



INSIGHTS AND LESSONS ON  
STRENGTHENING RPOs  
IN ASIA:  
SCOPE EXPERIENCE

**SCOPE** stands for "*Strengthening Capacities of Organizations of the Poor: Experiences in Asia*". The overall goal of SCOPE is to "enable the rural poor to form strong and sustainable coalitions and federations." It aims to contribute to enhancing the capacity of IFAD and its partners to: (a) design and implement sustainable development actions of community-based organizations [CBOs]; and (b) promote upscaling and policy linkages of CBOs through their clusters and federations. SCOPE is a project supported by the International Fund for Agricultural Development (IFAD), and is jointly implemented by the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) and the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP).

# **Insights and Lessons on Strengthening RPOs in Asia:**

## **SCOPE Experience**



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# Acronyms & Abbreviations

ANGOC .....	Asian NGO Coalition for Agrarian Reform and Rural Development
AWPB .....	annual work plan and budget
CDF .....	Community Development Facilitator
CIRDAP .....	Centre on Integrated Rural Development for Asia and the Pacific
CO .....	community organization
COSOP .....	Country Strategies and Opportunities Programme
CPM .....	Country Programme Manager
CSO .....	civil society organization
IFAD .....	International Fund for Agricultural Development
LGU .....	local government unit
M&E .....	monitoring and evaluation
MTR .....	Mid-Term Review
NGO .....	non-government organization
NMCIREMP .....	Northern Mindanao Community Initiatives and Resource Management Project
OTELP .....	Orissa Tribal Empowerment and Livelihood Project
PBS .....	Performance Based Allocation System
PD .....	Project Director
PIDRA .....	Participatory Integrated Development for Rainfed Areas Project
PIM .....	Project Implementation Manual
RPO .....	rural poor organization
RPRP .....	Rural Poverty Reduction Project
SCBRMP .....	Sunamganj Community-Based Resource Management Project
SCOPE .....	Strengthening Capacities of Organizations of the Poor: Experiences in Asia



# Foreword

As the SCOPE Project draws to a close, we give ourselves the chance to appreciate the gains that we have made in the last three and a half years. In spite of the limitations in time and funding, the collaboration among our three organizations has yielded results that have truly exceeded our expectations.

The SCOPE Project has put in motion a process that would soon become an indispensable part of development programming. We foresee that the task of ensuring the sustainability of rural poor organizations (RPOs), in particular, and of development support, in general, would be a central feature of development projects, if only organizations would take the time and effort to sift through the lessons and experience afforded by SCOPE.

This publication represents a record of the past three and a half years of striving to come to terms with the issues and challenges involved in building self-sustaining organizations of the poor. It is also our contribution to the effort--perhaps still nascent and little appreciated--to improve development support by focusing on the people and the groups that constitute the beneficiaries of our projects.

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## **Building Sustainability Into IFAD's Development Support**

In recent years, the International Fund for Agricultural Development (IFAD) has increasingly been preoccupied with the sustainability of its development support. And because rural poor organizations (RPOs) are the mechanism by which IFAD has chosen to implement its projects, IFAD has been just as concerned with the RPOs' continued, effective functioning.

Organizing the rural poor, who are the usual beneficiaries of IFAD's work in countries in the Asia-Pacific region, has traditionally been incorporated into the design and implementation of IFAD projects. However, IFAD had not always acknowledged the role of RPOs in the long-term empowerment of the poor. Until recently, IFAD had sought the participation of RPOs only at the implementation stage, and to a limited degree, at the design stage, and during monitoring and evaluation. The result was that RPOs often functioned as mere conduits for project

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### 1. LACK OF EXIT/HANDING OVER STRATEGIES

► Inadequate and frequently belated provisions for an exit/handing over strategy constitute a major obstacle to efforts to promote the sustainability of RPOs. An exit or handing over strategy anticipates the needs of the RPO in the immediate post-project period and provides for a plan to meet such needs, including how to pay for them. Unfortunately, few RPOs emerging from the project cloister are armed with such provisions.

► To be effective, an exit/handing over strategy has to be defined in the project design or as early on in the project as possible, and be formulated with the involvement of the agencies that are expected to be part of the post-project support mechanism. Corresponding budget allocations must also be provided for the various components of such exit/handing over strategies.

► Other components of an exit/handing over strategy are as follows:

► Adequate incentive systems to build and maintain organizational capacities, including assisting RPOs to generate their own resources and thereby sustain themselves;

► Efforts to get governments to adopt policies that are favorable to RPOs and to support these RPOs after the project period.►►►

benefits and resources. They rarely outlived the projects that were put up on their behalf.

In 2002, an External Review of IFAD operations expressed concern that IFAD might be retreating too early from its projects before the newly formed RPOs had attained enough capacity and institutional wherewithal to fend for themselves. The review noted that at the time a project ended, income improvements made possible by IFAD projects had not risen above a critical level that would prevent project beneficiaries sliding back to poverty.

IFAD's Strategic Framework for 2002-2006 reflected IFAD's growing realization of the inadequacies of its methods thus far. The new framework assigned much more importance to the strengthening of the capacities of the rural poor, particularly of their organizations, to ensure the long-term empowerment of RPOs and the sustainability of project benefits.

A three-year project called "Strengthening Capacities of Organizations of the Poor: Experiences in Asia", or SCOPE, was an important step towards operationalizing this framework. The SCOPE project, which was jointly implemented by the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) and the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP), aimed to contribute to

enhancing the capacity of IFAD and its partners to design and implement sustainable development actions of RPOs.

