of the partnership. For example, two partners joined forces and won a joint EU proposal. In addition, one partner, Soluciones Practicas/Practical Action, continues to work with Christian Aid elsewhere in LAC, as a result of the close Peru working partnership.

A Performance Advisor at Christian Aid gathered evidence around the exits in Latin America and Caribbean. However, we have not conducted a formal evaluation of these and other 2012 exits globally due to a lack of resources in the challenging funding environment.

Learning and recommendations

The experience from Peru in 2014 was very useful when the global PPA came to an end in 2016. While this was not in the form of country exit, it involved specific partners, and I learned to encourage country colleagues to not leave exit conversations until too late. It was gratifying to see sustainability post-PPA during an India partner meeting which I attended more than a year before the final closure, where I could directly support the conversations based on the Peru phase out.

Looking back

In hindsight, senior management at Head Office could have communicated the programme exit decision to the programme staff months earlier. A lot of energy went into planning the next country strategy which would have been more meaningfully used in planning and executing an even better exit strategy. In addition, we could have better supported partners to secure financial sustainability, i.e. securing funding outside Christian Aid and building fundraising capacities, especially if we had had more staff capacity in the final year.

Looking forward

- Despite the number of 'invisible tasks' involved, we need to maintain our integrity as organisations – programme exits need to be done sensitively and professionally.
- Phasing exits is important – quick fixes and shortcuts damage relationships and legacies with partners.
- Head offices need to respond to questions about asset disposal, document retention requirements, and be pragmatic in expectations on country offices.
- Partners should be informed as early as possible and put a clear action plan in place, which ideally should be accompanied by one final 'legacy' grant with at least some flexibility to allow partners to adapt to the new reality.

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[2] ACT Alliance is a global coalition of churches and church-related organisations: http://actalliance.org/

- Timely and comprehensive documentation of the process and learning from exits is important to improve organisational effectiveness in this area.

Box 2: Key sustainability actions: insights from ETC Andes and Huñuq Mayu

Christian Aid's partners in Peru included ETC Andes and Huñuq Mayu. Mirella Gallardo, former Project Coordinator with ETC Andes shares her views on the exit process; and Eutropia Medina, former Director of Huñuq Mayu (now Chair of the Board), discusses how the organisation was able to take its sustainability plan forward after Christian Aid's departure in 2014.

ETC Andes by Mirella Gallardo

The closure of the project was communicated appropriately, allowing sufficient time to make provisions, and though we are sad that we will not be able to continue working with Christian Aid, we are also very thankful for the help. We saw this expressed by various partners during the Christian Aid programme closure event. The event was also an opportunity for us to continue building the relationship with co-partner Soluciones Practicas/Practical Action, with whom we have started exploring some joint working possibilities.

In the final year of the project, the approval by Christian Aid to use some of the final funds for a 'Weaving Cultures' project was very important. Even though this did not bring sufficient funds to finance the continuation of my own role in ETC Andes (since the project coordination funds went to Soluciones Practicas/Practical Action), it did allow ETC Andes to strengthen and promote the textile artisan work we had started working on during the Christian Aid partnership, widening the scope of the initial project. It also helped cover some core operational costs for ETC Andes; although not at the ideal scale and form, this allowed some continuation of the work in the communities.

We had the opportunity to publish some of our work in printed format and video, which allowed this experience to be captured as reference. In the closure period we also had sufficient time to write proposals with our two local Cusco partners for other funding sources, even though there were no immediate successes.

Huñuq Mayu by Eutropia Medina

We were given sufficient time as an organisation to come to terms with the closure of Christian Aid's work in the Oreja de Perro communities (Chungui district); and to start implementing a sustainability strategy.

One of the key sustainability actions was to transfer the management of the annual Kutina Chaka product fair, which we founded and co-organised with the communities over several years, to the district government of Chungui in 2013-14. This – combined with targeted advocacy – led to a specific budget line in the participatory district budget, which remains the case to date.

