Indicators to Monitor and Assess the Sustainability of Rural Poor Organizations

The "sustainability" of Rural Poor Organizations (RPOs) refers to the likelihood that these groups would be able to continue to operate efficiently following the cessation of the flow of financial, technical and other forms of support that had previously been made available by a project. RPO sustainability hinges on the installation and continued effective functioning of organizational systems that regulate the following:

A. Governance;
B. Management;
C. Financial Management, Viability and Sustainability;
D. Service Delivery;
E. External Relations; and
F. Nurturance of Organizational Culture.

INDICATORS OF RPO SUSTAINABILITY

The following indicators of RPO sustainability were identified during a series of meetings from 2006 to 2007 among Project Directors (PDs) of five IFAD Projects in Asia from 2006 to 2007 in regard to the implementation of the Strengthening Capacities of Organizations of the Poor: Experiences in Asia (SCOPE) Project.

An e-discussion on RPO sustainability supported by the International Fund for Agricultural Development through its Knowledge Networking for Rural Development for Asia and the Pacific Region (ENRAP) Program, and convened and moderated by ANGOC from 26 February to 16 April 2007, also served to clarify a number of these indicators.[1]

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[1] Over 300 members of ENRAP, representing a variety of IFAD partners and institutions involved in IFAD projects, along with international and local government organizations and NGOs, signed up for this e-discussion. A record of this e-discussion may be found at http://www.enrap.org.

A. **Good Governance** refers to processes, mechanisms, or tools that ensure the continual competent management of the RPO, and that facilitate organizational oversight, promote transparency, and exact accountability from the RPO's leaders and members.

1. Pool of committed and capable leaders
    *   Recruitment policy that the organization's leaders should have both the requisite expertise (including forms and degree of expertise) and a personal network that is relevant to the organization's vision, mission and goals;
    *   Clarity/clear policies in regard to: (i) the number of leaders, both first- and second-line, that are required by the project; and (ii) the proportion of men vs. women leaders, and to ensuring that there is no gender imbalance in the leadership.

2. Continued development/build-up of capacities of leaders and members
    *   Mechanism for regular rotation of leadership;
    *   Documented annual plan for capacity-building of the RPO's leaders and members, including programmed allocation of time and resources for the purpose.

3. Written vision, mission and goal statements, and by-laws
    *   A formal document stating the RPO's vision, mission, goals and by-laws;
    *   Ability of members, not just the leadership, to articulate the organization's vision, mission and goals. This ensures that the membership is not only aware, but has a sense of ownership of what the organization purports to do.

4. Legal status and/or registration
    *   Registration of the organization with the appropriate government body/ies;
    *   Documented policies, processes, and guidelines for the selection/election of leaders/office bearers (whether traditional/customary or formal), including rotation of leadership, beneficiary selection and participation, and distribution of benefits (Such document to be included in the organization's By-Laws).

However, the smallest unit of RPOs, such as the self-help group (SHG), may have no need to secure a legal personality or identity at its inception or even in the early years of its life. Besides the difficulty and expense involved in the process of registration, being registered itself entails compliance with a host of other legal requirements, which could hamper rather than aid the development of the fledgling group. Nonetheless, as the group develops and as its organizational needs and interactions expand, especially with

government, it will have to formalize its status. Meanwhile, it might be difficult to reconcile the need for formal government recognition with the norms of tribal governance, in the case of RPOs formed among indigenous communities.

5. Clear and functioning accountability mechanisms and systems
   - Clearly defined and strictly enforced roles and responsibilities of leaders and members. This is made possible through a number of instruments and processes, such as (i) sanctions that are formally acknowledged/agreed upon by the members, stated clearly in the organization's By-Laws, and scrupulously enforced; (ii) regular reporting to members; (iii) agreed policies and resolutions that are written down and disseminated; (iv) proper documentation of meetings (including provisions to ensure that there is capacity within the organization to do the documentation, e.g., through capacity-building); and (v) regular internal assessments among members.

6. Clear criteria for membership, and explicitly defined contribution/s expected of members (time, effort, money), as well as the parameters of participation by members, especially the women, all of which are stated in the organization's By-Laws

7. Regular meetings among officers and members to discuss organizational and program directions and policies
   - A regular schedule for organization meetings;
   - Membership attendance-taking;
   - Active participation of the majority of members in decision-making.

8. Proper documentation of all meetings and transparency of operations
   - Provision for capacity building for documentation;
   - Circulation of minutes of meetings to members.

9. Capacity to solve internal conflicts
   - Clearly written and agreed upon policies and procedures for solving internal conflicts, including conflicts among members;
   - Provision for capacity building for the resolution of internal conflicts.

10. Provision for intensive and effective communication within the organization and externally.
    - A flowchart detailing the flow of communication within the organization.

11. Written policy of non-interference by external facilitators in group decision-making.

B. **Management** pertains to the various measures undertaken by the RPO to guarantee the smooth functioning of the organization on a day-to-day basis and to continually improve its operations through regular and participatory monitoring and assessment.