In aid of implementing the SCOPE Project, a Review of IFAD Project Experiences in Asia in Building Organizations of the Poor was conducted in 2005, and its findings presented to an IFAD-Asia Divisional Meeting in Rome, Italy in February 2006. While this review was focused on issues related to the establishment and strengthening of RPOs, one of its major findings concerned the lack of exit strategies to address the sustainability of the RPOs and of project activities and benefits. The review emphasized that exit strategies must be incorporated into the project design (so that resources could be earmarked accordingly) and that they need to address a number of concerns, such as the development of adequate internal organizational capacities and incentive systems, including the provision of assistance to help RPOs generate and sustain their own resources; and the training and development of social mobilizers from the communities that could support the organizational processes of the RPOs.

The major findings and recommendations above from the Review of IFAD Projects would be further validated and would serve as a springboard for subsequent SCOPE and project partners' major activities, specifically on field-testing the concept of RPO

sustainability and its indicators, and developing capacity building interventions for five IFAD-supported projects.

## FIELD-TESTING RPO SUSTAINABILITY

The results of SCOPE's Review of IFAD Projects served as critical input to field-testing the concept of RPO sustainability through two initiatives: 1) capacity building in IFAD-supported projects; and 2) drawing up the RPO sustainability framework and indicators. The SCOPE Project undertook the field testing of these two initiatives with five IFAD projects in Asia, specifically:

1. Sunamganj Community-Based Resource Management Project (SCBRMP) in Bangladesh;
2. Orissa Tribal Empowerment and Livelihood Project (OTELP) in India;
3. Participatory Integrated Development for Rainfed Areas Project (PIDRA) in Indonesia;
4. Rural Poverty Reduction Project (RPRP) in Mongolia; and
5. Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP) in the Philippines.

## Capacity Building in IFAD-Supported Projects

In 2005, SCOPE initiated in-country capacity assessments in the five abovementioned

IFAD-supported projects. The capacity assessments were meant to identify the capacity-building needs of those projects in building RPOs and coalitions. The results of the assessment shall be used in the design of capacity building interventions to enhance the post-project sustainability of the RPOs assisted by the five projects.

The assessments focused on four major categories of project interventions that are considered critical in the post-project sustainability of RPOs: (i) interventions to build the primary organization in the community; (ii) interventions to link the primary organization with local government units; (iii) interventions to link the primary organization with resource agencies; and (iv) interventions to link the primary groups with each other to address common challenges.

In the first quarter of 2006, four of the five projects – SCBRMP in Bangladesh, PIDRA in Indonesia, RPRP in Mongolia, and NMCIREMP in the Philippines – submitted their respective proposals for in-country capacity-building interventions, which were eventually approved for SCOPE funding. OTELP-India decided not to avail of SCOPE in-country assistance as the Project Director (PD) had projected that capacity building interventions identified by the capacity assessment study would be covered by its own project resources.

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### 2. ILL-PREPAREDNESS OF RPOs FOR THE POST-PROJECT PERIOD

► Most assessments of RPOs that have been weaned from project support invariably find these groups ill-prepared to take on many of the tasks and responsibilities of an independent organization. This is the result of a tendency to use RPOs as mere *conduits* for project benefits and resources.

► Extending the project timeframe has often been touted as a solution, along with augmenting the capacity-building component of projects. However, a number of factors ought to be considered if such modifications are to have the desired effect. These are as follows:

► Capacity-building among the poorest of the poor, which constitutes a large number of RPOs formed, takes longer than generally programmed for. Low literacy levels among this sector are a big part of the problem. Community organizers have also observed that capacity-building among the poorest of the poor entails a process that goes beyond mere transfer of technology or skills. Rather, it emphasizes aspects of institution-building.

► Capacity-building among women, especially in the case of women-constituted RPOs, is hindered by societal constraints ►►►

Table 1. Focus and impact of SCOPE grant in four IFAD-supported projects

	SCOPE Intervention	Impact of SCOPE Project
SCBRMP, Bangladesh	Capacity development of Community Development Facilitators (CDFs) as a sustainability mechanism to support community organizations when the project ends	<p><i>Building primary organizations:</i> Confidence and capacities of community organizations (COs) strengthened through constant interaction with CDFs; community participation in local development activities (e.g., road alignment, Food for Work, etc.) has improved.</p> <p><i>Improving local governance:</i> Stronger links between COs and local government units (LGUs), facilitating government service delivery and community participation in local development</p>
PIDRA, Indonesia	Micro-finance training for District Implementing Officers and PIDRA staff	<p><i>Building primary organizations:</i> SHGs and federations have established a Common Fund (from savings, interest and penalties) for members' income-generating activities.</p> <p><i>Improving local governance and building external linkages:</i> LGUs now provide training funds for SHGs, seed capital for federation-based MFIs, and link them to banks.</p>
RPRP, Mongolia	Capacity building on participatory approaches for community organizations (incl. herder groups, women's groups, and Rangeland Monitoring and Management Committees or RMMCs) in two districts	<p><i>Building primary organizations:</i> Community groups (incl. herder groups, women's groups, RMMCs, etc.) formed in 2 districts, and have established objectives, leadership norms, action plans, and fund management.</p> <p><i>Improving local governance:</i> Community groups use new skills to the improved operations of RMMCs and other local bodies.</p>
NMCIREMP, Philippines	Formation and strengthening of four multi-sectoral provincial core groups to address difficult issues through "bridging leadership" approach	<p><i>Building external linkages:</i> COs have developed effective links with external agencies to access resources for the community; community groups have linked with other NGOs and projects for useful information to adopt in their own groups.</p> <p><i>Linking the primary groups with each other to address common challenges:</i> The provincial core groups formed have agreed on a common issue to address, and have come up with respective action plans to address such issues.</p>

Based on the monitoring reports and feedback from the four PDs themselves, the SCOPE grant, although very small (averaging USD 20,000 each), has resulted in positive impact in three areas: a) building primary organizations; b) improving local governance; and 3) building external linkages.