The past joint and coordinated support of Christian Aid and Diakonia Sweden for Oreja de Perro was critical in enabling the communities to achieve a major advocacy gain in being declared a separate district in 2016. As a result, in the next elections they will have their own district authorities, an opportunity for real social inclusion.

We continue working with Diakonia, and have been included in an EU project with them and four other partners. This will allow us to work with all 14 communities in Oreja de Perro and some in Chungui from 2017.

Gerhard Buttner (Christian Aid) translated the above contributions.

Sightsavers' exit from Sri Lanka – the Country Office view

By Selliah Ashokan, former Finance and Support Services Manager, Sightsavers Sri Lanka Country Office[3]

Sightsavers in Sri Lanka

Sightsavers worked in Sri Lanka for 10 years in the areas of eye health, education and social inclusion in partnership with government ministries and non-governmental institutions. The organisation has supported the Prevention of Blindness Programme in Sri Lanka since the 1970s, and established a Country Office in 2005. The Country Office was involved in the national plan for tackling avoidable blindness through the international Vision 2020 programme. It worked closely with the Ministry of Health and College of Ophthalmologists to implement this programme alongside Low Vision, Childhood Blindness and Primary Eye Care programmes that now form part of Sri Lanka's national health system (Hettiarachchi, 2016; Sightsavers, 2016).

Sightsavers made the decision to exit Sri Lanka in October 2013 based on a review.[4] The country's health system indicators and education were very good (when compared to its neighbours); and the Government had announced Sri Lanka's status as a middle-income country.

What happened?

The Country Office had two years to prepare for the exit. We hired a legal consultant to assess the requirements for compliance with laws. Based on their recommendations and exit timeline, we acted promptly to complete all tasks.

These included:

<u>Communication and training:</u> The Country Director informed staff of the decision to exit at a staff meeting; and consulted the Ministry of Labour on compensation payments. We also announced the decision to partners and relevant authorities in June 2014, giving sufficient notice.

We asked partners their opinion on actions needed before exit to sustain the programmes; collated their requests, created a budget and submitted it to Head Office. We then scheduled training for partners on leadership, employment and log frames/proposal writing, and ordered Low Vision (LV) devices. I supported the partners' finance departments to budget for spending before the closure of operations; and visited them weekly to monitor and this and provide guidance.

<u>Working Group:</u> We formed a Country Office Working Group involving the Country Director, Programme Officer and myself, and an oversight working group comprising Sightsavers India CEO, the Sri Lanka Country Director and key staff from the headquarters to execute the exit plan. They met regularly to discuss the status of the exit, what was lacking, and sent updates to Head Office. The groups were useful

[3] With some input from RN Mohanty (Sightsavers India).

[4] The reason for withdrawal stated in Hettiarachchi (2016) is 'Earlier in 2011, Sightsavers reviewed their mid-term strategy through which it became evident that the process of integration of eye health and social components in the national plans of Sri Lanka was on course with the ability to sustain these interventions... Therefore, the time being right for withdrawal, a two-year period was decided on to develop and implement a well-planned exit in consultation with all stakeholders and partners'.

as they took ownership and closely monitored the process (rather than leaving it to one individual). The process was thorough as everyone was engaged.

Archiving and disposing of assets: During the exit process, we identified important project and financial documents for archiving and sent the soft versions to the UK and India. Based on the instruction of the CEO of Sightsavers India, an external evaluator valued all office equipment, vehicles and furniture for auction. We used funds from the sales to cover exit-related expenses.

What worked well?

Making connections: To increase chances of sustainability, we did a lot while we were exiting to link the Ministry of Health with organisations such as HelpAge. We knew we could not leave a gap so others would need to take over. We connected the Women's Development Centre (WDC) with other players working in the same thematic area, such as BARADINA. I also had discussions with a foundation in Malaysia about funding for a WDC project, who agreed to provide funding for the first year of the project.

