CASE STUDIES IN FINANCIAL SUSTAINABILITY

Sharda Naidoo and Emmanuel Ofori-Bah
March, 2014
Dear STAR Grant Partners,

These case studies in financial sustainability have been written to give you examples and insights into a range of possible routes to building sustainability. The cases are from a wide range of countries – Thailand, India, South Africa, Ghana and West Africa.

In selecting the organisations to write about we tried to show that it is possible to build sustainability using a diverse range of strategies. Our studies show that sustainability can be achieved in organisations working with very poor people, in a variety of sectors whether education or rural development, in membership associations and in civil society advocacy programmes.

At the stage of choosing organisations whose stories we should write, the following issues guided us in our selection, data gathering and writing:

- The organisations that succeed are legitimate in having members or a constituency and they are keenly focused on delivering to that constituency whether it is advocacy or a mix of services.
- The combination of scale and legitimacy are invaluable in engendering successful sustainability and advocacy. As result their ability to leverage resources and persuade governmental change is enhanced through this credibility;
- Sustainability has its roots in delivery to members / constituents that the organisation is set up to serve; As long as the organisation delivers to its members / constituents the more likely they are to find ways to keep the organisation alive;
- Organisations that do not depend on donors have the power to set their own agenda and serve their members/clients better;
- Achieving sustainability is not country or wealth specific – it is a universal choice that any organisation can make. The pivotal factors that can drive a sustainability strategy are choice and decisions;
- An organisation that advocates in combination with other services is likely to have more weight and therefore succeed better in its development and advocacy quest.

We would encourage you to explore these principles in your reading of the cases and consider whether they ring true for you.

We would also urge you to respond to the questions we have written up at the end of each study. We hope these will enable you to obtain further insights into the factors that ensure success along pathways to sustainability.

Mostly we hope you enjoy and are inspired by the stories of the courageous men and women who built these exemplary organisations!

We look forward to your feedback and suggestions,

Sharda Naidoo and Emmanuel Ofori-Bah
Case Studies In Financial Sustainability

Pathways of Influence

Sharda Naidoo

The Sustainability Strategy of the West Africa Civil Society Institute (WACSI)

All of us have probably dreamt of having unlimited wealth at some point, however how many of us have clear plans about what we would do if we did command such wealth? Do people plan to make money so that they can simply enjoy themselves with no limits? Or do they plan to contribute to different groups of people and causes? Do they plan to try to change the world and change thinking and political systems? What would you do if you were very wealthy?

It would be hard to speculate about whether George Soros dreamt about and planned to become as wealthy as he is or whether it happened through circumstance. According to Forbes, Soros's net worth was $19.2b in March 2013. Of this astounding amount, “To date, Soros has given over $8 billion to support human rights, freedom of expression, and access to public health and education in more than 100 countries.”

With such a record of wealth and philanthropy, two questions arise, why would a person choose to make such contributions and secondly are they going to continue with such donations indefinitely? When we consider that the Soros supported Open Society Foundation through the Open Society Initiative for West Africa (OSIWA) created West African Civil Society Institute (WACSI), we have to ask why sustainability matters with links to such fortunes?

In this case study on WACSI and its sustainability strategy, we firstly reflect on the philosophy and visions of the Open Society with a brief overview of its work. We then discuss the work of OSIWA briefly and its motivation for establishing WACSI with particular emphasis on the rationale for a sustainability strategy. We then examine WACSI’s offerings, its modus operandi and sustainability strategy.
Finance and philosophy are an unusual combination of interests, yet it is this combination which is behind the success and philanthropy of George Soros. Born just nine years before the outbreak of World War II, the young Soros made his way to London from Hungary in 1947 when Europe and the United Kingdom were still rebuilding their cities and economies. Before graduating from the London School of Economics in 1952, Soros studied Karl Popper’s work in the philosophy of science as well as his critique of totalitarianism, *The Open Society and Its Enemies*, which maintains that no philosophy or ideology has the final word on the truth and that societies can only flourish when they allow for democratic governance, freedom of expression, a diverse range of opinion, and respect for individual rights.

George Soros came of age in Hungary at a time when it was a battleground in the decades-long conflict between fascism and communism, the two great totalitarian ideologies of the 20th century. A personal experience of this conflict—including the violence, foreign occupation, anti-Semitism, and other forms of intolerance that went with it—as well as a personal fascination with philosophy shaped Soros’s thinking in later years and influenced his successful strategies in both finance and philanthropy.

Born in Budapest in 1930, Soros survived the Nazi occupation of Hungary during World War II as well as the postwar imposition of Stalinism in his homeland. Soros fled Communist-dominated Hungary in 1947 and made his way to England.

Later, while working as a financial analyst and trader in New York, Soros adapted Popper’s thinking in developing his own application of the social theory of “reflexivity,” a set of ideas that seeks to explain how a feedback mechanism can skew how participants in a market value assets on that market. After concluding that he had more talent for trading than for philosophy, Soros began to apply his ideas on reflexivity to investing, using it to predict, among other things, the emergence of financial bubbles. In 1967, he helped establish an offshore investment fund. In 1973, he set up a private investment firm that eventually evolved into the Quantum Fund, one of the first hedge funds.

Soros’s memories of anti-Semitism in wartime Hungary prompted him, in 1979, to begin providing financial support for black students at the University of Cape Town in apartheid South Africa. In 1984, Soros created an education and culture foundation in Hungary. He later supported dissident movements in Eastern Europe’s other Communist countries, helping people to organize themselves at a time when popular organizations were banned, to voice their opinions when dissonant opinions were considered anti-state propaganda, and to promote tolerance, democratic governance, human rights, and the rule of law when a one-party dictatorship exercised a monopoly on power.

As the East bloc crumbled during the late 1980s and the Soviet empire collapsed in the early 1990s, Soros expanded his funding in an effort to help create open societies in all of the region’s countries. He demonstrated his commitment to critical thinking and democratic political

**Origins of WACSI**

Soon after Soros created the Open Society Institute (OSI) in 1993 as a private grant-making Foundation, the work of the Foundation spread to Africa. The Open Society Foundation for South Africa was founded in Cape Town in the same year, 1993. The Open Society Initiative for Southern Africa followed in Johannesburg in 1998. And the Open Society Initiative for West Africa (OSIWA) was established in 2000. Subsequently, the Open Society Initiative for Eastern Africa (OSIEA) was launched in 2005, spreading the work of the OSI across most of the continent.

Through their operations as a grant making body in the areas of political governance, economic governance and law, justice and human rights, OSIWA noticed the difficulties that a number of CSOs had in accessing grants or in managing performance when they were awarded grants. In view of these challenges, a process of consultation on increasing access and enhancing performance commenced. While OSIWA set up WACSI in 2005, the first 2 years of activity consisted of consultation regarding regional training needs. Of course a key part of the assessments and meetings were to build relationships and linkages while also searching for a suitable Executive Director. Clearly there was an understanding of the importance of quality relationships and ownership in learning processes and of appropriate leadership to build such an essential organisation.

The Vision of WACSI is to serve as a resource and capacity development hub for civil society in West Africa in pursuit of democracy, good governance and development. This led into WACSI’s mission:

“To be a not-for-profit organisation that seeks to strengthen the institutional and operational capacities of civil society organisations through capacity strengthening programmes for increased and effective policy engagement, and the promotion of development, good governance and democratic values in West Africa”

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OSIWA’s motivation was to focus their creative and custom-made interventions to respond to operational and institutional challenges of national and regional CSOs.

In setting up WACSI, OSIWA’s motivation was to focus their creative and custom-made interventions to respond to operational and institutional challenges of national and regional civil society institutions in Liberia, Nigeria, Togo, Benin, Ghana, Sierra Leone, Guinea, Cote d’Ivoire and Senegal. Having started with these nine countries, WACSI plans to focus on invigorating the capacities of development practitioners in Mali, Burkina Faso, Niger, Gambia, Cape Verde and Guinea Bissau in the near future.
Case Studies In Financial Sustainability

Through the process of conducting the needs assessments, it was found that there were a range of common needs which could be jointly addressed. One of the more common needs which was to be expected was that the leadership of CSOs were usually gutsy, strong individuals for whom organisational development, management and administration systems were not priorities nor had they been schooled in these areas.

As much as charismatic leadership is invaluable in campaigns, it is not always conducive to practical policies and sound management within organisations. Clearly, such a situation is not likely to be sustainable beyond the ‘donor’ era.

Above: The WACSI Team (Board and Staff) in 2012

Of course there were and still are some unique challenges relating to democracy and governance in some countries in the region. In fact one of the findings of the needs analysis workshop held in 2007 was that tailor made programmes for organisations would be more likely to yield impact. Among the recommendations made at the workshop was that:

- Training and Capacity building for CSOs should be professionalised to respond to the increasing requirement of professionalism within CSOs;
- Capacity building for civil society should not be restricted to NGOs but should include organisations outside urban areas and organisations usually omitted in the conventional definition of civil society such as traditional rulers, faith based groups and the media;
- Periodic reflection among civil society on the impact of training initiatives should be encouraged to promote sharing and learning of experiences; and
- Region specific comprehensive and participatory monitoring and evaluation training initiatives should be organised for civil society.

From the outset, the plan was to have a small in-house management team for co-ordination and to hire in external consultants for specialised programmes. This idea also promoted the use of indigenous skills which would be more economical and sometimes more relevant.

As a result WACS was designed to have a lean secretariat. After starting with seven staff members, they have grown to sixteen consisting of an Executive Director and her assistant,
five staff in finance, office management and IT, seven in technical areas and 2 interns. Such a small complement to serve nine countries is indeed lean.

What are WACSI’s Key Offerings?

With their experience and that of their partners, the WACSI team realised that once-off training for individuals was not likely to bring about the levels of organisational change and development that was needed in the region. Their experience showed that a longer-term model which included training, mentoring, coaching and impact assessments would better serve the sector. They were also mindful of the need to maintain the mission focus of their partners while making organisational enhancements. After the first five years of building this model, WACSI is now marketing it to donors and other stakeholders who approach the organisation. In response to the demand, they have been able to charge for training in four countries Benin, Niger, Cote d’Ivoire and Guinea.

In a current programme working with OSIWA’s 26 grant partners in Benin, WACSI has requested that senior staff with experience in managing change attend their training. This type of prerequisite comes from their first five years of experience. In addition, their process of organisational strengthening consists of a 2-year package which starts with 2 weeks of full-time institutional training, followed by an action plan and operational skills assessments. Every six months, assessments of progress are done and these are supplemented with technical assistance. At the end of the 2 year period, an external evaluation is done and measurable changes are tracked.