Table 1 presents a summary of the focus and impact of the SCOPE grant to the four IFAD projects.

### Lessons from In-Country Capacity Building

Through SCOPE's in-country capacity-building activities, the four projects have taken concrete steps to address their post-project sustainability as well as that of the RPOs they had assisted.

The capacity building interventions in the four projects have highlighted the key elements necessary to ensure project and RPO sustainability, specifically:

**LESSON 1: Develop social mobilizers from within the community who can continue to assist community organizations (COs) after the project ends.** "The SCOPE grant has expedited the project sustainability process by introducing Community Development Facilitators (CDF) who are recruited from the community with the view that they will be functioning after the project ends with community's assistance and supervision. The CDF was not provided for in the main project

proposal. The SCOPE grant has made it possible to include them and to train them. With the CDFs, the capacities of COs have increased, especially in handling banking affairs, resolving social conflicts, dealing with line departments, etc. It has had a big impact on project sustainability. People are now more confident about sustaining their activities in the long term." – *from SCBRMP Lessons Learned, by Sk. Md. Mohsin, Project Director*

**LESSON 2: Provide sufficient resources to support the RPO's organizational processes and capacity building of its leaders and members.** "Because of the positive results of the SCOPE project, the RPRP plans to incorporate more of these participatory approaches in strengthening the capacities of the Rangeland Monitoring and Management Committees (RMMCs) and various other groups/communities particularly to help ensure their sustainability. In fact, the RPRP wants to expand the SCOPE project to cover all the RMMCs in all the *aimags* particularly after the assessment of the RPOs in the Project Mid-Term Review which showed that many of these groups remained weak." – *from RPRP Lessons Learned, by Dalai Dagvaa, Project Director*

**LESSON 3: Develop the capacities of RPOs to link with other RPOs, governments and other sectors for policy advocacy and to address common issues and concerns.** "As a result of

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on women's participation in activities outside the home.

- ▶ Domestic duties take precedence over project related work. Furthermore, in many societies, the idea of women being preoccupied with non-domestic concerns is still frowned upon.

- ▶ RPOs have been observed to regress in their performance from time to time and for reasons not completely accounted for. If this backsliding happens within the project period, despite project support and oversight, what more once all external assistance ceases.

- ▶ The frequent turn-over of project staff has also been observed to undermine the effectivity of capacity-building efforts during the project period.

#### 3. LACK OF FOLLOW-UP SUPPORT

- ▶ Another part of capacity-building is the provision of some degree of external follow-up support. It may seem a contradiction to say that the sustainability of an organization is greatly helped by continuing external facilitation. After all, isn't it a hallmark of sustainability that a group is able to go it alone ▶▶▶ without outside help? However, in regard to certain types of organizations, some agencies are lately realizing that ▶▶▶

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most groups can only go so far without some form of external support.

► Newly independent RPOs have recourse to at least four types of "support mechanism":

1. A government agency, which takes on the role of "executing agency" at the end of the project. The problem with this arrangement springs from government agencies' general unfamiliarity with participatory processes that should underlie collaborative relations with RPOs.

2. Where NGOs or a core team of facilitators are given the task of "staying behind", the question remains as to how these support providers would be compensated for their efforts.

3. Where volunteers/organizers/activists residing in the community have been trained to do the follow-up facilitation work, there is a greater likelihood of persistence in the task, but these would need to be supported to some degree.

4. Institutions formed and managed by RPOs themselves appear to be the most viable option. An example of such institutions are the ►►► Community Managed Resource Centers put up by the NGO partner, MYRADA. Self-Help Groups (SHGs) ►►►

the SCOPE grant, "there is now a core of "bridging leaders" who could facilitate sectoral consultations aimed at engaging the multi-stakeholders in addressing an issue or issues. These are the provincial core groups that could continue the discussion and implementation of solutions. As a contribution to the bigger IFAD NMCIREMP Project, it is interesting to note that these coalitions are now focusing on the main challenges of NMCIREMP as pointed out by the MTR and latest supervision missions– unresolved IP issues and natural resource management, issues that would most likely persist even after NMCIREMP." – from *NMCIREMP Lessons Learned*, by Antonio Menor, Project Director

**LESSON 4: Assist the RPOs to generate and sustain their own resources.** For the PIDRA Program, "the SCOPE grant supported the idea of an exit strategy and the development of PIDRA's microfinance institution in 2007 – 2008, towards the end of the program." – from *PIDRA Lessons Learned*, by Djadi Purnomo, Project Director.

## RPO SUSTAINABILITY FRAMEWORK AND INDICATORS

At the IFAD-Asia Divisional Meeting in Rome, Italy in February 2006 in which SCOPE's Review of IFAD Projects was presented, IFAD Asia Director Mr. Thomas Elhaut proposed that the SCOPE Project assume the task of assisting the five IFAD-supported projects

covered by the SCOPE Project in addressing the concerns pointed out in the foregoing review.

In this regard, the SCOPE Project was given two main tasks: (1) to identify the elements or components that could be incorporated into an exit strategy, and to identify which of these elements would constitute the minimum requirements of an exit strategy; and (2) to review the project documents of the five IFAD-supported projects covered by SCOPE and to assess whether they contain the minimum elements as identified, point out the gaps in the projects and incorporate the necessary elements or components in the project strategies.