> *"Every project should build the sustainability factor in"*
>
> *– Selliah Ashokan, formerly Sightsavers Sri Lanka*

Support from Head Office and India: Head Office in the UK immediately processed funds when we requested them; and the IT team helped in decommissioning computers. Sightsavers India regularly followed up on the exit process using a RACI matrix,[5] which was a boost to finish work on time. Further, the Accounts department in India was supportive in sending cheques for local payments when requested.

Communications: As many NGOs have left Sri Lanka in the past without paying salaries, it was important to inform everyone connected with Sightsavers that we were leaving. Six months before we left, we advertised in the national paper in three languages that the country office was closing. This was a requirement from the NGO Secretariat.

What did not work so well?

Some programmes that were dependent on Sightsavers' funding have had to be closed. The Ministry of Health is not able to secure extra funding in the same way that NGOs can; and some within the Ministry are unhappy without funding and are asking whether Sightsavers can re-enter. Other projects are continuing.

What happened next?

After the Country Office closed in March 2016, the following activities were completed: staff payments; external audit; filing tax returns; tax remission with the Inland Revenue; final tax clearance letter (this was a very lengthy process); applying for de-registration from the NGO secretariat in Sri Lanka. These activities took time and a lot of energy both locally and from the India office.

[5] https://www.projectsmart.co.uk/raci-matrix.php

Learning and recommendations

Sightsavers' exit provided valuable learning. Projects should build in sustainability from the outset and work hard to achieve this. Head Office should monitor progress towards this, to reduce the risk of a difficult exit at the end of the project. This will also decrease the amount of resources needed for exit activities as there will be fewer gaps, for example in capacity, and partner organisations will be able to continue the interventions started. The post closure legal compliance related activities vary from country to country and budgeting time and resources for this is important. We were aware of this and hence were well prepared but it still took much longer than we anticipated.

Box 3: Sightsavers' Sri Lanka exit – the partner view on sustainability

Low Vision was one of the main programmes supported by the Sightsavers' Country Office as part of Vision 2020. This programme established a network of Low Vision clinics throughout Sri Lanka and trained government and medical staff to screen and treat children and adults with low vision. It worked at primary, secondary and tertiary levels and developed inter-ministerial linkages (Hettiarachchi, 2016).

Dr Kapila Edussuriya, a Community Ophthalmologist and Low Vision Project Coordinator, shares insights into sustainability of the programme's activities since Sightsavers' exit in March 2016.

What was the situation after Sightsavers' exit?

As we (the Low Vision team) knew Sightsavers were leaving and had time to prepare for their departure, we made a plan. We joined our Low Vision programme with another non-governmental organisation in Kandy called the Sri Lanka Eye Foundation, who now provide funding. We have one years' funding secured, and are lobbying NGOs and government officials for additional funds through the Foundation.

Which activities ended?

<u>Bi-annual review meetings:</u> With Sightsavers, Low Vision clinics got together to discuss problems and solutions via review meetings, which happened without any problems. These were one of the main highlights of the programme. Since exit, there is no budget for this type of activities. We had discussed how review meetings might be sustained, and trialled one on a voluntary basis (i.e. without providing a stipend or paying for travel) but the attendance rate was poor.

<u>Monitoring and reporting</u>: During the partnership with Sightsavers, we reported to them every one to three months, and were up-to-date with data collection. We entered data (patient details, examination findings and devices given) in real time via a computer programme, funded by Sightsavers. This has failed because when Sightsavers withdrew our internet connections were discontinued. We downgraded to paper reporting but find that most people do not keep updated statistics and data. Previously, we could monitor data entry immediately after seeing patients (which clinic, in which part of the country, and so on). Now we do a call once a month with all individual clinics but it is difficult to find a convenient time. This is one of the major drawbacks of Sightsavers' exit.

<u>Knowledge sharing and learning:</u> Sightsavers sent ophthalmic technologists to India and Pakistan for special training in Low Vision care; and sent us to a number of international conferences and clinics visits. These really drove the programme, and helped us in trying to implement new ideas. Now we lack the resources to study new angles of Low Vision, and have reached a plateau.

