chapter 2

REVIEW OF IFAD PROJECT EXPERIENCES IN BUILDING ORGANIZATIONS OF THE RURAL POOR

An Executive Summary

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This chapter summarizes the major findings and recommendations of the 2005 study by Cristina M. Liamzon entitled "A Review of IFAD Project Experiences in Asia in Building Organizations of the Rural Poor." The full study has been published in a separate volume.

IFAD's strategic thrusts for the Asia and Pacific region for 2002-2006 include: (i) the building and strengthening of rural poor organizations (RPOs) and their coalitions/federations; (ii) a focus on rights-based approaches; and (iii) capacity-building of the poor. These thrusts constitute major and important shifts in the direction of helping in the empowerment of the rural poor.

The foregoing review of IFAD project experiences in building and developing RPOs in the Asia and Pacific region has yielded a number of positive findings in this regard. However, whereas there have been many positive experiences in the *formation* and *strengthening of RPOs*, particularly of self-help groups (SHGs), only a few project experiences, mostly from India, have yielded encouraging and useful lessons in the building of coalitions or federations, which is the next phase in the development of RPOs. In the case study of the Western Mindanao Community Initiatives Project (WMCIP) in the Philippines, the work of federation building was

undertaken even though this was not explicitly stated among the project objectives. This (RPO) federation-building at the village and inter-village levels has had very promising consequences in expanding the voice and power of these RPOs vis-à-vis government, etc., and in improving the prospects of sustaining the benefits obtained from the project into the future.

Projects that developed clusters and federations of SHGs did so to scale up the economic empowerment of the groups, primarily women SHGs, through the expansion of their linkages with external institutions, such as banks. At the same time, some of these federations came to address not just the economic empowerment concerns of their women members but also, as a result of their increased numbers, their socio-political empowerment. Increasing the scale of activities as well as their bargaining power can help to ensure a greater chance of sustainability, not only of the federation and their member RPOs but also of project ac-

tivities and benefits. This is particularly relevant in light of IFAD's strategic thrust for 2002-2006 of strengthening the RPOs and their federations.

The review also noted that the context for coalition- and federation-building varies among countries, with some offering a more conducive environment than others. Hence, projects and project partners must provide greater support for the formation of coalitions and federations and for subsequent assistance in their continued development.

However, it was also observed that many project-related and supported RPOs have not developed far or fast enough in order to progress to the next level of coalition- or federation-building. Some projects succeeded in forming their target number of SHGs, but were not quite as successful at forming groups of good quality. Hence, the recommendation to re-focus on raising the quality of the SHGs and their membership rather than continuing to expand their numbers. Several projects reported that many SHGs had no clear vision of where their groups were headed nor were they aware of the aims and objectives of the SHGs. Such problems are usually the result of projects being simultaneously begun in an area by different donors that have their own rules and requirements. In fact, projects generally tend to form new organizations instead of exploring the possibility of working with groups that already exist, assessing their viability, and if found viable, mobilizing them and facilitating their development as RPOs for purposes of the project.

This highlights the importance of recognizing, prioritizing and providing support for capacity-building of the poor and of their organizations in organizational as well as technical matters. Training programs, including literacy programs, can help ensure a proper levelling off of information, and understanding of organizational rules, thereby strengthening governance mechanisms. Proper orientation on the concepts of SHGs has been cited in most projects as essential for both the SHGs and their members and leaders. Training activities however should be given as and when needed by the beneficiaries and RPO leaders/members rather than as a function of rigidly set schedules of training activities as has often happened in many of the projects.

Capacity-building covers more than training activities. It also involves active mentoring and facilitation by social mobilizers or community organizers to assist in the development of RPOs as organizations as they move from one organizational phase to another. This kind of support is particularly important in conflict resolution, group management, and in setting up effective monitoring systems.

The evolution of RPOs into coalitions and federations and the sustainability of these groups will happen if the process is properly facilitated, and assuming that the RPOs are ready for such a move. Without a strong capacity-building component that aims to enhance the empowerment of the rural poor, beneficiaries will remain passive recipients of project benefits rather than becoming active owners of the project, contributing substantially to various phases of the project, and even beyond it. Part of capacity-building is making the RPOs aware of the indicators and parameters for assessing their level of maturity, and training them to keep track of their progress themselves.

This capacity-building is also critical to the community organizers or social mobilizers/facilitators who are tasked with building up the RPOs.

Just as importantly, RPOs must be helped to build strategic partnerships or, at least, linkages with various sectors and groups, especially government agencies and institutions, NGOs/CSOs, and the private sector, which can help enhance their sustainability through the provision of greater access to information and possibly human, technical and financial resources.

Other problems and issues have been raised, particularly the lack of exit strategies to address the sustainability of these RPOs and of the project activities and benefits after the life of the projects. Such exit strategies need to be incorporated into the project design to allow sufficient resources to be allocated. For example, exit strategies for projects need to address the following: developing adequate internal organizational capacities and incentive systems among the organizations, including assisting the RPOs to generate and sustain their own resources. Likewise, dynamic and effective social mobilizers from the communities must be trained and developed in order to continue to assist these organizations and coalitions/federations in their organizational processes. At the same time, these mobilizers/facilitators themselves must be supported financially during the transition period.