On 24 June 24 2006 SCOPE organized a meeting in Bangkok, Thailand among some staff of IFAD Asia Division, Country Portfolio Managers (CPMs) for Bangladesh and India, and the five PDs involved in the SCOPE project, at which the latter presented their respective sustainability plans. Following this meeting, a provisional set of sustainability indicators was prepared based on the recommendations of the Review of IFAD Project Experiences in Asia. These indicators, numbering 32, were grouped into five categories, representing sustainability issues related to:

1. Good Governance;
2. Management;



3. Financial Management, Viability and Sustainability;
4. Service Delivery; and
5. External Relations.

Likewise, a number of general strategies designed to help the five IFAD projects meet the foregoing indicators were proposed.

A follow-up meeting among the five IFAD PDs was held on 19-20 February 2006 in Manila, Philippines, where the set of indicators, including the proposed strategies, were discussed and revised, with one major category being added ("Nurturance of the Organizational Culture") and a number of sub-indicators being re-categorized or subsumed under other groupings. This exercise was followed by the PDs' re-drafting of their sustainability plans according to the new set of indicators.

### Indicators of RPO Sustainability

The following indicators of RPO sustainability were identified during a series of meetings 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/Pacific Region (ENRAP)

Program, and convened by ANGOC from 26 February to 16 April 2007, also served to clarify a number of these indicators.

**I. 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: (1) the number of leaders, both first- and second-line, that are required by the project; and (2) 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;

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contract services (e.g., training, marketing, audit, etc.) from such resource centers for a fee.

▶ Possible sources of funding for post-project facilitation are contributions from RPOs (in the form of fees for services), government, corporate, and other donors.

#### 4. UNFAVORABLE POLICY FRAMEWORK

▶ It is sometimes taken for granted that governments would be supportive of the continued development of RPOs. While most democratically elected governments may not actively hinder, if not promote, the activities of RPOs at the start, they have been known to change their minds once the RPO begins to demand reforms. In non-democratic regimes, the situation simply does not support such optimism.

▶ Where the political environment is favorable, other obstacles may still impede the RPO's growth. For instance, small SHGs find themselves cut off from formal sources of credit, especially banks, because they have not complied with certain government requirements (such as legal registration) or because of the lack of collateral for a loan. ▶▶▶



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### 5. THE HURDLES OF SCALING UP

► Scaling up, or seeking membership in coalitions, federations, or networks, could help enhance the sustainability of RPOs because doing so generally increases a group's bargaining power with institutions from which it can access resources, including credit, information and technical assistance. It could also help to bring about changes (i.e., policy/institutional reforms, concessions from a local government unit) that are favorable to the development of the RPO.

► However, the advantages of scaling up may be offset by the problems that come with it. Larger numbers pose a bigger management problem, tending to make operations unwieldy and resulting in deterioration in the quality of the service provided. Leaders of RPOs, not to mention their staff, are also often ill-prepared (e.g., in terms of education) for their new tasks and roles as leaders/members of a larger group.

► Capacity-building is therefore indispensable to the formation of federations, coalitions and networks. Capacity-building towards the formation of federations and coalitions should focus on the following:

- Transition from membership in an unaffiliated RPO towards membership in a ▶▶▶

- 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 and 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 contributions 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**

- ▶ A flowchart detailing the flow of communication within the organization.

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

**II. 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 author-

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coalition/federation/network;

▶ Preparedness of the RPO to take on its changing/evolving role/s as member of a coalition/federation/network;

▶ Management of coalitions, federations and networks, as opposed to that of unaffiliated RPOs;

▶ Strengthening of RPOs to ensure their autonomy from its federation/coalition/network partners;

▶ Management and resolution of conflict.

ity 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.**

**III. 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.

IV. **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.

V. **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 partnership 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.).

## VI. 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.

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

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

36. 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.

37. Mutual help among members and a spirit of volunteerism.

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

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

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





## **Issues and Challenges in Strengthening and Sustaining Rural Poor Organizations**

In the process of implementing their respective sustainability plans, the four SCOPE supported IFAD projects have had to deal with a number of issues and challenges that have constrained their efforts to promote the sustainability of RPOs.

These issues and challenges arise both from features of the project cycle that have not been modified to accommodate the requirements of a sustainability strategy, as well as from gaps between IFAD policy and practice in regard to implementing effective exit strategies in its projects.

This section presents the issues and challenges that manifest themselves at three major stages in the project cycle: (1) Project design; (2) Capacity building and Project implementation; and (3) Project monitoring and evaluation. This section also provides recommendations

for IFAD, Governments and CSOs to address these concerns.

This section draws from the review of IFAD projects prepared by Dr. Cristina Liamzon and entitled "STRENGTHENING CAPACITIES OF ORGANIZATIONS OF THE POOR: EXPERIENCES IN ASIA, IFAD's Experience in Building and Strengthening Rural Poor Organizations in Asia", and from the IFAD Regional Workshops held in November 2005 and September 2007.

## PROJECT DESIGN

"Project design" consists of the five stages involved in the development of an IFAD project, as follows:

- ▶ Preparation of the Country Strategic Opportunities Programme (COSOP), a document which sets out the rationale and strategies for IFAD's engagement in a particular country;
- ▶ Project inception, which consists of a review of pertinent documents by the Country Programme Manager (CPM);
- ▶ Project formulation, which includes the preparation of the design of the project and of the project logframe;
- ▶ Project appraisal, during which the budget is reviewed, assumptions are validated, and negotiations with the

relevant government agency are conducted; and

- ▶ Loan negotiation and signing of the loan agreement between IFAD and the recipient government.