Which activities are continuing?

Low Vision Care: The clinical component continues, and if a patient requires care, they receive it. Internal communication between caregivers (i.e. the Low Vision clinics in different parts of the country) also remains because of connections we made in the past 10-15 years.

Monitoring: Through the Sri Lanka Eye Foundation, we have a fund allocation for monitoring the programme, which involves looking at numbers of patients, care levels, equipment, and devices given out.

Purchasing Low Vision devices: We continue to tell the government about the need for a Low Vision programme in Sri Lanka, as visual rehabilitation often takes low priority. We have been lobbying very hard for the government to purchase low vision devices from the suppliers that Sightsavers used; and in the meantime, the Sri Lanka Eye Foundation has purchased equipment.

Looking back

Connections: As Sightsavers has much more experience in programme exits, it would have been useful for us to have a consultation with a group of experts on how to proceed after exit. We would have asked Sightsavers to introduce us to various partners around the world; and developed much stronger links with overseas projects and organisations in India. We have some links with eye hospitals providing low vision care overseas but they are not strong enough. Most communication was through Sightsavers and almost immediately after they left we completely lost contact with some partners. We lack a very strong group of people that are linked overseas.

Documenting learning: We did not document lessons from the programme and record progress in one place in chronological order due to time constraints. This could have been interesting for a new country setting up a low vision programme.

Looking forward – our own exit strategy

I believe the Low Vision programme will go on. We formed many friendships and ties between people providing low vision care within the country that will remain until they retire. However, a major concern is that we are not training new Ophthalmic Technologists any more. What will happen when caregivers retire? Who will replace them? We are now making arrangements to ensure this structure does not collapse if this happens. From the Sightsavers exit experience, we understand that we need a long preparation period prior to exit and hope to establish this before we leave.

The partners' feedback has been shared with Sightsavers who were keen to feed it back into the organisation to inform future exit processes.

Andry Lalana Tohana: Transitioning to a local NGO in Madagascar

By Hanitra Raharimanana, Director of Andry Lalana Tohana, Madagascar and Yvonne Orengo, Director of Andrew Lees Trust, UK

About Andry Lalana Tohana

In 1999, the UK NGO Andrew Lees Trust (ALT UK), a social and environmental-focused organisation, began a field programme in Madagascar to respond to the needs of rural communities in the south of the island. In 2010, ALT UK achieved its long-term strategy to hand over to its local Malagasy field team, who now carry the work forward as an independent, Malagasy NGO: Andry Lalana Tohana (ALT Mg).[6] This example tells the story of the transition from the perspective of the Director of ALT Mg and the Director of ALT UK.

What happened?

Transferring responsibility to the local NGO had been central to the mission of ALT UK since it began its work in southern Madagascar. From the outset, it was focused on the empowerment of local people and building capacity of Malagasy professionals to address and lead development in the region.

In 2003, during internal strategy workshops, the Malagasy team began to embrace the prospect of independence and being 'self-financed'. Planning for transition began in earnest in 2006 following confirmation of funding for the next phase of programme development. ALT Mg appointed a Malagasy Director, who visited London to discuss future local ownership with the UK Board.

From 2006, sustainability plans for Project Radio (a main ALT Programme) were developed, which included income generation mechanisms to support the local team post project funding. Wider organisational strategies for the transition were developed with an internal Steering Committee and, in 2008, the Board confirmed a full transition plan to become a Malagasy NGO. The transfer took place slowly, bit by bit. Handover officially took place in 2009, with finalisation of all documentation and legalities by September 2010. ALT Mg/UK co-managed a sorghum project over 2009-10 as a planned accompaniment process in order to support transition. This provided financial security and stability while the Malagasy NGO took its first steps.

Figure 2: ALT Mg team in 2009 for the formal launch of ALT Mg in Ft Dauphin © Yvonne Orengo

[6] http://www.andrylalanatohana.org/

The Malagasy Management Committee (Comité de Gestion, CDG) led the in-country process of transition, decided who to take forward in the team, set up the Malagasy NGO, established the Board and all legal documents, the name of the organisation and its objectives. The UK Director and international project managers on the ground provided support.