While the initial emphasis was on training in general management which included governance, project management and financial management, a range of other courses have also been developed. These cover resource mobilisation, proposal writing, results-based M&E, personal development skills and gender and development. There has been a holistic and responsive approach to development of programmes which has led to a wide range of management and technical programmes. A programme flyer on WACSI states, “Between 2007 and 2012, WACSI equipped over 1682 civil society practitioners from about 1609 organisations in West Africa, contributing to enhanced professionalism within the sector.”
## Enhancing CSOs’ Effectiveness (1609+)

<table>
<thead>
<tr>
<th>WACSI enables CSOs to:</th>
<th>Equipping Practitioners (1682+)</th>
<th>Promoting Policy Research</th>
<th>Grooming Future Leaders (16+)</th>
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</thead>
<tbody>
<tr>
<td>Develop and operationalise feasible strategic plans;</td>
<td>WACSI empowers practitioners to:</td>
<td>WACSI commissions research on:</td>
<td>WACSI grooms young West Africans to:</td>
</tr>
<tr>
<td>Develop policies and programmes to execute their operations;</td>
<td>Effectively coach and manage teams;</td>
<td>Elections and democratic governance</td>
<td>Work under pressure;</td>
</tr>
<tr>
<td>Develop resource mobilisation and sustainability plans</td>
<td>Carry out policy relevant research;</td>
<td>Political Governance;</td>
<td>Multi-task;</td>
</tr>
<tr>
<td>Develop communication and media engagement strategies</td>
<td>Effectively communicate the values and achievements of their organisations;</td>
<td>Women’s political participation and leadership;</td>
<td>Adapt and perform in multi-cultural work environments;</td>
</tr>
<tr>
<td>Design appropriate monitoring and evaluation systems;</td>
<td>Write winning proposals;</td>
<td>Political crisis and conflict management;</td>
<td>Handle leadership roles;</td>
</tr>
<tr>
<td>Design project management plans that facilitate 100% programme delivery;</td>
<td>Influence social policies;</td>
<td></td>
<td>Manage and work in a team.</td>
</tr>
<tr>
<td>Develop functional advocacy plans.</td>
<td>Account appropriately for project funds</td>
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**Training, Mentoring, Coaching, Convening, Knowledge Management, Documentation**

WACSI adopts a comprehensive approach to capacity development. The Institute diagnoses the problem and maps out the most relevant strategy to address it in collaboration with the target organisation. They adopt the following approach to make each intervention context specific and relevant:

- Needs Assessment
- Curriculum Development
- Training
- Mentoring
- Coaching
- Impact Assessment
- Success Stories
WACSI’s Sustainability Strategy

While WACSI was initially a child of OSIWA and was fully funded as such, the relationship has since changed. On the one hand, WACSI observed that dependence on a single donor was not optimal and given that they were a success story, more could be achieved with alternative funding models. While the initial arrangement was that funding provided by OSIWA was split 50-50 across programmes and administration this has since changed with WACSI sourcing for funding for programmes from and partnering with several other donors.

Based on the range of donors and organisations for whom they have performed training and capacity building assignments, WACSI is confident that they have the networks to promote their offerings and that the demand exists for their services. Having started with marketing their training to a broader grouping, WACSI is now considering offering consulting services through a partnership with organisations such as INTRAC. One of the issues to be resolved here is whether the Institute can generate income to support its operations.

Above: Staff from 26 CSOs from Niger, Benin, Guinea and Cote d'Ivoire who trained in 2012
Initially, the idea of generating internal income arose when OSIWA was involved in an internal review and WACSI funds were delayed. At that time, the resident (in Ghana) Board member who was acting as Executive Director had the idea of piloting a number of fees-paying courses to civil society organisations and gained the blessing of the rest of the board for implementation.

The good teamwork that was fostered and the professionalism exhibited by staff was invaluable during implementation. Everyone was committed, knew their roles and were playing them. “Charles Vandyck the senior capacity building officer says “This was the trigger; it set us up to examine our own internal operational and governance structures”. We also had to assess and prioritize the training demands with a focus on marketable, demand driven courses. We finally settled on Financial Management courses and Proposal Formulation and Grants Management”

“We also had to change our communications to our constituents. This was a new modus operandi, paying for their own development where prior to that they were sponsored. Central to this new outreach, some worked needed to be done including:

- Revamping the website and changing the communications style to attract ‘clients’ and emphasizing value; and
- Courting of organizations we had trained previously to attend these new fee paying courses.

The issue of pricing came up and we had to work out what to charge participants. We conducted a survey of training fees from institutions like the Ghana Institute of Management and Public Administration (GIMPA) as well as others in the newspapers which we felt were good comparable to the caliber of trainers and quality of trainings. We then deducted our staff time and utilities which were still being borne by OSIWA. This gave us a fair price that also enabled us to break even with our first fee paying training.”

Other efforts that moved the process forward were:

- Knowing we had to deliver exemplary training to foster good word of mouth we spared no expense in engaging top class consultants who developed practical tailored trainings that suited the civil society organisations; with methodologies they could apply almost immediately to achieve results. This paid dividends in the good word of mouth that was generated after the trainings and the empowerment of participants.
- Other strategic moves that we initiated to gain financial independence was to actively court new partners to work with, this was manifest in the increased number of proposals we were writing with its attendance follow up. In the long run these proposals culminated in collaborations with Women in Peace and Security Network (WIPSEN), Kofi Annan International Peace-keeping and Training Center (KAIPTC), the Daphne Foundation and IBIS.
- Conscious of the fact that we had to add value our research department through a funded project developed a CSO directory for West Africa sub-region this attracted a cold call from the French embassy which requested us to do a Ghana CSO directory which they would fund and an expert’s database of development practitioners.”
The result of all these concerted actions and initiatives was a successful fee paying program which has come to stay. This was achieved through a combination of factors such as a strong foundation which attracted the right people with the right attitude, and work ethics, a clear mandate, knowing how to achieve that mandate, structures and policies that were just not on paper but practiced and leadership and good board oversight. Other factors that were critical to their success was the strong internal governance structure and a responsive and competent board who were accessible. The board members challenged the WACSI team with probing questions which made them re-consider and refine their ideas till we were sure of it. The board was a listening board, once convinced, they put their full weight behind the team in pushing the program. It was a calculated risk and they were in it with us.

Another asset was the team’s extreme optimism and confidence in their collective ability which manifested in the commitment shown. The previous Executive Director had laid a solid foundation where professionalism had become ingrained. WACSI was an example of a well-run and results-oriented civil society support organisation and this was reflected in the operational structure.

The change in leadership at the Institute in 2010 created a favourable platform for more ambitious, robust and targeted initiatives to be rolled out to strengthen civil society. The current executive director’s passion, zeal and professionalism has ensured team spirit remains a propelling force that drives the Institute to make more illustrious contributions to civil society’s existence, efficiency and effectiveness in West Africa.

Since 2010, WACSI’s interventions have benefitted over 1000 more CSOs in the region. The Institute’s youth leadership programme has also registered a significant increase benefitting 15 junior level practitioners, grooming them to be able to handle senior leadership roles and management responsibilities within the civil society sector.

As WACSI’s skills in organizing logistics for regional trainings developed it became another opening for a further revenue stream. Other organizations sought to avail themselves of their facilities and logistics for WACSI to act as a coordinator of regional meetings at their premises for other agencies. These included support services, conference facilities and teleconferencing facilities for hiring.

In addition, WACSI has adopted a targeted and strategic communications approach to guide the Institute's interaction with its stakeholders. The communications strategy provides a detailed communication road map for the Institute. It clearly maps out the internal and external communication approaches which the Institute has adopted. The Institute also developed a new website with a dynamic interface to share information with its stakeholders. Adding to the website, an E-Newsletter and Training updates were instituted. These are regularly used as effective means of engaging with a global audience.
WACSI Supporting Women in Elections

There has also been deepened engagement with the media in Ghana and some West African countries where the Institute has delivered programmes. This approach has enabled the Institute to broaden the scope through which it shares information across the globe on the work it is doing. The Institute has developed a strong social media engagement approach which enables it to share up-to-date content on its work with a global audience using social media platforms like Facebook, Flickr, Twitter and You Tube. Through these approaches, WACSI has increased its visibility. In 2012 alone, information about the Institute’s programmes featured over 30 times on media platforms (online, television, radio and newspaper) across West Africa as opposed to 7 appearances between 2007 and 2011.

In its quest for a formula to keep their work and organisation moving forward, the team also recognised the need for a values driven approach and they ensured that:

- In positioning itself to be the hub for a robust, professional, responsive and visionary civil society community in West Africa, WACSI has to reflect the rich socio-cultural diversity of West Africa.
- WACSI maintains the highest ethical standards that foster transparency, accountability, mutual respect, and integrity in its operations and relationships with its partners
- The Institute strives for excellence in its activities.
- WACSI believes and upholds “excellence as the minimum standard”.
- WACSI’s wide regional outreach and universal partnership model is one of its greatest assets
- WACSI continually strives to create an atmosphere of congeniality and cooperation with and for all its stakeholders.
The Results of Implementing the WACSI Sustainability Model

As shown in the table below, WACSI has continued to receive funds from OSIWA while increasing income from other donors and at the same time working towards services income.

### WACSI's Flow of Donor Income and Internally Generated Income (in US$)

<table>
<thead>
<tr>
<th>INFLOW</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Support</td>
<td>1,063,375.00</td>
<td>500,000.00</td>
<td>236,500.00</td>
<td>545,000.00</td>
<td>550,000.00</td>
<td>2,944,875.00</td>
</tr>
<tr>
<td>Other Donor Funds</td>
<td>162,926.50</td>
<td>105,409.00</td>
<td>811,803.00</td>
<td>438,560.00</td>
<td>492,748.71</td>
<td>1,510,947.21</td>
</tr>
<tr>
<td>Institutional</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultancies &amp; Demand</td>
<td>27,241.29</td>
<td>21,000.00</td>
<td>1,300.00</td>
<td>50,823.00</td>
<td>37,128.00</td>
<td>100,364.29</td>
</tr>
<tr>
<td>Fee Paying</td>
<td>-</td>
<td>-</td>
<td>8,132.00</td>
<td>19,412.00</td>
<td>37,128.00</td>
<td>64,672.00</td>
</tr>
<tr>
<td>Total</td>
<td>1,226,301.50</td>
<td>632,650.29</td>
<td>626,935.00</td>
<td>1,004,272.00</td>
<td>1,130,699.71</td>
<td>4,620,858.50</td>
</tr>
</tbody>
</table>

While there was a dip in the period from 2009 to 2010, the income levels have almost reached previous levels by 2012. Clearly the success of the strategy is demonstrated by the figures above and the on-going support from OSIWA still provides a base from which to generate further resources.

The challenge ahead is to sustain the team spirit in WACSI as this is the core of maintaining the impetus for varying income sources and levels. This is currently reinforced by driving the message that every employee is an ambassador of WACSI at regular staff meetings. Other means used to is to retain quality staff and foster a learning environment so they can continue to provide value that is responsive to the constituency and further diversifying their resource base.

Members of staff are given opportunities to refresh their knowledge, acquire new knowledge and skills needed to keep the Institute as the leading capacity development hub for CSOs in the region. Through SMART sessions, staff who benefit from learning opportunities are mandated to share the knowledge gained with team members in the spirit of promoting knowledge sharing and learning. Smart sessions also create spaces for guest experts to share specific skills with WACSI staff in an effort to enhance the operational skills of the team. Respect for each other’s opinion is a cornerstone of the Institute’s success. Staff benefit from different neutral spaces within the organisation to make valuable contributions that steer the Institute’s programming and overall functioning.