A number of recommendations have been proposed to promote the sustainability of RPOs as early on in the project as possible. These include lengthening project timeframes and making project components flexible enough to allow the processes involved in organization development to take their proper course. Project designs would also be greatly enhanced by the incorporation of specific elements, such as: (i) an RPO sustainability plan/exit strategy that prioritizes "processes" over "structures"; (ii) provisions for building up the internal capacities of RPOs; (iii) involvement of RPOs, where appropriate, in all other project components (e.g., infrastructure, natural resource management, credit, etc.), considering that RPO sustainability is fostered by the development of the group's capacity to manage many project components; (iv) development and mentoring of dynamic and effective social mobilizers/community development facilitators/community development volunteers from within the community who could continue to assist the RPOs in their organizational processes after the project ends; and (v) development of mechanisms to facilitate cooperative engagements and

linkages between the RPO and government and other institutions, as such linkages create opportunities to access resources after the project ends as well as promote continuing learning and advocacy, and thus greater impact. Lastly, provisions for continued support for the RPO (in the form of grant assistance) have also been proposed.

However, efforts to put these recommendations to work have run aground because of the following constraints:

***The top-down nature of the processes involved in the design of IFAD projects.***

There are no formal mechanisms to secure stakeholder participation, especially of CSOs, in the formulation of the COSOP or in the preparation of the project appraisal report, which is touted to be “the bible” of project implementers. Denied this opportunity to contribute their inputs at the design stage, stakeholders would have few other chances, if any, to influence IFAD, the CPMs, and the PDs to adopt measures that would enhance the sustainability of their organizations.

***Disconnect between strategies/policies adopted by IFAD and downstream processes in the project cycle.***

There have been recommendations to incorporate the RPO sustainability framework in the COSOP and in other project documents. However, even this may not be enough to ensure that concerns for sustainability are addressed at succeeding

stages of the project cycle. For example, while project appraisal reports and loan documents may provide for a sustainability strategy, and even identify the activities that the project proposes to undertake to strengthen RPOs, there is no guarantee that the requirements and methods for putting these to work are clear enough to be implemented at the project start-up stage. Thereafter, in the haste to produce the Project Implementation Manual (PIM) (i.e., usually in just three to six months), these crucial details tend to be overlooked by PDs. The involvement of PDs at the design stage has been proposed to help mitigate this kind of disconnect.

Design could only go so far. Project designers may not be able to anticipate all the implications of the project design on monitoring and evaluation, or on the requisite support systems, for instance. There ought to be room for experimentation and for pilot testing the methodology before project start-up.

***IFAD's inability to go the distance.*** Achieving RPO sustainability requires longer periods than IFAD is currently prepared to fund. This would explain the lack of enthusiasm, or “buy-in”, among Country Programme Managers (CPMs) for activities designed to promote sustainability. The CPMs simply do not believe that IFAD is ready, or willing, to stay the course and to make this kind of commitment of its time and money.

*Insufficient budget provisions for the social components of IFAD projects.* This is an offshoot of IFAD's lack of understanding of the social processes involved, and the investment in time and money required in organizing and strengthening RPOs.

*Governments' lack of appreciation for the need for capacity-building, especially where this is provided by NGOs.* PDs may recognize the role that NGOs could play in building the capacities of RPOs for the various tasks they must undertake if they are to sustain themselves. However, unless governments come to share this view, they would continue to resist the idea of funding NGO activities from the IFAD loan. Thus, the all-important task of capacity-building is frequently shelved or postponed until money from some other source or intended for some other purpose is freed up or otherwise becomes available.

### IFAD's Response

IFAD has acknowledged the importance of providing early on for a sustainability or exit strategy and said that this is already included in project appraisal reports. However, in regard to involving PDs at the design stage, IFAD has observed that this is possible in some countries, whereas in others, the PDs could only get involved at a later stage.

## PROJECT IMPLEMENTATION AND CAPACITY BUILDING

The Project Implementation stage begins

with the Start-Up Workshop, at which the PD hammers out the Project Implementation Manual (PIM). In the actual implementation of the project, CSOs/NGOs are brought in to provide technical assistance.

The following issues have been observed to come up during project implementation:

*Discontinuity resulting from changes in country program management.* Frequent changes in CPMs undermine the consistency of policies and activities implemented during the project. Thus, any gains from having a CPM who endorses the idea of building RPO sustainability would be reversed by his/her replacement by the next CPM, who does not share his/her predecessor's views and would more likely than not, simply consult the appraisal report, which, in its current formulation, is short on details and guidelines in regard to building RPO sustainability.

*Lack of direct support from IFAD for capacity-building.* Capacity-building should be funded out of a specific grant, and not, as is currently the case, out of the project loan.

*Lack of government support for RPO sustainability.* Where activities in support of RPO sustainability could not be funded out of the project loan, the same could be taken on by a supportive government. Unfortunately, most governments have yet to be persuaded that investments on the social

components of projects are just as crucial to the success of IFAD-supported projects.

CSOs have frequently proposed that IFAD provides incentives towards promoting a better appreciation among governments for the need to strengthen RPOs involved in IFAD-supported projects. The incentives may or may not take the form of money, CSOs have suggested; IFAD could use a combination of "carrots" and "sticks" to produce the desired effect. Furthermore, a venue for regular policy dialogue between governments and CSOs or RPO representatives in regard to RPO strengthening would be helpful, but does not currently exist.

***PDs' discretion over facilitating NGO participation in capacity-building.*** PDs of SCOPE supported IFAD projects have come to recognize the efficacy of NGO assistance in capacity-building efforts. However, they are still in the minority. Most PDs are likely to share the ambivalence of their governments with regard to NGOs. Hence, the involvement of NGOs in IFAD-supported projects must not be left to the whims of PDs, but should be stipulated in loan agreements.