Training had taken place since the field programme was first established; and, as the core teams stayed in place for the best part of ten years, they were in a good position to carry the training and experience with them into the new Malagasy organisation. Over the course of the transition year, ALT UK provided additional training and support, as well as handing over all assets and know-how. Fundraising and proposal writing was identified as a capacity gap and training was requested by the CDG. This was delivered in the latter stages of handover when the Executive Director of ALT Mg and the Director of External Relations visited the capital for specialized training; they also received mentoring in project management on-the-job from the team from ALT UK.

In 2010 a partnership agreement was set up between ALT Mg and ALT UK to promote a new, equal relationship and to mandate ALT UK to provide support to Madagascar as requested. From 2010-13, joint work on an emergency relief programme was undertaken and the project Village Voices for Development (VVD) was also developed. ALT UK has gradually reduced its inputs over time, and delivers these now on a voluntary basis from a virtual base (the UK office was closed to minimise overheads). Since 2014, ALT UK provides ad-hoc support in response to specific demands from ALT Mg, for example help with core funds/running costs, proposal writing and technical advice.

What worked well?

At the time of the transition a grant was secured for ALT Mg to extend ALT UK's original sorghum project. This project was co-ordinated together with staff from ALT UK and that helped us plan the project well and follow funder reporting requirements.

ALT Mg is continuing the work and taking forward its objectives. We have increased confidence in ourselves and in the success of the projects implemented. We have maintained our way of working (our ethics and values); and the few staff that remain can continue the legacy of ALT UK. Technical support from the 'mother' NGO (ALT UK) also continues.

ALT UK stayed as a mentor for ALT Mg to provide advice and practical suggestions for doing the work, but without entering into the management of projects. This was important because it gave separation between the two organisations – ALT Mg were completely independent and this was good as there was no confusion about roles and responsibilities.

If you have independence you find confidence in yourself to go it alone; also there was no influence in setting up the Malagasy NGO, there were no constraints. It was an opportunity to receive equipment and cars from ALT UK, so we had all the materials necessary to do project work directly. We did not need to search for things – everything was there.

Continual monitoring post exit has helped understand progress, as well as challenges.

What did not work so well?

<u>Staff retention:</u> The sustainability strategy had planned for income generating activity (through Project Radio) to help maintain core personnel. However, these plans were seriously affected by the political crisis that lasted almost five years (2009-14). This led to economic demise of the country and serious decline in funding (all funding streams with the exception of humanitarian funding were closed until democratic elections saw a return to government recognition in 2014). It had inevitable consequences on the ability of both local and international NGOs to maintain staff. This crisis began a few months after the transition to ALT.

ALT Mg had to close some satellite offices, and move the main office in Ft Dauphin because of rental costs that could not be supported. The loss of offices created a negative perception in the local team, and they reacted by starting to look elsewhere for jobs as they thought ALT was on the decline. The closure of an office in Tana, where all the headquarters of potential donors are located, has meant a loss of presence and connectivity in the capital. We are based in the south, which is far away from national decision-making and as such, it is hard to maintain relationships with organisations and donors in Tana.

<u>Change in management:</u> There was a sudden change in local, Malagasy management during the transition phase, which caused some initial disruption to plans.

<u>Consortia with international NGOs:</u> As an independent NGO, we entered into consortia with an international NGO based in Tana for a national programme. We thought that with this consortium we would grow our capacity. But this is not what happened at all. We did all the fieldwork and we were not recognised for the results because it was the INGO based in Tana who took prominence and created the profile of this project, and we felt hidden behind them.

Relations with other partners have also been challenging, for example with delays in grant tranche payments compromising our financial security as a small NGO.

What happened next?

Despite being a small NGO in the south of the island, we have always managed to secure funds and succeeded in the implementation of projects. We have carried on with our core activities and also had some repeat funding as the funder has some faith in us. Even during the years of political crisis we had projects and secured an annual income.