Vigilance and Learning at the Core of Sustainability

While sustainability is about keeping alive and this entails many levels of activity and income generation, there are some attributes and practices within an organisation that sustains its capabilities. For WACSI consistent learning from its programmes is one of these. The lessons below have been extracted from an article by Charles Vandyck.
Key Lessons from WACSI’s Capacity Building

- Training has to be holistic as once-off efforts do not generate the significant change;
- It takes between 2 and five years to effect progress when an organisation embarks on an OD journey;
- Change processes resulting from learning has to be contextual and driven by the organisation itself and not imposed;
- The direction of change and enhancement should always be linked to the organisation’s vision and mission;
- Relevant technical skills need to be balanced with organisational strengthening and development;
- Learning networks and communities of practice are useful for stimulating and spurring change and learning;
- It is essential to allow organisations to lead in change processes and to promote learning on the understanding that one size does not fit all;
- It is important for CSOs to change the cult of personality-led organisations and develop a competent layer of middle managers.

Olalekan Michael-Aina (left) receives certificate from Charles Vandyck, Capacity Building Officer of WACSI upon graduation as the institute's 14th intern

Further to this, WACSI's leadership has recognised that consistent strategizing and re-examination is essential. In its second five years, WACSI has started implementing their learning in a range of substantial processes:

- They are taking a longer term approach to organisational change and enhancement;
- Partnerships are being developed with academia to promote exchange;
- New course have been developed in response to needs among partners. These include knowledge management and advocacy. Mrs Angela Dwamena Aboagye, facilitator of the Institute’s newly developed course on Introduction to Policy Advocacy affirms that these courses are designed in response to the needs of practitioners. “WACSI’s training objective and approach is quite creative and broad-based in content and coverage. It is highly relevant for the development and
Case Studies In Financial Sustainability

strengthening of civil society in West Africa because they promote exchange of ideas and expertise in training and facilitation. WACSI’s training methodology for CSOs in West Africa lays emphasis on the use of practical examples by facilitators and sharing by participants of their own personal experiences – weaknesses and strengths - of doing policy advocacy;

- Issue based publications have been compiled dealing with protection, conflict management and prevention, notably the Conflict Prevention Resource Pack – a 13 module training manual for civilian actors – and, the Responsibility to Protect Training Toolkit for CSOs and Multidimensional Peace Support Personnel;
- A youth development programme titled Next Generation Internship Programme has been initiated. Among other areas the programmes entails a 6-month internship at WACSI. Thus far there have been 16 graduates from this programme. One of key focal areas in the programme is the nurturing of women and youth leaders. The 16th intern who graduated in December 2012, Bela Kouakou Emile, Ivorian, said, “The programme gave me hands-on experience in programme/project management, training module formulation and delivery and in conducting CSOs’ need assessment. Overall, the programme has enhanced my leadership skills”;
- The WACSI resource centre has been building its data bases of experts in the field, CSOs in West Africa and other resources available for the sector.

Given the wide area, the multiple countries it has to serve and the range of CSOs across the region, WACSI also has to face some profound challenges:

- The CSOs in the region work with and depend on a range of donors with different and sometime diverse policies;
- Having started in 11 countries the institute plans to expand its outreach which comes at substantial cost; and
- As economic challenges mount in the developing world, donor income is shrinking and WACSI will need to look more broadly to generate income.
Invitation to Consider Aspects of WACSI's Strategy

The strategy used has worked in powerful and exciting ways though it depends on generating income in capable and sophisticated enterprises.

Do you agree? Why?

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WACSI's example may therefore have limited application in a number of developing countries.

Do you agree or disagree? Why?

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Are there aspects of the WACSI story that are useful to your organisation?

State them:

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If you were to extract ideas that you could apply, which would you choose?

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What skills were needed by leaders to make sustainability possible in WACSI?

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In what areas did leaders need to empower staff to make the sustainability strategy successful?

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From Funding Distributor to Advocacy by Example

Sharda Naidoo

The Case of Kagiso Trust in South Africa

We have a purpose, and that is that Kagiso has to outgrow us as individuals. Years from now, when we are qualified ancestors, it must still be here. It must still be serving people.” Eric Molobi, CEO (1985-1993)

Introduction

The development challenge in South Africa is long-standing, broad and deep – it involves overcoming 300 years of colonialism followed by 50 years of apartheid. In both histories the livelihoods and rights of indigenous people was severely deprived and damaged. As the possibilities of democracy and freedom emerged in the 1980s, activists prepared excitedly for the new country they wanted to build. At the same time, foreign governments and aid agencies sought to support and influence developments in the country.

Kagiso Trust, a development agency, which now has a strong financial asset base, was born in 1985 in this era of the transition towards democracy in South Africa. Having started as a channel for donor funds and the initiator of a range of development organisations, the Trustees took a decision early on that they wanted to outlive donor dependence. This case study discusses the strategy that Kagiso Trust used to build this asset base, the method it uses to leverage its resources in key areas of development in South Africa and the Trust’s strategy of advocacy via demonstrated impact. At the core of the Trust’s approach, there is a clear focus on building partnerships and collaboration to strengthen implementation capacity of people and organisations in development.

In retelling the story of Kagiso Trust’s evolution, we first look at the background that led to the creation of the Trust and some of its achievements in the early years. We then discuss the series of tough decisions that had to be made and the steps that had to be taken as the Trust worked its way towards building the base from which it could conduct further work in development. In the final stages we look at how the Trust is currently sustaining the sustainability it has built and the challenges that have to be faced even when there are substantial resources.

The trustees decided early on that they wanted to outlive donor dependence.
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Facing the Challenging Transition to Democracy

After many years of extended struggle, the work of the anti-apartheid movement was gaining momentum by the mid-1980s. South Africa faced challenges in unemployment, housing, land distribution, ownership, health and education at the time. The work of the Trust was truly needed to support people who had been excluded by the apartheid system. In the early years, the Trust covered a wide range of programme areas which include health care, rural development, food security and education, which was a key priority area. During the first nine years, the work of the Trust was well-funded by the European Union and a host of other donors. A total of $135m\(^1\) had been accumulated and disbursed between 1985 and 1997.

The Trust Becomes a Catalyst for New Development Institutions and Initiatives

Along with the urgency of winning human rights for all, leaders of the struggle against apartheid in South Africa were aware that sanctions\(^2\), which would deliver long term gains for people, also had immediate negative effects. Church leaders and activists made concerted efforts to convince the EU to impose economic sanctions against the apartheid government as the struggle really needed some impetus after over 40 years of deprivation in the lives of Black South Africans. As the EU was concerned about taking only negative steps against apartheid, they offered the leaders of the struggle an initial amount of 10million ECU as support for the victims of apartheid. The presence of senior church leaders, Rev. Beyers Naude (then Secretary-General of the South African Council of Churches) and Archbishop Desmond Tutu, whose stance against the system was known internationally, lent more credibility to the Trust.

Early Years; Funding Projects Across Multiple Sectors

In the early years, the Trust funded development projects across a wide spectrum (including education, health care and food security) although education received more funds than others. During this time, the Trust became a catalyst for new development institutions and initiatives. Some of these include the Johannesburg Housing Company (JHC) which provides social housing still survives. The JHC not only provided affordable housing for low income households but also generated more than $23m with the $6.2m provided by the Trust. Mvula Trust, another agency supported by KT, is

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\(^1\) All figures have been converted from South African Rand to US Dollars for ease of reference.

\(^2\) After years of protest and other forms of resistance, one of the strategies of the anti-apartheid movement was to encourage disinvestment from South Africa and promote the imposition of economic sanctions.
still working on water provision among rural communities. Support was spread across a range of sectors: addressing rural and urban struggles, operating advice centres, providing welfare and health services and, importantly, building better education. Themba Molo, the current COO of KT says that “One of the lessons from the early days is that development is not as effective when funds are widespread however making social and economic investments that will effect change at a fundamental and deep level is more likely to effect sustainable development.”

The funds used for the work of the Trust came from a range of donors:

<table>
<thead>
<tr>
<th>Donor</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>European Union (1986 – 1993)</td>
<td>$94m</td>
</tr>
<tr>
<td>Zama-Zama (1996 – 1997)</td>
<td>$5.5m</td>
</tr>
<tr>
<td>Scandinavian donors (1995 – 1996)</td>
<td>$1.1m</td>
</tr>
<tr>
<td>Other Donors (1987 – 1996)</td>
<td>$10.8</td>
</tr>
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Between 1985 and 1997, the Trust had accumulated and disbursed over $123m through its offices across South Africa. The work was done by a relatively small team of approximately 100 employees working in 8 offices across the country. By 1999, the Trust had started generating some of its own funds from investments and was able to expend $5m between 1999 and 2005.

With Transition to Democracy, the Trust Plays Important Role in Policy Formulation and the Establishment of New Institutions

From the mid-1980s into the 1990s, as the country prepared for transition to democracy, Kagiso Trust played an important role in policy formulation and the establishment of institutions in the housing and development arenas. The Civics that were created in many townships across the country were funded by KT. These grass roots structures enabled ordinary South Africans to feed into policy formulation. Advice offices provided legal and social support and educated people about their rights. Key delivery agencies such as Mvula Trust, Johannesburg Housing Company and Kagiso Trust Leadership Academy provided support for the training of future leaders by funding various capacity development programmes, including the bursary fund that benefited several people to further their studies at university. As organisations were unbanned, leaders were released from prison and other leaders and struggle workers returned to the country, the focus of the Trust shifted to the sustainability of the organisation.

Kagiso Trust’s Sustainability Strategy

After the first democratic election in 1994, there was a radical change as bilateral donors shifted their resources and focus away from organisations like the Trust to the new democratic government in South Africa.

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3 The Zama-Zama funding was a local scratch card programme that utilised disbursements agencies like KT to fund various community development programmes. Soon after this period, the Trust made it policy to not use funds from or invest in any form of gambling.
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Strategising Begins

Although the Trustees and key leadership had decided on and started implementing a strategy to build financial sustainability by 1993, the loss of donor income and the change in strategy implied that a number of vital changes had to be made. Leadership faced a situation where a number of tough decisions had to be made. They had to reconsider their levels of staffing, numbers of offices and key focal areas for future work programmes. They recognised the need for careful and humane approaches to the changes and worked towards phasing-in different processes over an extended period of time.

It was known that with the coming of a democratic dispensation the foreign funding that had supported the work of the Trust would now go to government. On the eve of the democratic elections the Trustees of Kagiso Trust set up Kagiso Trust Investments (KTI) to provide on-going income to support core Trust programmes. The formation of KTI was stimulated by questions about the fate of the Trust when democracy arrives in South Africa.

The internal decision was clearly that self-determination should be maintained.

Thus, soon after the election of the first democratic government in South Africa, the leadership of the Trust, including CEO Eric Molobi and the Trustees, needed to reconsider the way forward for the Trust. As there were at least eight offices and about 100 staff to consider as well as existing contracts, decisions were not simple.