## IFAD's Response

IFAD regards its operations as being "too CPM-based". Too often, discontinuity (in operations and policies) follows the departure of CPMs. IFAD is striving to de-personalize its operations by restoring emphasis on

the project logframe. The latter would serve as a "straitjacket", keeping the project on target and thus promoting continuity in policies and activities.

Another way in which IFAD is striving to ensure continuity, especially in regard to promoting RPO sustainability in its projects, is by building up its knowledge management capabilities. This could be done by disseminating the lessons from SCOPE among IFAD divisions concerned, and by continuous documentation.

In regard to the need to persuade governments of the need for RPO strengthening, IFAD may use an existing mechanism: the Performance Based Allocation System (PBS), through which country allocations are determined according to governments' performance in specific sectors. For instance, IFAD has developed indicators to measure governments' performance in agriculture, which already include the strengthening of RPOs. The PBS holds a yearly consultation between IFAD and the respective governments, following which the country allocation either goes up or down according to the government's performance in regard to the indicators. Hence, a mechanism already exists, and to which IFAD could be persuaded to add more of the RPO sustainability indicators.

## PROJECT MONITORING AND EVALUATION

Project Monitoring and Evaluation comprises the Supervision Missions, the Mid-Term Review (MTR), and evaluation of completed projects.

### *Lack of control by IFAD over the implementation of the sustainability/exit strategy.*

Formulating a sustainability/exit strategy and working it into the project appraisal document does not guarantee its observance down the line. The persons heading the supervision missions or the MTR have been known to deviate from such strategies. Without IFAD oversight in this regard, there is no way of ensuring that such strategies are actually implemented.

### *Lack of mechanisms to periodically review the project logframe, and lack of flexibility to make appropriate adjustments to project assumptions following such a review.*

There are recommendations to institute a mechanism whereby IFAD projects could be periodically assessed (at predetermined periods) for compliance with the project logframe (which among others should reflect the RPO sustainability indicators). There is also a need for some flexibility in regard to budget realignments (e.g., in the Annual Workplan and Budget [AWPB]) in light of findings from such a review.

### *Lack of participatory monitoring and evaluation.*

RPOs would like the opportunity to audit IFAD projects. However, there is as yet no agreed mechanism nor are there tools for such a participatory monitoring and evaluation.

# Priority Areas for Action towards Promoting the Sustainability of Rural Poor Organizations

The following recommendations have been put forward to address the abovementioned issues and challenges. These are drawn from the IFAD Regional Workshop held in September 2007 in Bangkok, Thailand; an e-discussion on RPO sustainability supported by IFAD through its Knowledge Networking for Rural Development for Asia/Pacific Region (ENRAP) Program, and convened by ANGOC from 26 February to 16 April 2007; and a meeting of IFAD PDs in February 2007 in Manila, Philippines.

## PROJECT DESIGN

1. **Include RPO sustainability as an objective, and as part of the exit strategy, in project appraisal and loan documents.**

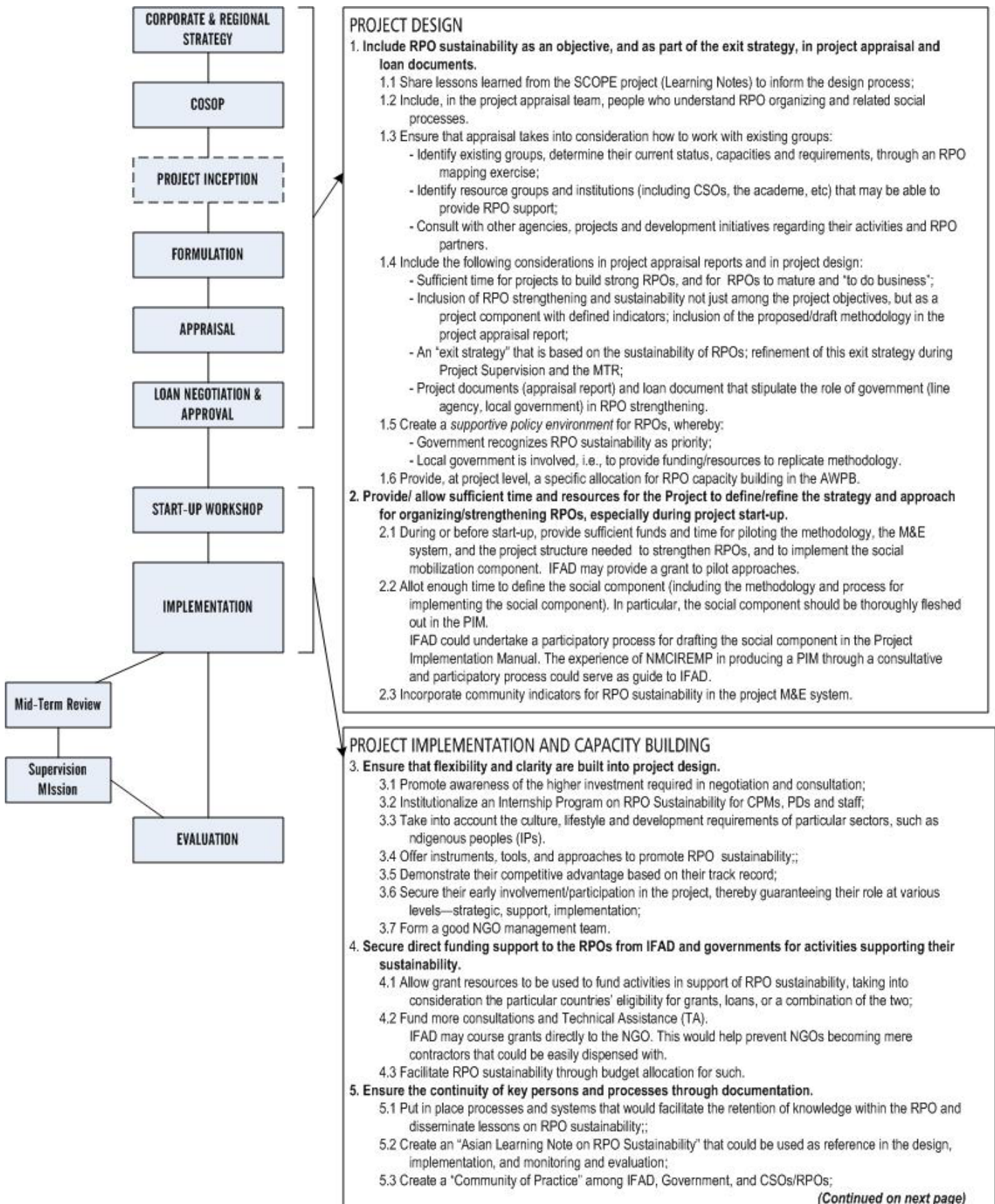
For IFAD:

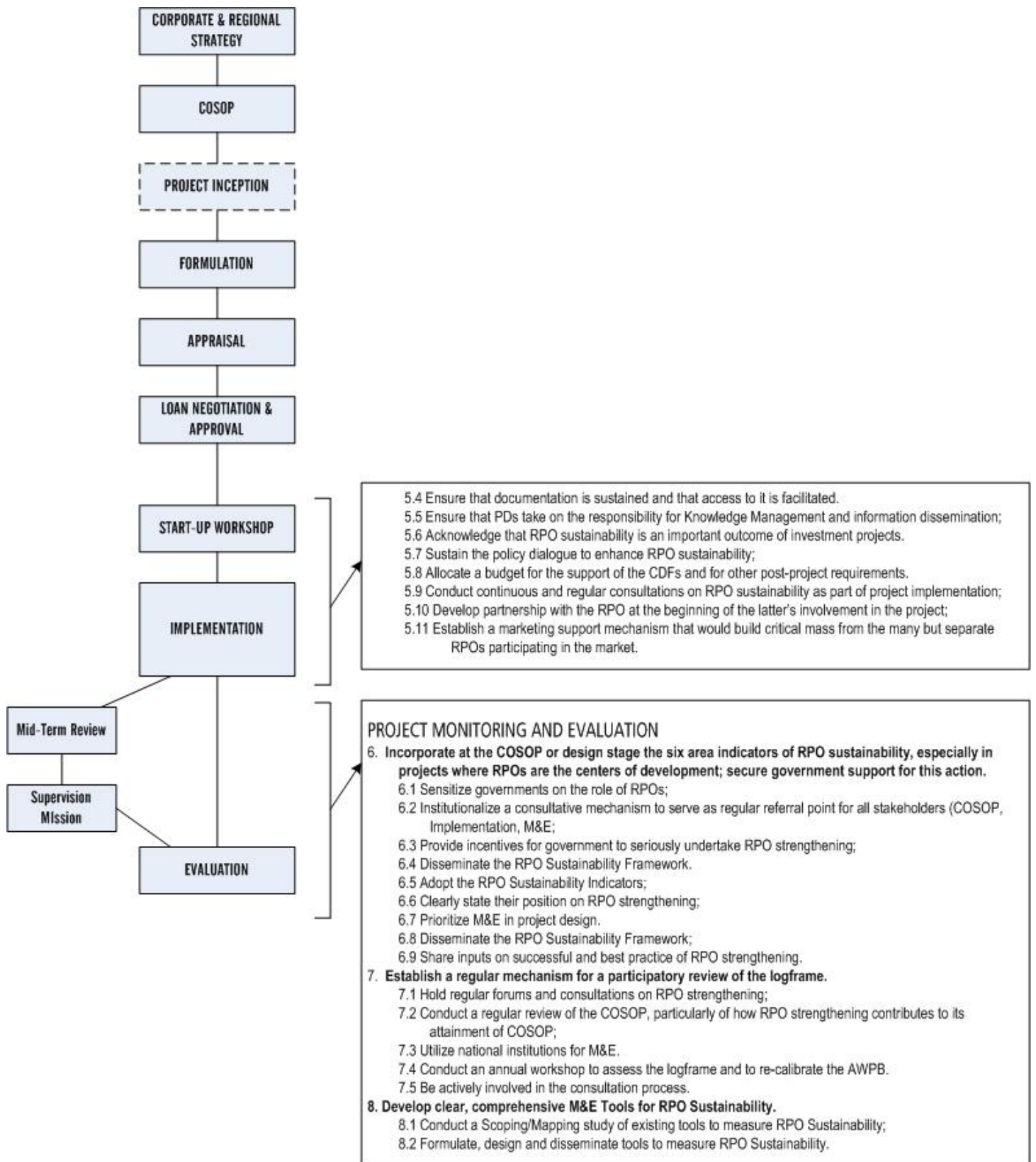
- 1.1 Share lessons learned from the SCOPE project (Learning Notes) to inform the design process;