Even so, when we secure funds, they are not always sufficient – especially if it is with an INGO partner – and there is always an intermediary or third party.

We have many challenges as a local NGO – for example funders always demand some form of participation, a percentage for each budget line that we must find. They never want to help cover the staff national insurance costs so there is no help for staff medical or pension costs. Similarly we are not given funds to cover administration costs or a contingency budget line. We are expected to always maintain our own vehicles ready for work, as the funder does not want to contribute to maintenance costs. We are also asked to advance the funds at the start of the project as funders only pay retrospectively, which is really hard for a small not-for-profit NGO like ours.

Most recently we are finding that funders/partners do not want to pay staff salaries. They will just allow us to allocate a number of paid days. So, for example, as Head of Mission I am allocated just 40 paid days in a 36 month project. I am paid just 90,000 Ar (less than £25) per day, without any indemnities for days away in the field or any time allocated for writing reports; its only field days that are paid, not even the travel time in between is counted (we are at least one days' travel on bad roads to our project sites).

We have to follow strict rules, even if the funders do not follow their own agreed timelines on making their payments to us. Also we are always in competition with international NGOs and they have more influence with funders; consequently we are finding it challenging to finance our core running costs.

ALT Mg continues to experience difficulty maintaining staff, and we have to go through a recruitment process each time we get funding.

What is very motivating is to know that there are employees who had confidence in the success of ALT and never thought to leave but supported me during the difficult moments – when there is not even a salary – to keep the office always open and maintained. ALT UK's voluntary support to find funding or other solutions together was really valuable for us.

There has been no specific evaluation of the exit process or of post-exit on main funded programmes for resourcing reasons.

Learning and recommendations

After the exit, ALT UK streamed any project funds raised in the UK directly to ALT Mg to manage. However, my perspective on the global situation with funders is that when there is no project there is no administrative budget to keep the NGO running. International agencies see local NGOs only as an implementing body and do not consider it important to have a strategy for sustainability.

Local organisations will not be independent until INGOs change their approaches, have confidence in local NGOs and provide financing for administrative costs. They will always need to have alliances, be partners with 'Lead' INGOs and be the shop window to acquire the funds, which are otherwise not available to INGOs.

Local organisations need to have their own income and resources, and not be dependent on project funding. Funders need to change their ways of working in order to maintain the work of local NGOS in the long term.

The sustainability factor: key messages

This paper has presented rich examples from the country side of the story. They provide valuable insights into what it is like to be involved in the process after Head Offices have taken the decision to exit. They have illustrated how partners and country offices have handled exit processes; what has been left behind; and the ways in which they believe exit planning and delivery should be improved as INGOs and donors enter partnerships in the future. Many of the recommendations are similar to existing documentation and guidance on exit; yet they come directly from those on the 'receiving end'.

Key messages for INGOs and donors on exit processes and sustainability:

- Build in sustainability from the start of partnerships, projects and programmes; and monitor this.
- Consider fundraising strategies from the outset to reduce the risk of partner dependence; and provide a legacy grant at the end of the partnership.
- Do not leave exit conversations with partners until it is too late. Timely communication is important.
- Where possible, allow time and resources for a phased exit.
- Don't underestimate the value of connections (formal and informal) between partners and like-minded organisations overseas; and the role of the INGO in fostering these links before departure.
- Document the process and learning from exits, and share this widely. It is likely that many organisations have resources which could be extremely useful for others in the sector.
- Give partners and country office staff a space to share their experiences publicly. This would contribute further to the evidence base.

And finally, the stories also highlight challenges faced by national organisations that are dependent on project-based funding and sub-grants. The examples in this paper are a valuable contribution to debates on the need to diversify funding sources and strategies to ensure sustainability of civil society organisations and their interventions.

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Bond
Society Building
8 All Saints Street
London
N1 9RL, UK

+44 (0)20 7837 8344
bond.org.uk

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