Trust’s Leadership Decides Whether Trust Should Continue and in What Form

One of the significant questions was whether the work of KT needed to continue and in what form. Leadership was clear that KT’s work would be needed even with the new government in place and more important that KT should manage its own destiny. Some of the Trustees were very dubious about private sector investments as these were seen as consorting with capitalism which was not favoured by anti-apartheid activists.

With the support of donors, a group of leaders made a trip to the United States to investigate what model should be followed to ensure continuity. Having visited Ford, Rockefeller and Kellogg Foundations, KT’s leaders noted that the US foundations had started with endowments. From this experience they realised that a new vision is possible: their vision was to do it in reverse and start generating an endowment!

Fortunately, the founding documents of KT allowed for mergers with other organisations and some larger organisations were considered as potential options. It is worth noting at this stage that the Trust’s founding documents were rather forward-looking in that the Trust was permitted to generate profits, (though it was not permitted to distribute these as shares).
Trust Forms Independent Private Investment Company

Despite the flexibility of the founding documents of the Trust, it was felt that an independent private company would still be needed. Thus in 1993, KTI was born. The CEO recognised the need for and pursued people with a passion for both business and development. Mr JJ Njeke (a highly experienced Chartered Accountant), who was then a partner at Price Waterhouse Coopers, was recruited to head up the investment company.

KTI was started with a fund of $1m from KT and the Trustees raised $5m through JP Morgan (a US investment bank). The $1m that KT lent to KTI was interest. In the process of disbursing EU funds, KT had charged modest fees of 5-6%. The surplus, after all expenses had been paid, was invested in bank deposits and the interest earned enabled the Trust to contribute to the initial investment fund.

Current staff recall that the process of justifying the investment and dealing with bankers at JP Morgan was a new experience which brought in substantial learning. KTI used the initial $6m to invest in listed and private companies.

KTI’s strategy was to reduce its risk by diversifying the portfolio. The initial funds were used to acquire the radio and publishing assets, which gave rise to Kagiso Media. Apart from its investment in Kagiso Media, KTI grew its interests in corporate finance, advisory and other financial services, securities trading, foreign exchange and derivatives trading, property investments and facilities management, fleet management services, a private equity fund, asset management and treasury services.

To enable the shift from an NGO to a private sector context, the Trust invited three new board members with private sector experience and expertise.

At inception, the Trust was the sole owner of KTI. The implication was that Trustees had to make a conscious shift from an NGO context to governance and profit maximisation in a private sector company. They thus invited three board members with private sector experience and expertise. The five staff members and Trustees that were on the board of KTI also recognised the need to learn about governance in the context of an investment company. As the Trust had set up Kagiso Trust Leadership School, they requested that a Leadership Investment Programme be developed and they were all taken through the training.

While the creation of the KTI was agreed to be a suitable vehicle, a substantial challenge remained in that funds were needed for programmes and administration while the investment needed time to grow. These dual needs created a fair amount of tension among leadership. At this juncture, leadership realised the need for and took a series of tough decisions and steps.
Trust Decides to Scale Down Operations While Investment Portfolio Grows

It seemed strategically more opportune to allow time for the portfolio to grow yet the costs of retaining the staff and maintaining offices had to be met. A decision was taken to take a ten-year view on the investments and a plan was devised to scale down in a responsible and humane manner. The first phase of retrenchments took place from 1994 to late 1997. As the new government was in place and it was an exciting time to get involved, a number of ex-Kagiso staff members were recruited, many to senior positions. Others were offered scholarships and took up studies in a range of international and local universities.

The second phase of the scaling down process took a further two years. During the second retrenchment, the staff members were asked to serve as consultants for a period of time, whilst KT paid them a settlement amount. These contracts stretched between one year and two years. They assisted to wrap up the work in the KT offices and chase outstanding reports. Some were assisted to use their KT project management experience, to help organisations struggling with conceptualisation of sustainable programmes. This group were retained for a few years and encouraged to seek other consulting assignments.

Kagiso Trust Consulting was born from this phase of managing the transition. The early years of the new government were an opportune time to use KT’s experience in programme design, project management and evaluation to conceptualise sustainable projects, including programmes in government at a nominal fee. By 1999, the staff was reduced to 16 and only a central office was retained.

Trust Establishes Media Company, Acquires Media Companies and Merges with Financial Investment Group

Following the arrival of democracy, policy discussions about how to promote black economic empowerment proliferated. By 1995, the Broad Based Black Economic Empowerment (BBBEE) Act was promulgated and KTI responded expeditiously with the establishment of Kagiso Media. A series of new acquisitions in radio stations, technology companies and television production companies followed. The BBBEE Act promoted the notion of previously disadvantaged South Africans acquiring shareholding in major corporations that dominated the country's economy.

As the country had an established stock exchange, a range of strong mining companies, a well-established retail sector and a sound financial sector, banks both retail and investment ones were willing to make loans to influential leaders to acquire shares. KT responded to the opportunity by acquiring a 2% share the First Rand Group, one of the largest commercial and investment banking groups in the country through a BEE deal in 2005.

In 2011, an ex-employee of Kagiso and a former Trustee who had formed TISO Holdings, a financial investment group sought a merger with KTI. This not only increased the company value and skill set, the merger unlocked R200m for KT to use in projects.

As a result of the supportive legislation and the established private sector, South Africa has seen the rapid rise of a number of indigenous billionaires in less than 20 years. These include the current Minister of Human Settlements, the newly elected deputy chair of the ANC and among many others. A ‘new’ mining magnate Patrice Motsepe, worth more than R20 billion, has recently pledged to donate half of his wealth to development. KT should be distinguished from the many individuals and companies that used the BBBEE for personal enrichment. Kagiso Trust deployed expertise into these
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deals so that they could add value in social and economic development whilst at the same time benefitting financially.

Shares to Yield Significant Dividends

By 2015-16, KT will have full-title (ownership) of their acquisition in First Rand which is expected to yield $10-12m per annum. In some respects, this will take KT back to the days when extensive funding was available for disbursement, however the climate has changed in South Africa and the leadership of KT seeks active partnerships for its development investments. Furthermore, the NGO and civil society sectors in South Africa have shrunk considerably since mid-1990s and forging partnerships with government departments and public entities is complex. Finding compatible partners with delivery capacity could be a challenge to deploy these funds into sustainable development initiatives.

Renewed Focus From 1994

While the investment companies plied their trade and grew the portfolio and returns, after 1994 KT had to work on shaping its new focal areas. A strategic decision had been taken to allow the portfolio to grow and to rethink what focal areas and goals should inform the work going forward. The approach was largely influenced by the founding vision, mission and values of the Trust and the commitment of the staff to living these:

Vision
To build collaborative partnerships & sustainable programmes to make a substantial contribution in helping to achieve a society which will offer liberty, justice & freedom from poverty & inequality.

Mission
To build sustainable partnerships for poverty eradication

Kagiso Trust Values
• Integrity
We shall at all times, endeavour to uphold our integrity both as individuals and as an organisation, as we realize that this principle is the value upon which all others are founded.

• Accountability
We shall be accountable and take ownership of matters for which we are responsible. We shall practice self-evaluation, continually reviewing ourselves, our actions as well as attitudes, whilst carrying out our functions with a strong sense of commitment.

• Passion for Development
We shall at all times ensure that we maintain our basic passion for working towards achieving our vision and mission.

• A hands on, bottom up approach
We shall do whatever is necessary to achieve our mission; understanding that this may often require us having to get our ‘hands dirty’ in doing the necessary, practical tasks that may be required in any given instance.

Trusts’ Involvement in Rural Education

The Rev. Beyers Naude, one of the founders, was consulted about the new focus and on his recommendation KT chose to enhance its focus on education. The Trust had already invested substantially in education, mostly through its bursary programme. Based on their learning from previous work in education, the Trustees and staff felt that starting small and building models sustainably with partners was the route to go. While the team at KT believed in
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advocacy, they felt that demonstrated success would be the most effective route for advocating. Through this type of action, the KT team was building the self-determination in which they believed when they decided to wean themselves off donor influence. Further, the notion of demonstrated impact is more likely to effect change in a country which is still at an early stage of generating successful development models.

Having started with one school in Limpopo, the KT team built the Beyers Naude Schools Development Programme (BNSDP). The BNSDP is a holistic school improvement programme that targets public schools in rural areas. The model focuses on improving learner performance by setting benchmarks of above 70% in the final school year and gives those schools that achieve this benchmark an incentive in the form of infrastructure (libraries, computers, etc.). There is attention to children receiving a rounded education through sports development, debates and other extra-curricular activities. The third leg of the programme focuses on management and facilities development. Once the model was established, the team approached government to implement the model jointly. They obtained contracts for R5m to R10m in different provinces.

In the process of piloting and attempting to implement, KT learnt some hard lessons about officials in government. In one province they encountered investigations into corruption and the programme was being undermined by some officials after signing a contract with KT. In another province, after successful piloting and showing very significant performance improvements, a new provincial head rejected the programme as there were no political gains for the individual. Nonetheless, the impact was evident and the schools were rewarded with science laboratories, libraries and computer facilities.

Despite the setbacks, with their experience and results, KT leadership was confident about the applicability of the model and proceeded with some cautious expansion. They worked with another provincial department of education where they were paid (albeit rather late) although they had to contend with difficult relationships.

Dividends Used to Catalyse Impact

By 2005, KTI had started declaring dividends, which meant that the Trust had access to its own funds for its work. However, rather than take on the risk of fully funding projects from its own resources, the KT leaders expediently approached government and other donors for matching grants and partnerships in implementation. The ABSA (Amalgamated Banks of South Africa) Foundation is one of the organisation’s that partnered with KT in funding the BNSDP from 2009.
The partnership with the Free State Department of Education is proving more successful. A total investment of R172m ($19.4m as at exchange rate in February 2013) is being invested in 167 schools in a district municipality. The funds consist of 50% contribution from KT and 50% from the provincial Department of Education. The aim of this programme is to turn rural schools into centres of excellence through which young people are given a fair chance for post-school opportunities.

With the success of the programme, promising school leavers emerged that needed support to go further with their education. In response to this, KT set up a bursary fund in 2006 and named it after one of the founders, the Eric Molobi Scholarship Programme (EMSP). This programme offers support for studies in commerce and engineering to promising students. Bursaries are offered to students with a record of community support, a record of overcoming personal challenges and who are willing to engage in programme related work during holidays and weekends. To date, more than 75 students have been sponsored by the EMSP and the Trust plans are to grow the programme even further through partnerships with like-minded organizations and individuals. To this end, an agreement was recently signed with a corporate sponsor.

Mr Kgotso Schoeman, KT’s CEO, believes that their optimal role in development is to develop models which the government can then replicate and scale up. The education development programme in partnership with the Free State government ($20m over five years to equip and retrain 167 schools and teachers) and KT’s record with the programme testifies to the strength and effectiveness of their work in education.

One of the most distinctive aspects of the educational development process is that each school is set a minimum pass rate target for Grade 12, in the past from 70% to 75% and recently 80%, and only when a school meets this target is it eligible to receive new infrastructure and resources. This incentivised approach has seen pass rates rocket. For instance, Mmathaba Secondary School raised its matric pass rate from 58% to 92% in three years, and Tseba Secondary School went up from 58% in 2007 to 91% in 2011. In the Thabo Mofutsanyana district, Mohaladitwe Secondary school went from achieving a 20% pass rate in 2010 to a 79.6% pass rate in 2011.