Another element of an exit strategy is assessment of government policies, both existing and potential, which may affect the sustainability of the RPOs and their federations or coalitions. Projects need to be able to advocate for policies that are favorable

to these RPOs and that can increase government's support for RPOs particularly after the project has finished.

It appears that IFAD has not been able to grapple with this sustainability concern as much as is warranted, implying too that it has not provided for the resources required for continued support of the RPOs, and their coalitions/federations after the projects close or before the RPOs/coalitions/federations are able to transform themselves into self-reliant, self-sustaining organizations. A critical question that must be raised with IFAD is, "To what extent is it willing to allocate the resources to assist in implementing the projects' exit strategies?"

Problems regarding social mobilization processes that have been faced by projects are traced mostly to flaws in the project design that predetermine the nature and set 'menu' of development activities that the RPOs and the villages are allowed to engage in.

Thus, the fundamental indicators that RPOs must demonstrate before they can form themselves into apex bodies pertain to their own level of development and sustainability as RPOs. The following are some of the key questions that RPOs must answer to determine their readiness and capacity to be sustainable:

➢ How strong are their linkages with government, including local government units and government agencies that impact on their organizations and communities?
➢ How strong are their linkages with private sector groups, particularly banking and other financial institutions that can provide them with necessary credit and capital requirements, or with donors?

> ➤ Vis-a-vis NGOs/CSOs, with whom can they collaborate to access resources, including financial, technical and human resources?
> ➤ How strong is their collaboration with other people's organizations/RPOs, on common concerns and issues, especially in order to engage in lobbying and advocacy?

RECOMMENDATIONS FOR IFAD

Which of IFAD's interventions are crucial to promoting the growth and maturity of RPOs, and their coalitions and federations, and to helping to ensure both their sustainability and that of IFAD project benefits?

The following recommendations have emerged from the various documents covered in the review as well as from the author and participants at the CIRDAP/ANGOC/IFAD SCOPE Civil Society Organizations' Reflection Workshop held November 25-28, 2005 in Bangkok, Thailand:

1. FOR IFAD HEADQUARTERS AND CPMS:

Design of projects:
> ➤ Ensure that there is a clear and doable exit strategy for RPOs/coalitions/federations formed in all projects, defined as early on in the design as possible with adequate budget allocations *(see box: Exit Strategy)*.
> ➤ Inform and involve as many government agencies (multi-sectoral) as possible in project formulation to enable RPOs to link with as many of these agencies and thus gain access to more resources even after the project ends.
> ➤ Ensure timely and sufficient provision of resources to support organizational processes of groups, including the coalitions and federations formed by projects. Projects are often ambitious in terms of planned outputs, but budgets for institution-building, which takes time and effort, are often limited.
> ➤ Make sure that the poorest and most vulnerable are reached, particularly in credit and microfinance activities.
> ➤ Provide closer and more responsive supervision of flexible lending mechanism (FLM) projects to be able to respond quickly and relevantly.

Capacity building among staff:
> ➤ Continue to increase awareness and understanding among IFAD staff on the critical importance of RPOs and their coalitions/federations for reducing poverty and sustaining project

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EXIT STRATEGY

Some elements of an exit strategy are the following:

> ➤ *The sustainability of projects depends largely on internal organizational capacities; thus, adequate incentive systems must be put in place to build and maintain such capacities, including assisting the RPOs to generate and sustain their own resources.*

> ➤ *Develop dynamic and effective social mobilizers from within the community who can continue to assist these organizations/coalitions/federations in their organizational processes, and supporting these mobilizers/facilitators themselves during the transition period.*

> ➤ *Assess government policies, both existing and potential, which may affect the sustainability of the RPOs and their federations or coalitions and advocating for policies that are favorable to these RPOs and can increase government's support for them particularly after the project has finished.*

gains, through regular exposure programs that demonstrate the effective functioning of these RPOs/coalitions/federations. These exposure programs may include both IFAD and non-IFAD related projects.

2. FOR IFAD PROJECT STAFF AT COUNTRY LEVEL:

➤ Provide opportunities to expose project staff (including government agencies involved in the projects) and RPO/coalition/federation leaders to projects where social mobilization processes have proved to be successful and sustainable.

➤ Ensure sufficient and quality training for project staff, particularly of social organizers/mobilizers as these are key to building strong and sustainable RPOs.

➤ Before project implementation, recognize existing informal organizations of the rural poor, assess their viability and consider the possibility of mobilizing them instead of immediately forming new organizations which can result in additional impositions on the people.

➤ Set up indicators of RPO growth and development, which the RPOs themselves can use to monitor and assess themselves regularly.

➤ Provide the necessary training for RPOs to be able to do self-monitoring of these indicators.

➤ Recruit facilitators and community organizers (COs) who can work full-time, live in the village, and are able to respond to the needs of the groups.

➤ Ensure that there are more women facilitators/COs, particularly in the formation of women's groups.

➤ Provide capacity-building activities for RPO leaders and members, such as training that is provided according to need rather than to comply with a set schedule of project activities.

A critical question remains as to how far IFAD is willing to go in terms of providing material, financial and human resources in order to build the capacity of RPOs, nurture them, and to mentor those groups that are moving towards the formation of coalitions and federations in the different phases of the project as part of its ongoing strategic thrust of empowering the rural poor and their organizations.