12. Well-established and efficiently/effectively functioning organizational structure
    - An organizational chart that clearly indicates lines of authority and communication, work flow and accountability, checks and balance.

13. Written organizational/program plan
    - Written organizational/program plan that is flexible (especially where newly formed RPOs are concerned) and is based on the organization's stated commitments, e.g., its vision, mission and goals; and that includes: (i) a business plan, (ii) a list of proposed projects/activities, including the required training for one year and the target fund sources, and (iii) plans for recruiting the needed staff and/or volunteers who would implement the proposed programs/projects.

14. A built-in and operational monitoring and evaluation system for the organization
    - Indicators of success are developed, agreed, stated in a Monitoring & Evaluation Manual, and measured and assessed with the participation of target beneficiaries, including women;
    - Regular schedule of Monitoring and Evaluation activities.

15. Proper documentation and reporting of transactions, especially those undertaken in compliance with government, donor, and member-requirements. The reporting system is based on the agreed time and content.
    - Preparation and dissemination to members of process documentation reports.

16. Capacity to develop and manage organizational activities/initiatives, including knowledge and information management, and disaster and risk management
    - A Planning Manual;
    - A schedule for planning activities;
    - Dissemination to members of details of prepared plans.

17. Capacity of administrative and technical staff and/or volunteers to undertake project-related tasks

C. **Financial Management, Viability and Sustainability** pertains to processes conducted to ensure financial oversight of the RPO and to build up its financial self-reliance.

18. Written policies and procedures that adhere to generally accepted principles of accounting and internal control; transparency in financial transactions

19. Written policies and procedures promoting financial prudence (e.g., rotating the task of handling bank transactions)

20. Diverse sources of funds for the organization and organizational capacity to generate funds/income outside those afforded by project grants/assistance
    - Record of funds sources;
    - Proposals for income generation.

21. Conduct of an annual audit by an independent auditor and a regular and timely mechanism for disclosure in regard to resource allocation, resource use, and fundraising activities

22. Capacity of the leaders/members of the Board to undertake financial analysis and management
    - Credentials demonstrating Board leaders' and members' capacity.

23. Commitment to attaining financial self-reliance of the organization
    - Short- to medium-term financial sustainability plans, including an annual budget plan, towards building financial self-reliance

- Plans to establish a profitable enterprise;
- Plans to implement a fee-for-service scheme.

D. **Service Delivery** refers to building up the RPO's various capacities in aid of improving its service to its members and beneficiary communities.

24. Capability of the organization to access and/or develop technical expertise internally and externally
    - Plans/schedule for skills training activities.

25. Capability to deliver organizational and emergency services according to members' needs and interests, including the possibility of developing a special skill or niche

26. Capability to regularly assess the organization's service delivery to its members, particularly its usefulness and impact

27. Equitable sharing of economic and other benefits among members

E. **External Relations** concern the RPO's efforts and activities to build partnerships that would enhance its access to needed resources, to increase its political clout in the community and at other levels, and

to broaden the constituency for its development agenda.

28. Effective networking and linkages
    - Membership of the organization in an NGO, a network of RPOs and/or other networks, including multi-stakeholder alliances;
    - Good relationships and partner-ship with other sectors like government (permanent line departments/agencies, local government units), and business, among others.

29. Increased political participation and advocacy in processes that have an impact on the organization, such as participation in local government councils/bodies

30. Ability to negotiate and access resources, whether human, natural, financial, or technical

31. Autonomy from external agents/actors in decision-making and other processes, and in the use of resources

32. Awareness among the local government and community of the RPO's vision, mission, goals and activities

33. Active involvement in community activities (e.g., sanitation/beautification drive; local political exercises, etc.)

F. **Nurturance of the Organizational Culture** involves a range of practices and ritual observances which have the effect of reinforcing the members' commitment to the RPO, and as such are central to the development, growth and impact of the group. It also includes the ways in which an organization builds up the stock of social capital, on which it continually draws to sustain itself in ways other than those identified in the foregoing but are no less crucial to its long-term viability as an organization.

28. Regular observance of celebrations, festivals, anniversaries related to events that are significant to the organization

29. Periodic review of the organization's vision, mission, and goals and of how these relate to the members' core values and culture

30. Commitment to the principles of non-discrimination on the basis of sex, religion, caste, or race, and integrity in all internal and external dealings/transactions

31. Mutual help among members and a spirit of volunteerism

32. Positive reputation or image of the organization among the local community

33. Formal recognition of the contributions of members and support organizations

34. Regular collegial feedback among members and leaders as conducted through committees or task forces.

All RPOs must aspire to conform with the "spirit", if not the letter, of all these indicators, and according to an agreed timeframe rather than on an ad hoc basis, if they are to approach the task of achieving sustainability in a coherent and strategic manner. ☐

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REFERENCES:

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