It is important to build and scale up successful development models in South Africa at present.
In addition to their work in education, KT has been involved in rural development for more than 10 years. In 2002, motivated by its positive impression of the model that KT had set up, the Kellogg Foundation created an endowment for rural development with a grant of $2.15m that stipulates that a fund be established - the Kagiso Enterprises Rural Private Equity Fund (KERPEF). The for-profit fund strives to bridge the financial gap for South Africa’s large network of individuals with often pioneering business ideas but without the means of turning their plans into a profitable, functioning business.

KERPEF has two principal mandates, funding for sustainable high growth rural enterprises and facilitation of economic participation of previously disadvantaged individuals in rural areas. The fund aims to create rural employment, especially for youth and women, and to generate wealth in rural areas. In most cases, the fund makes investments that would be considered high risk by most other financiers.

The investment by KERPEF varies with the size of businesses. Smaller enterprises receive up to 90% of funding. The approach is to commercialise rural businesses by purchasing equity, providing technical support and identifying and mitigating risk. The KERPEF team has built a record of success through having the advantage of both corporate experience and development expertise which positions the fund to be a partner of choice in rural development.

The fund usually links the enterprise with a technical partner who, where possible, should hold equity interest in the business. The technical partner brings or links the business with services geared to the management and marketing of the business. The Fund usually secures a seat in the board of the enterprise by holding a minimum equity stake in the business in order to monitor the investment during the investment horizon which will on exit be sold to staff, the entrepreneur or third party. This helps to be proactive and to continually diagnose potential gaps and risks.

KERPEF has made investments in a wide range of enterprises that include a factory producing garden furniture, a mushroom exporting farm and a vegetable producer supplying large retailers and a guest house in a rural area.

**Sustaining Sustainability**

One of key strengths of the Trust at this point is the substantial asset base that has been built up. However the style of operations and strategic approach show a range of underlying actions geared to sustaining the sustainability that has been built:

- While we may say that one of the strengths of Kagiso Trust is the innovative approach it has established for sustainability, there is also merit in observing that there is a consistent principle in supporting viable and sustainable enterprises.
- A profound aspect of engendering change is the understanding that individuals have to be committed and understand their responsibilities if change is to be managed and sustained.
- The other strength and practice to note is the ability to capture and replicate models. In the case of improving educational performance the trust has developed, piloted and refined a model that can surely improve education on a national scale.
- Another aspect of the replication model that is used is the use of KT’s substantial resources to leverage further resources from government and other partners which not only shows commitment but also ensures that resources build deep and widespread change.
- The replication principle is being carried further. The Trust has started to replicate the model in different countries in Africa, with an investment company recently set up with the Kenya
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Community Development Foundation. The Trust is also assisting the National Organisation of School Governing Bodies in South Africa to build its financial sustainability.

Current Challenges

The story of Kagiso Trust's success with building financial and organisational sustainability stands as a beacon in a country with extensive and deep developmental challenges. Some of the Trust's experiences in implementing critical educational change testify to this.

Some of the other challenges in the complex South African environment are:

- KT believes in its role as an innovator of solutions and it seeks to partner with government and other agencies. Core to their approach is a vision of intervening at the level of policy and broad impact. This level of skill and commitment is not always matched in other agencies, making the necessary partnerships sometimes elusive and difficult to achieve;
- The notion above is of course linked to the nature and extent of change that is needed in the country. While a body such as KT may have the skills and solutions, it needs partners with the requisite level of skill, resources and transparency to implement. The South African development landscape is still highly politically charged making such balanced partnerships difficult to find and build.
- The core value of partnerships in development is laudable and appropriate yet it is rare in a country with considerable resources and yet a limited foundation for development.
- The CEO believes that they will need to be highly innovative as more resources become available in the next few years. In fact innovation and regular re-examination of sustainability and impact strategies need to be inculcated into the strategies of organisations such as Kagiso Trust.
Invitation to Consider Aspects of Kagiso Trust’s Strategy

- The strategy used has worked in powerful and exciting ways though it depends on generating income in capable and sophisticated enterprises. Do you agree? Why?

- Kagiso’s example may therefore have limited application in a number of developing countries. Do you agree or disagree? Why?

- Are there aspects of the Kagiso story that are useful to your organisation? State them:

- If you were to extract ideas that you could apply, which would you choose?
What skills were needed by leaders to make sustainability possible in Kagiso?

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In what areas did leaders need to empower staff to make the sustainability strategy successful?

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From a National Service Group to A Civil Society Organisation:  
The case of ISODEC

Emmanuel Ofori-Bah

Introduction

ISODEC can claim to have built inclusive national and local policy making processes and expanded thinking around national development alternatives. The Integrated Social Development Centre (ISODEC) formed in 1987, works in solidarity with those striving for social justice towards a life of dignity by promoting rights and accountability. It has worked to build strong civil society, nurture accountable government, and widen the political and social space for the voice of civil society.

The organisation has evolved from a loose group of young and passionate men and women to a well-respected organization with autonomous affiliates which it established to serve various needs of its constituents. Thirteen years ago, this NGO changed strategic direction, took a decision on its sources of funds, and embarked on a path to achieve organizational and financial sustainability.

Background

ISODEC is an indigenous non-governmental organisation committed to the promotion of human rights (especially social and economic rights) and social justice for all, particularly those suffering marginalization, injustice and powerlessness. ISODEC has a long history of support to grassroots groups in Ghana. From a peri-urban health, sanitation and basic education base, it grew into a significant force in rural water and sanitation delivery.

What began as national service by a few passionate young men and women has evolved into a voluble civil society organization filled with passion to promote rights and accountability.

What began as national service by a few passionate young men and women has evolved into a voluble civil society organization to promote rights and accountability. It was in 1987 that some young graduates, having completed their national service working in the area of health education and sanitation in two low-income suburbs of Accra, Nima and Mamobi, under the Community Improvement Programme, took a bold decision to remain together and create an entity to provide services to deprived communities.

ISODEC’s responsiveness and growth was the result of experience gained from engagement in numerous activities over the period 1987 to 2000. These include:

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4 A compulsory one-year service undertaken by graduates from tertiary institutions on completion of their courses.
• Organisation of nutritional classes for mothers under a Family Reproductive Health programme.
• Training of cooked food sellers located in low-income suburbs in bookkeeping, and in cooking and maintaining nutritional value of their food.
• Operation of a microfinance project which later led to the establishment of the Cedi Finance Foundation.
• Urban sanitation, a component of the Ghana Government’s Urban 1 Project.
• Organisation and participation in the Mole Series – a platform providing for service providers in the rural water sector to meet annually and share experiences. The platform advocated for a separation of rural water from urban water supply, leading to the Community Water and Sanitation (WATSAN) structures.
• Pioneering of the model for the provision of water in communities – the Water and Sanitation Committees. ISODEC, however, pulled out of the collaboration with the Government of Ghana and the World Bank due to a disagreement with the payment of 5 percent capital cost and user fees by rural communities to get access to water while urban folks, on the other hand, only paid water bills.
• Provision of services in the areas of Girl Child Education, Family Reproductive Health, and national budget analysis.

Up to 2000, ISODEC benefited from funding from such organisations as NOVIB (Oxfam Netherlands), DFID, Oxfam GB, WaterAid, and Cordaid (a faith-based group in the Netherlands).

In the period prior to 2000, ISODEC created affiliates to diversify its responsive arms and network. This strategy enabled the establishment of a number of “ISODECs”:

1. A newspaper, Public Agenda, established in 1995, to champion the interests and rights of the poor, marginalized, and voiceless who are the constituents of ISODEC.
2. Centre for Public Interest Law, established in 1999 to promote the public interest wherever these are violated by those with, or in power, and to defend the interest of the poor.
3. Cedi Finance Foundation, established in 1999 to provide largely, micro-credit services to very small scale entrepreneurs, mainly women. The Foundation was capitalized with physical assets of former ISODEC field offices in Kumasi and Sunyani.
4. Bawku East Rural Bank, an institution in which ISODEC possesses majority shareholding. It plays a useful role in providing credit to farmers in the Garu-Tampane District of Ghana. ISODEC is currently working out a formula to dispose of its shares to the farmers so they can own it.
5. A centre, Centre for Budget Advocacy, to demystify the national budget. It served as a vehicle to empower citizens to engage with government, to request or advocate for more resources to meet basic needs. The centre was commercialized into the Institute for Fiscal Policy (IFP) in 2011.

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5 Participatory community-based management of water systems
6 Equipment, furniture, vehicles, etc.
The approach ISODEC took towards the affiliates was to incubate them and nurse them towards autonomy. ISODEC recruited personnel who were treated as ISODEC staff and seconded to these affiliates. They were encouraged to fundraise independently, put in place Boards, while ISODEC assisted them to set up their financial systems and fund all statutory obligations.

A new strategic direction: making ISODEC more relevant to constituents

The year 2000 saw a review of the strategic positioning of ISODEC. After an impact study, the organisation came to the conclusion that no matter how much investment was made in the provision of the services, access to such services was not sustainable. The most functional strategy would be to get government to play its proper role under a social contract. There was a dire need not just to provide these services, but to ask why they were not provided in the first place. To make access sustainable, therefore, communities had to be empowered to demand allocation of more resources to secure services. Service delivery would be more sustainable if the state was made to recognize inequities.

The strategic decision taken in 2000, which was a prelude to the restructuring of the organisation in 2004, sought to combine service delivery with policy and people-centred advocacy. The rationale was to complement government’s efforts in providing services to rural communities. ISODEC saw the bigger picture beyond its limited presence in certain communities and wanted to make a much greater impact in the development process. Consequently, a research and advocacy programme was initiated aimed at promoting national development alternatives principally in Ghana and, to some extent, in the West Africa sub-region. This programme, sought to:

(a) Review the neoliberal policy measures promoted largely by the international donor community and its impact on the poor;
(b) Promote accountability by the state to its citizens;
(c) Instil civil activism through rights awareness creation, rights promotion and defence, and economic literacy; and
(d) Promote social equity through the responsible use of public resources.

ISODEC established a Communications Department to carry out campaigns on issues arising from its work. The outfit sought to critically analyze and respond to the content and direction of state policy with respect to economic and social rights of citizens.

The new strategic direction did not change ISODEC’s mission. The mission of working in solidarity with those striving for social justice towards a life of dignity by promoting rights and accountability remained intact. However, a re-evaluation was conducted every three

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The provision of social service to citizens of the land
years to chart a new path for the next three years. Its vision of, “A world in which every life matters” continued to be relevant.

The consequence of this strategic move was a parting of ways with previous funders of their activities. Some donors could not see ‘what their moneys were doing’ and envisaged a problem with attribution. “Of course advocacy seemed an intangible service with unidentifiable outputs” observed Bishop Akolgo, the Executive Director. ISODEC was thus left with small grants and consultancy services to fund its programmes. Furthermore, ISODEC saw it as unethical to compete for jobs that it had built the capacity of other organisations and individuals to undertake. It had trained contractors in the construction of hand-dug and mechanized wells and numerous NGOs to interface between water systems and communities. “ISODEC had ceded the space to other actors” observed the Executive Director.