- 1.2 Include, in the project appraisal team, people who understand RPO organizing and related social processes.
- 1.3 Ensure that appraisal takes into consideration how to work with existing groups:
- ▶ Identify existing groups, determine their current status, capacities and requirements, through an RPO mapping exercise;
  - ▶ Identify resource groups and institutions (including CSOs, the academe, etc) that may be able to provide RPO support;
  - ▶ Consult with other agencies, projects and development initiatives regarding their activities and RPO partners.
- 1.4 Include the following considerations in project appraisal reports and in project design:
- ▶ Sufficient time for projects to build strong RPOs, and for RPOs to mature and "to do business";
  - ▶ Inclusion of RPO strengthening and sustainability not just among the project objectives, but as a project component with defined indicators; inclusion of the proposed/draft methodology in the project appraisal report;
- ▶ An "exit strategy" that is based on the sustainability of RPOs; refinement of this exit strategy during Project Supervision and the MTR;
  - ▶ Project documents (appraisal report) and loan document that stipulate the role of government (line agency, local government) in RPO strengthening.
- For IFAD-Supported Projects/with Government as lead:
- 1.5 Create a *supportive policy environment* for RPOs, whereby:
- ▶ Government recognizes RPO sustainability as priority;
  - ▶ Local government is involved, i.e., to provide funding/resources to replicate methodology.
- 1.6 Provide, at project level, a specific allocation for RPO capacity building in the AWPB.
- 2. Provide/ allow sufficient time and resources for the Project to define/refine the strategy and approach for organizing/strengthening RPOs, especially during project start-up.**
- For IFAD:
- 2.1 During or before start-up, provide sufficient funds and time for piloting the methodology, the M&E system, and the project structure needed to

Figure 1. RPO Strengthening in IFAD's Project Cycle





strengthen RPOs, and to implement the social mobilization component. IFAD may provide a grant to pilot approaches.

2.2 Allot enough time to define the social component (including the methodology and process for implementing the social component). In particular, the social component should be thoroughly fleshed out in the PIM.

IFAD could undertake a participatory process for drafting the social component in the Project Implementation Manual. The experience of NMCIREMP in producing a PIM through a consultative and participatory process could serve as guide to IFAD.

For IFAD-supported projects/with Government as lead:

2.3 Incorporate community indicators for RPO sustainability in the project M&E system.

## PROJECT IMPLEMENTATION AND CAPACITY BUILDING

3. **Ensure that flexibility and clarity are built into project design.**

For IFAD:

3.1 Promote awareness of the higher investment required in negotiation and consultation;

3.2 Institutionalize an Internship Program on RPO Sustainability for CPMs, PDs and staff;

3.3 Take into account the culture, lifestyle and development requirements of particular sectors, such as indigenous peoples (IPs).

For CSOs:

3.4 Offer instruments, tools, and approaches to promote RPO sustainability;;

3.5 Demonstrate their competitive advantage based on their track record;

3.6 Secure their early involvement/participation in the project, thereby guaranteeing their role at various levels—strategic, support, implementation;

3.7 Form a good NGO management team.

4. **Secure direct funding support to the RPOs from IFAD and governments for activities supporting their sustainability.**

For IFAD:

4.1 Allow grant resources to be used to fund activities in support of RPO sustainability, taking into consideration the particular countries' eligibility for grants, loans, or a combination of the two;

4.2 Fund more consultations and Technical Assistance (TA).

IFAD may course grants directly to the NGO. This would help prevent NGOs becoming mere contractors that could be easily dispensed with.

For Government:

4.3 Facilitate RPO sustainability through budget allocation for such.

**5. Ensure the continuity of key persons and processes through documentation.**

For IFAD:

5.1 Put in place processes and systems that would facilitate the retention of knowledge within the RPO and disseminate lessons on RPO sustainability;;

5.2 Create an "Asian Learning Note on RPO Sustainability" that could be used as reference in the design, implementation, and monitoring and evaluation;

5.3 Create a "Community of Practice" among IFAD, Government, and CSOs/RPOs;

5.4 Ensure that documentation is sustained and that access to it is facilitated.

For Government:

5.5 Ensure that PDs take on the responsibility for Knowledge Management

and information dissemination;

5.6 Acknowledge that RPO sustainability is an important outcome of investment projects.

For Government and IFAD:

5.7 Sustain the policy dialogue to enhance RPO sustainability;

5.8 Allocate a budget for the support of the CDFs and for other post-project requirements.

For All Stakeholders:

5.9 Conduct continuous and regular consultations on RPO sustainability as part of project implementation;

5.10 Develop partnership with the RPO at the beginning of the latter's involvement in the project;

5.11 Establish a marketing support mechanism that would build critical mass from the many but separate RPOs participating in the market.

**PROJECT MONITORING AND EVALUATION**

**6. Incorporate at the COSOP or design stage the six area indicators of RPO sustainability, especially in projects where RPOs are the centers of development; secure government support for this action.**



For IFAD:

6.1 Sensitize governments on the role of RPOs;

6.2 Institutionalize a consultative mechanism to serve as regular referral point for all stakeholders (COSOP, Implementation, M&E);

6.3 Provide incentives for government to seriously undertake RPO strengthening;

6.4 Disseminate the RPO Sustainability Framework.

For Government:

6.5 Adopt the RPO Sustainability Indicators;

6.6 Clearly state their position on RPO strengthening;

6.7 Prioritize M&E in project design.

For CSOs:

6.8 Disseminate the RPO Sustainability Framework;

6.9 Share inputs on successful and best practice of RPO strengthening.

**7. Establish a regular mechanism for a participatory review of the logframe.**

For IFAD:

7.1 Hold regular forums and consultations on RPO strengthening;

7.2 Conduct a regular review of the COSOP, particularly of how RPO

strengthening contributes to its attainment of COSOP;

7.3 Utilize national institutions for M&E.

For Government:

7.4 Conduct an annual workshop to assess the logframe and to recalibrate the AWPB.

For CSOs:

7.5 Be actively involved in the consultation process.

**8. Develop clear, comprehensive M&E Tools for RPO Sustainability.**

For CSOs:

8.1 Conduct a Scoping/Mapping study of existing tools to measure RPO Sustainability;

8.2 Formulate, design and disseminate tools to measure RPO Sustainability.