The Decision to Become Sustainable

The strategic decision of 2000 also created the energy to achieve sustainability. ISODEC had cause to think about sustainability along its operational path of campaigns and advocacy. Its campaigns clashed with powerful interests. There was no question that when it took a contrary position to a land lord who favoured the current political class, the consequences would be eviction. **ISODEC believed that it needed to strengthen itself against the possibility of being taken out by any political force. There was a need to secure protection against political risk.** ISODEC realized that it could not rely 100 percent on external donor handouts which tied one into specific areas.

Additionally, ISODEC realized that it could not rely 100 percent on external donor handouts which tied one into specific areas. With its policy of not accepting funding from certain organisations like mining companies, ISODEC was left with considering options of sources like government (of which it is also wary), selected private sector organisations, and individuals (citizen sponsorship).

**ISODEC could not use the same skill set to deliver its new agenda which also required a new organizational structure. Its skill set prior to its 2000 strategic decision included technical skills and backgrounds in health, civil engineering, and participatory and animation techniques. The new focus meant a de-emphasis of the pre-2000 services with more focus on research, policy analysis and advocacy skills.**

The approach adopted by the organisation showed how it understood sustainability. It put in place a durable governance system and built a highly competent work force following some restructuring. The organization weaned off its affiliates established in response to community needs.
and national needs. It acquired its own premises and began the process of developing a broad resource base.

**Organisational Sustainability**

The organisation placed emphasis on building intellectual capacity for its additional roles. The staff strength of 100 in 2000 dropped to 60 in early 2004, then to 45 at the end of 2004, and to 41 in 2006. In 2006, it proposed to lay off 18 and employ 16 new staff in order to make its programme base wider than the support base. It facilitated advanced studies for staff who continued to be paid their salaries while on study leave. Service delivery was combined with policy and people-centred advocacy programmes to make them more responsive to the needs of their constituents. The current staff of ISODEC is 26.

The new strategic thinking and envisioning required a change in the organisational structure of ISODEC, since strategy is the determinant of structure. Before the change, ISODEC had a thin management structure made up of the Executive Director, a Deputy Director, a Director for Programmes, and a Director for Finance.

**Figure 2: Pre-change organisation structure**

![Pre-change organisation structure](image)

A key aspect of ISODEC’s legitimacy and sustainability is that it has a subscriber base. The subscribers constitute an association of like-minded persons who own the organisation and are expected to contribute financially to the operations of the organisation and share its liabilities. Over 25 subscribers, paying a minimum of US$50 annually, own the organisation. The subscribers are responsible for selecting members to constitute the Board. ISODEC has a ten-member Board whose members are all subscribers. It plans on revamping its subscriber base to broaden it, and link it back to its constituents.

After the 2000 strategic change, the new structure that emerged is depicted in Figure 2. ISODEC’s new thematic areas for operation were informed by environmental scanning, participatory planning, and external evaluation (even with competitors). The new functional areas reflected ISODEC’s space of competitiveness and were drawn from their immense experience on the ground. The envisioning, organisational assessment and strategy formulation process (through critical thinking and reflection) ensured the development of a structure that would help the organisation implement its strategy effectively. The design of
the organisation structure took into consideration budgets, costs, policies, priorities, marketing of issues, and constituencies.

The new structure built a momentum and instilled capacity for change.

**Figure 3: Post-change organisation structure**

![Organisation Structure Diagram]

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**Financial sustainability**

Since the inception of ISODEC, it has depended on two major sources for its income. These are donor grants and income from consulting. After working with the World Bank, the Ghana Government, DFID, UNDP, OxFAM, and other funding agencies, ISODEC leveraged its individual and collective skills in the market to engage in consultancy and research. Although there are other sources of income from investment and sales of publications, these are relatively insignificant.

In the 1990s donor grants were project-specific because ISODEC was then focusing on service delivery. Income from the consultancy sources were almost equal to the amount received from donor grants (Figure 5). This was partly because the organisation was then consulting for the government on the community water and sanitation project. Interestingly, the leap in donor grants started in 2000 when the organisation took a strategic decision to add...
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policy advocacy to its basket of projects. This was supported, by other donors who favoured this approach to development issues, with a corresponding increase in grants. However, consultancy income dropped as a result of reduction in assignments because advocacy activities were then seen as an attack on the government at the time.

Figure 2: Trend of Income from 1994 to 2011

From 2000 Donor grants continued to increase because advocacy activities had won the hearts of many donors who were willing to support programme activities with funds. It was within this period that ISODEC received core grants that were not tied to specific activities.

Income from consultancy increased from 2007 to 2009 when CSOs in the West African sub-region started to seek the organisation’s assistance in capacity building. The sharp drop of both donor grant and consultancy income between 2010 and 2011 was a reflection of the global financial meltdown and its implications on NGO activity across the globe (Figure 3).

In order to achieve financial sustainability, the organisation has implemented a roadmap to identify more innovative ways of generating income. A full-time Fund Raiser was recruited to run the new Fund Raising Unit. The Unit’s strategy is to look at fund raising opportunities for the organisation through scanning of the environment, developing proposals, and co-organising partnerships through networks and coalitions.

In its quest to achieve financial sustainability, the organisation is implementing a number of strategies:

- commercializing some ventures, including its printing press and a teak plantation;
- improving the commercialization of its budget training through the Institute for Fiscal Policy, which is one of the affiliates; and
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- Registering the Cedi Finance Foundation, another affiliate, as a Savings and Loans Company which will be profit oriented.

“After 25 years in operation, ISODEC has what it takes to sustain itself” said Dr. Steve Manteaw, Campaigns Coordinator and a member of the Senior Management Team.

Affiliates

All the affiliate organisations established became autonomous in 2008. They share a common mission and vision of social inclusion with ISODEC and continue to serve as a way of perpetuating the ideals of ISODEC. ISODEC maintains 3 kinds of relationships with these affiliates: (i) it has Memoranda of Understanding with the affiliates to share the vision and core values; (ii) assigns tasks to them to be performed on behalf of the ‘parent’ organisation which transfers resources for such purposes; and (iii) provides staff from the ‘parent’ organisation to serve on their Boards.

Managing Change

The new strategic direction, which commenced in 2000 required a change management process, one that included devising a roadmap, improving communication, introducing coaching of staff, conducting staff training, and managing resistance.

Management assisted staff to make the transition through internal orientation and training because the bulk of them were going to work on advocacy and not service delivery as before. Many staff took study leave to acquire new knowledge and qualifications, most reading Development Economics, and Microfinance. The Executive Director went outside the country to read a Master’s programme in Development Economics. All the staff who went on study leave returned to the organisation. Some, however, did not stay for the long haul. Those who could not reorient themselves through further studies were laid off. The result was a drastic reduction in staff numbers from 100 to 60 between 2000 and 2003. The cost to ISODEC was a huge salary bill as all who went on study leave were still paid their salaries.

Internal resistance to the change came from those who were steeped and comfortable in the old ways. Some supported the change but did not have the requisite levels of education to further their studies. The premium was on intellectual capacity and, therefore, all the categories of staff were affected by the redundancies.

Consultants were used to work through the change process. Capacity building of staff was informed by staff appraisals. Experts were placed on retainers to provide regular training and facilitate periodic retreats for staff.
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Achievements

Targeted constituency building and a focused approach to making itself relevant have assured achievements by the organisation’s, some of which are listed below.

- ISODEC’s work on the national annual budget over the years has contributed to creating the space for public input into the budgeting process at the national level. It has also compelled government to organize regional platforms to discuss the national budget with the citizenry.
- ISODEC’s work under the Family Reproductive Health Programme and their involvement in the activities of the Alliance for Reproductive Health Rights contributed to the review of the National Health Insurance Scheme (NHIS). As a result, the scheme offers exemption to children under 18 years. This has contributed to the positive community response to register with the NHIS in the districts.
- The involvement with the Coalition for Universal Access to Anti-Retroviral Treatment (CUAART) to lead the campaign for free universal access to ART has contributed to the expansion of treatment and testing centres from Accra, the capital of Ghana to all the regions.
- Work with the Northern Network for Education Development (NNED) and Ghana National Education Campaign Coalition (GNECC) has resulted in the expansion of the Education Sector Annual Review to the district and regional levels as against the former practice of holding only one review at the national capital.
- ISODEC’s Girl Child Education Programme in collaboration with 8 District Assemblies has contributed to influencing their district budgeting. Currently, there is a separate budget allocation for Girl Child Education activities in their respective districts. This programme has contributed immensely to the implementation of government policy on girls’ education.
- ISODEC has collaborated with numerous civil society groups in Ghana, South Africa, and West Africa, although most of the relationships are loose and formed to carry out specific programmes. In Ghana, ISODEC works with notable institutions and organisations including Third World Network, SEND Foundation, Institute for Policy Alternatives, and Institute of Statistical, Social and Economic Research. Their Centre for Budget Advocacy also works closely with the Institute of Democracy in South Africa and the International Budget Project in Washington both of whom have jointly carried out research work on Budget Management and Fiscal Transparency with ISODEC.
- Within the West Africa Region, ISODEC has entered into a network relationship with six other civil society organisations (CSOs) in Mali, Niger, Nigeria, Burkina Faso, Sierra Leone, and Senegal, to create a regional forum called West Africa Rights-Based Advocacy Network.
- ISODEC is the CSOs’ representative on the Ghana Extractive Industries Transparency Initiative (EITI) multi-stakeholder steering committee.

Challenges and Issues

ISODEC was one of the first NGOs to take a stand against the Government in the course of its positioning on issues. Its influence was such that a government official wrote to a funding source to recommend the withdrawal of funds. It has survived these onslaughts and has deservedly gained recognition and respect over time.
ISODEC acknowledges that the shift from core funding to activity-based funding has made it slow in responding to key issues as they emerge. “The opportunity to influence requires immediate responses. However, the ability to respond has diminished considerably” noted Bishop Akolgo.

Another area of concern is the difficulty of retaining high calibre staff. Paying competitive salaries poses a challenge. ISODEC runs a mentoring programme for young graduates employed by the organisation. These graduates, who are encouraged to undertake further studies, return to the organisation only to resign afterwards. The organisation considers the sponsoring of staff for further studies while continuing to pay their salaries as wasteful of the considerable resources mobilized, as these eventually resigned from the organisation.

The Subscriber system is not working effectively in practice. Subscribers are not always active and collection of subscription fees remains a challenge. It is likely to be more challenging when an increase, being considered, is actually effected.

ISODEC appears not to believe in branding. It has never conscientiously marketed itself. It believes in marketing only issues. The quest to achieve financial sustainability may require a reconsideration of this approach, particularly in the face of the recruitment of a Fund Raiser. It has a website which is predominantly issues-oriented. The organisation is known through its public appearances at conferences, publications, and on radio.

The Government of Ghana recognizes the role of civil society organisations in the development agenda of the country. This is manifested in the integration of civil society organisations’ activities in National Development Plans and ISODEC has achieved recognition with its achievements.

ISODEC is now well recognized irrespective of the political party in power. For example, when the New Patriotic Party (NPP) was in power in Ghana from 2000 to 2008, the Campaigns Coordinator of ISODEC was a member of the National Steering Committee of the Extractive Industries Transparency Initiative (EITI). Under the National Democratic Congress (NDC), the current government, the Coordinator is the Vice Chairman of the Committee and serves on the National Low Sulphur Content in Fuel Committee as well as the National Steering Committee of the Open Government Partnership.

“The Government now recognizes that there is capacity in civil society that they can tap into. That recognition has influenced them to consult more with civil society groups” was the emphatic statement made by Dr. Steve Manteaw.
Invitation to Consider Aspects of ISODEC’s Strategy

The strategy used has worked in powerful and exciting ways though it depends on generating income in capable and sophisticated enterprises.

Do you agree? Why?

_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________

ISODEC’s example may therefore have limited application in a number of developing countries.

Do you agree or disagree? Why?

_________________________________________________________________________
_________________________________________________________________________
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Are there aspects of the ISODEC story that are useful to your organisation?

State them:

_________________________________________________________________________
_________________________________________________________________________
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If you were to extract ideas that you could apply, which would you choose?
What skills were needed by leaders to make sustainability possible in ISODEC?

In what areas did leaders need to empower staff to make the sustainability strategy successful?
Poor Women Wield Power through Organisation

Sharda Naidoo

Trade Unions have played significant roles in changing conditions for workers, the majority in many countries. The history of the Self Employed Women’s Association (SEWA) in India is one of a trade union with a difference.

Does Unemployment Exist in Developing Countries?

When I was a student, one of my teachers introduced a lecture by saying that ‘unemployment’ was a status that existed in developed countries as people could not afford to be unemployed in developing countries. His statement alluded to two issues; firstly, unemployment’ benefits that are available in developed economies are not common in developing economies hence people cannot afford to be unemployed and secondly there are many people who are considered part of the ‘informal’ sector in developing countries. In most of the developing world, it is often the case that an indigenous artisanal and agricultural sector is the mainstay of the livelihoods of the majority of people. This sector has come to be titled, ‘the informal sector.’ The concept of ‘formal employment’ was a somewhat post-colonial creation as employers grew in commerce, manufacturing and agriculture.

In India, the vast majority of women are part of this unorganised sector. The Self Employed Women’s Association (SEWA) estimates that as much 94% of women are in the unorganised sector; and they actually run small businesses. Unlike workers in the formal sector, these women do not receive either regular salaries or benefits. However, given the inglorious title, their work is not counted and hence remains invisible. In fact, women workers themselves remain uncounted, undercounted and invisible. And these women are among the poorest in India. Such women are the members of SEWA, a member-driven trade union dedicated to upliftment, empowerment, full employment and poverty reduction. The extent of poverty in India is reflected in an OECD report, titled Divided We Stand: Why Inequality Keeps Rising (December 2011) which claimed that in India about 42% of the population lived on less than USD 1.25 per day.8

When 42% of a population of 1.24 billion live on less than $1.25 per day, can anyone afford to be unemployed?

Self-Employed Women Get Organised

Against this background of extreme poverty, the creation of SEWA has not only been a crucial necessity, it has been innovative from a few perspectives. The organisation is a trade union in a context where the members of the union do not have employers in the strict sense of the term.

8 http://infochangeindia.org/globalisation/books-a-reports/why-inequality-is-rising.html
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The primary goal is full employment of the women who are self-employed. In addition SEWA is a flowing together or a “sangam” of a few movements. It is part of the labour movement, the women’s movement, the co-operative movement: and it is foremost a movement of self-employed women. Like other trade unions and co-operatives, organisation and education of members are principles that are inborn and ingrained in the work SEWA.

This case study relates the story of SEWA’s origins within the trade union movement in Ahmedabad. We then explore the joint empowerment and sustainability strategies used by SEWA, followed by a discussion on the organisations and support structures that SEWA has spawned during its forty year life span.

How and Why SEWA was Created?

SEWA celebrated forty years as a trade union of self-employed women working with and empowering other self-employed women in 2012. The Association grew out of the Textile Labour Association (TLA)\(^9\). In 1971, a small group of women working as cart-pullers came to the TLA with the merchant employing them. The merchant had heard of a transport union organised by TLA that had assisted with housing for their workers and he hoped that TLA could do the same for the cart-pullers who were sleeping on the streets. The women were sent to see Ela Bhatt, the head of the Women’s Wing.

She went to the markets where the women worked and while there she met other women working as head-loaders who carried loads of cloth on their heads between wholesale and retail markets. They informed her of their working conditions and their erratic and low wages. She wrote an article about their plight which was published by a local newspaper. The merchants in turn published a story denying the allegations and about their fair treatment of the head-loaders. Seeing the opportunity in this, the Women’s Wing printed the merchants’ claims on cards and distributed these to the head-loaders (women working as carriers of cloth).

With attendance of more than 100 women at that meeting, a call to create their own union and the initiative of Ela Bhatt and Arvind Buch the president of the TLA, led to the birth of SEWA in December 1971.

SEWA’s founders in turn argued that the union’s aim was not so much to struggle against employers but to build unity. Thus SEWA was registered in April 1972.

\(^9\) The TLA was founded in 1920 by a woman, Anasuya Sarabhai. She was inspired by the example of Mahatma Gandhi who believed in creating positive organised strength by awakening the consciousness of workers. Gandhi had organised a successful strike of textile workers in 1917.
From those beginnings, more groups of women seeking empowerment turned to SEWA and so its numbers and groups in different sectors grew. The beginning of the Women’s Decade in 1975 was a boost for SEWA as the association promoted itself as part of the women’s movement. A further honour for the movement came with Ela Bhatt being awarded the Ramon Magsaysay Award in 1977 which brought international recognition for SEWA.

As SEWA developed and grew, relations with the TLA deteriorated. The presence and growth of organised and assertive women was proving discomforting and the interests of employed and self-employed people sometimes came into conflict. The split came when workers embarked on anti-reservation riots 11. SEWA openly supported the Harijans (untouchables) whereas the TLA maintained a neutral silence. SEWA was thrown out in 1981. Its reputation, numbers and non-violent constructive struggle grew significantly from there.

10 The Ramon Magsaysay Award Foundation (RMAF) is a non-profit organization that aims to preserve the memory of the late Philippine President Ramon Magsaysay (1953-57) by commemorating and giving due credit to select individuals and organizations in Asia which embody his view of man as a being born with the right to live in liberty and happiness. The award has the status of a Nobel Prize in the east.

11 India has been plagued by the caste system for generations. It is an iniquitous form of social categorisation which condemns people to certain occupations and excludes them from others. The Indian Constitution introduced provisions for reservations for the scheduled castes and tribes in government and higher education institutions in the 1950s, to give fair representation to the weaker sections of society. The reservation system was originally supposed to last only for ten years, however, it has continued.
Having started with 1070 members in Gujarat in 1972, SEWA's membership has spread across India to all 14 States and is currently over 1.73m. The table below shows the distribution of the members across all states in India in 2012.

<table>
<thead>
<tr>
<th>SEWA UNION MEMBERSHIP</th>
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<tbody>
<tr>
<td>LOCATION</td>
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<tr>
<td>GUJRAT</td>
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<td>MADHYA PRADESH</td>
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<td>UTTAR PRADESH</td>
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<td>KERALA</td>
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<td>BHAGALPUR</td>
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<td>KATIHAR</td>
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<td>MURSHIDABAD</td>
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<td>UTTARAKHAND</td>
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<tr>
<td>TOTAL</td>
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Confronting the Multiple Barriers Faced by Women

A story told by Reema Nanavaty, the Head of SEWA at a World Bank conference on Economic Management in 2000, illustrates a number of issues that poor women face in places like India:
“Hejalben comes from remote Meghpar village in the Kutch district of Gujarat. She is an artisan and an active member of SEWA. “We are Rabaris – a shepherd community, we are used to a nomadic life, wandering in pasture lands away from cities and villages. We hardly interact with anyone,” says Hejalben. “When SEWA organisers first approached me, I was scared. I ran away and hid myself. But they came to me often. We got to know each other. One day I went to attend a SEWA meeting. I saw hundreds and thousands of women like me and I suddenly felt, as if I have a lot of strength and courage,” she adds. “I even stood up and spoke in the meeting. Now I regularly attend all the SEWA meetings. Look I have even travelled all the way to Ahmedabad!! I learn so much when I am with other sisters like me. They give me strength to suffer, to survive, and to strive,” she said at the annual meeting of SEWA. For Hejalben being associated with other women like her is empowerment.”

Involvement with organisations and participating in groups is sometimes taboo for women in traditional societies. This is one of the many barriers that SEWA organisers face in their work. Ideas about entitlement to progress and learning are unknown to many groups of extremely poor and deprived people. The lack of empowerment is often passed onto girls and thus whole communities and societies remain disempowered. In addition, the remoteness and cultural barriers of women in situations similar to Hejalben’s make outreach even more complex for SEWA.

The current General Secretary of SEWA, Jyoti Macwan explained it ably, “If you ask me who SEWA is, I will tell you I am SEWA. I am from a family of tobacco growers. When SEWA came to our village, I saw the advantages of membership and then experienced even more opportunities for learning once I had volunteered to be a leader in our village group. I believe very firmly in the work we do in capacity building in SEWA. I have risen to leadership from that work and am a product of our capacity building.”

Formal Structures and Operations

Having started as a trade union, SEWA is structured as one. The union is open to membership of self-employed women all over India. The membership fee is INR5 per year. (INR54.28= $1). The union is governed by a two-tier structure of elected representatives.
Members of each trade elect their representatives in the ratio of 1 per 100 members to a Trade Council (Pratinidhi Mandal).

Any member can say, “If you ask me who SEWA is, I will tell you I am SEWA.”

In parallel to the Trade Councils, there are Trade Committees whose membership varies from 15 to 50 constituted by selected members of the councils. These Committees meet monthly to discuss issues facing their trade and possible solutions to them. The organiser of a trade group is the Member Secretary of that groups’ Trade Committee. Every year, the Trade Councils elect an Executive Committee of 25 Elected Representatives in proportion to the membership. The office-bearers of the trade union are elected from among the Executive Committee. It has become customary to elect the President from the trade union with the largest membership.

There are four categories of women that are members of SEWA:

- Vendors and hawkers who sell food, household goods and clothes;
- Home-based workers who weave, make pots, incense, hand-rolled cigarettes, and clothing and process agricultural products;
- Manual labourers who work on farms, construction sites, in laundries and houses and pull carts or carry loads on their heads; and
- Producers who run businesses in cattle rearing, planting, salt and gum collection and cooking and vending.

"If you ask me who SEWA is, I will tell you I am SEWA."
SEWA has always operated on trade union principles and supported itself while creating services for members with funds and dues from members. Jyoti Macwan, the Secretary General explained that SEWA has not operated from the expectation that money will come from external sources. Thus when they plan with groups of women traders, farmers or manufacturers whether in urban or rural areas, “our goal is full employment which means that we aim to achieve sustainability at all levels,” says Jyoti. In this context, sustainability is understood at the level of the household, gender and the collective.

“As the women that SEWA works with are really striving to be owners and managers, groups plan on the basis of their needs and priorities.” In this sense SEWA’s programmes and services are all needs based and demand-driven. This approach increases participation and of course, women’s businesses, household and community circumstances all benefit in the process.

“There are no free programmes at SEWA,” explained Jyoti. Of course it is such practices, that inculcate participation and builds ownership.

When a group meeting takes place, members discuss their priorities at great length and depth. When they make their decisions on which programmes to undertake, they have already taken stock of the resources that they have available. They calculate the proportions of resources that will come from the village, from the training that will be provided and from the sale of products and they work out the deficit that will need to be funded and make decisions as to how they will meet the deficit. The combination of empowerment, training and support programmes that SEWA has created for leaders (and members) makes it possible for leaders even at the level of rural villages to conduct strategic planning, understand different financial products and how they can leverage resources that will enable them to reach their goals.

A Trade Union that Straddles Poverty Reduction and Business Development

SEWA’s empowerment processes place their members firmly at the locus of control towards sustainable livelihoods. The concept of sustainable livelihoods combines consideration of access to resources (in the broadest sense of physical, financial, social, natural and human resources) and reduction of risks and vulnerability. The way in which SEWA works from an organising and educational perspective is that poverty reduction and empowerment are pathways along which women embark and incrementally move their children, households, villages and communities.
In one of her articles on Poverty Removal, Ela Bhatt, founder of SEWA says that, “Poverty is connected to both the economic structures and social structures within which the poor find themselves, and to remove poverty those structures do have to be addressed.” As a trade union SEWA saw their member as workers first and in the process of working towards their upliftment, the movement ran into the economic and social barriers that hindered progress. “While organising women workers for better wages in tobacco processing plants, we were faced with the need for child care for their children who otherwise had to spend their days in the midst of tobacco heaps.” In another example of structural change that is needed, Ms Bhatt explains, “Although SEWA Bank is one of the pioneers of micro-credit, we discovered very early that without helping the small entrepreneurs to deal with changing markets and policies, we could not expect the loans to work towards poverty reduction.” In view of this array of needs across the spectrum of workers that SEWA organises, their approach has evolved into one which focuses on responsiveness in each situation.

She asserts that, “Since the economic and social structures are so interrelated, the solutions too have to be integrated.

This means that there is no one formula for poverty reduction, rather it has to be an approach which addresses the various economic and social factors which cause and perpetuate poverty. Hence SEWA’s approach has been an integrated approach, where various inputs are needed not one after the other but simultaneously.”

http://www.youtube.com/watch?v=xlyDTJD8MEY

The link above is to a video which shows SEWA’s commitment to self-reliance, the range of strategies that are used to enhance self-reliance and the results in markets, productivity and earnings. “Doosara Azadi” or Economic Freedom as the video is titled was filmed in 2011 which was SEWA’s proclaimed year of self-reliance. In addition to the strong performance of SEWA Bank, the women banded together in their centres and jointly held loans exceeding
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$11m. They also negotiated a guarantee from the International Finance Corporation for some of their loans.

The confidence to borrow came from their work in enhancing their product lines and increased market penetration. Through rigorous training in improving product quality, building efficiency and active marketing, they increased their incomes and expanded markets considerably. The textile workers built a brand called Ananta and market through fashion shows and boutiques. Hansiba, a chain of stores which markets the products of members generated nearly $1m in 2011.

The business performance of affiliates is enhanced by management training at the branches and in all the business affiliates of SEWA. In 2011 alone, 826,000 managers were trained. SEWA's emphasis in their training programmes is wide-ranging and in-depth irrespective if the existing educational background of members. E.g. they have not stinted on the extent of technology to which members have access. They have computers, cell phones and radio stations as well solar lamps and energy efficient stoves. The evolution of services is explored further below.

Evolution and Responsiveness in Wide-Ranging Member Services

Given its forty year history, SEWA has not only grown in numbers and across sectors, SEWA has grown into a family of affiliates or sister organisations that have also grown in numbers and functions. There are 20 affiliate organisations linked to SEWA. While most focus on support towards empowerment, the services and forms of empowerment can be differentiated into four groups;

- **Social and household support services** are provided through Shri Gujarat Mahila Lok Swasthya Sewa Sahakari Mandali Ltd. (provision of health advice, disease prevention and accessibly priced medication and treatment), Gujarat Mahila Housing SEWA Trust assists in accessing decent shelter and SEWA is active in establishing childcare facilities where members decide they want this service;
- **Financial services are provided via SEWA Bank and SEWA Insurance**, while members also set up savings and loan co-operatives. SEWA's members have been empowered to the extent that they have the capacity to leverage large loans and guarantees from big banks when it is required for the development of their businesses;
- **Business development support and market linkages** are provided by SEWA Trade Facilitation Centre, SEWA Kalakruti and SEWA Mart; and
- **Education and capacity building** is provided by a wide range of organisations which include SEWA Bharat, SEWA Management School (technical and business management training and SEWA Academy (capacity building, literacy, research, ICT, SEWA video and SEWA’s newsletter Anasuya).

SEWA is also active in advocacy through SEWA Bharat, the national organisation which acts as a link for all SEWAs. While the array of organisations may appear daunting to an observer, it is important to take note of the creation of new organisations over time:
The common threads that run through the range of ways in which members have chosen to enhance their livelihoods are self-reliance, growth, empowerment and formalisation (linkages to the formal economy).

SEWA’s capacity building is informed by two convictions that women have leadership capabilities that they want to develop and that everyone has potential and abilities. In order to strengthen their joint capabilities and build on self-reliance, the need to educate leadership at branch level is well recognised and supported. In order to achieve this, there is recognition of the need for an ideological framework and clear direction that is understood by all members. Thus all the members are equipped with common understanding of the vision and strategy and the notion that the voices of the members must be taken to the public, to policy makers and those who can support poor women in their quest for self-reliance.

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**SEWA’S CAPACITY BUILDING PROGRAMME IS INFORMED BY TWO CONVICTIONS THAT WOMEN HAVE LEADERSHIP CAPABILITIES THAT THEY WANT TO DEVELOP AND THAT EVERYONE HAS POTENTIAL AND ABILITIES.**

The education and capacity building programmes are a combination of instilling self-belief and providing skills in a manner and at a pace which works for the women who want to learn. As a result of this sensitive approach, members have grown in organisational, business and a host of other capabilities. They are inspired and with their joint strength, they take up new roles in setting up pre-school education, child-care facilities, form new self-help groups, become health workers and group leaders.

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**Banking Performance is linked to Health Facilities**
And of course, as the range of sister organisations shows, they have entered a host of other areas. Most of the support services have come about as result of the spirit of responsiveness in combination with the regular research that SEWA conducts. When trying to understand the causes of late or missed payments for loans, data revealed that sickness (of members or their family) was one of the prime causes that hindered the productivity of members. The sicknesses were treatable but it was recognised that they were caused by lack of sanitation and clean water. Through these processes, members organised not only health care, they also organised themselves around saving and joint buying of inputs and contracting for infrastructure and facilities.

Research is one of the cornerstones of SEWA’s operating style and all branches are equipped with monitoring and evaluation skills

1. Have more members obtained more employment?
2. Has their income increased?
3. Have they obtained food and nutrition?
4. Has their health been safe-guarded?
5. Have they obtained child-care?
6. Have they obtained or improved their housing?
7. Have their assets increased (savings, land house, tools, identity cards, share in co-operatives) and is it in their own name?
8. Have the workers organisational strength increased?
9. Has the worker’s leadership increased?
10. Have they become self-reliant both collectively and individually?
11. Have they become literate?

The questions ensure that the goals of full employment (security) and self-reliance are all explored through the M&E process. While the first 10 questions were the core issues for some time, the field workers made a case for inclusion of a question on education in 1998.

Although, the M&E questions do not include advocacy specifically it is very much a part of SEWA’s work. The discussion earlier on the need to break down structural barriers for market entry is one example of the work that SEWA does in this area. They also work regularly in influencing policy for home-based workers and street vendors. However policy does not only occur in government structures but also in traditional structures. Reema Nanavaty relates an inspiring example of advocacy in a traditional structure, “women in a dessert prone area could do embroidery though they hadn’t used the skill for commercial
gain. Puriben took the leadership in collective work. The Group took up craft-embroidery work as an economic activity. It started bringing hard cash. Puriben started coming to the Production Centre of SEWA on her own.

The all-male Caste Panchayat-(community committee) discussed these women going to meetings out of the villages and concluded that this will destroy and ruin the local culture.

That particular year in 1992 during the Caste Panchayat meeting, the women mostly neglected cooking as they were busy completing their craft work on time to fulfil the market order. So, the Caste Panchayat decided to put a ban on the women to leave their village. Going to the Radhanpur Craft Centre or any SEWA meeting became impossible.

Puriben, as a group leader, along with the other members, approached their Sarpanch, (village head men), who also belongs to their own community, and said, “During drought, who is going to protect and give us work? We have to be regular in our work. This work is very important for us because it allows us to stay at home and look after our children. Otherwise we will be forced to go out and dig earth during those hot summer days. Is this work not giving our families an assured income, then, why do you want to put a ban? No, we will go to SEWA office in Radhanpur, and to our Craft Centre that is our bread.” Puriben appeared before the Cast Panchayat and firmly pleaded for lifting of the ban on women going out. The men in the Panchayat were convinced and the ban was removed."

Concluding Thoughts

Among the key challenges of working to reduce poverty are the multiple risks that poor people face. SEWA’s members are no exception in this instant. As much as the organisation has progressed and strengthened its members and communities and thereby contributed to economic development, so too does it continue to face challenges.
India is a vast country of 1.2 billion with multitudes of poor people. SEWA’s work has made significant inroads and is a shining example. However the members and their branches face consistent challenges:

- When disaster strikes poor people its effects are even worse as they face higher risks. This is seen frequently in cases of floods, landslides and other natural disasters which are becoming more frequent in the face of climate change. In such cases crops, animals and houses can all be lost totally eroding the asset base of such households.

- In addition to such losses, the effects of climate change on agriculture, the need to adapt to new varieties of crops and manage water are some of the rural challenges faced by members.

- In many developing countries, women are still faced with the constraints of tradition and patriarchy, the story of Puriben illustrated this. It takes consistent and costly efforts from organisers to give women the courage to break from these constraints.

- The time that it takes for illiterate women to learn and take up leadership is not a simple process and considerable and consistent effort is required at all levels and through all stages of the empowerment process.

No matter how deep or broad the challenges, the spirit of self-reliance continues to sustain and grow the organisation and its members. The story of Jamuben's journey to Santa Fe captures the determination and resilience of SEWA leaders: "Everyone at SEWA Trade Facilitation Centre was very excited, for having gotten the opportunity to participate at the International Folk Art Market in Santa Fe, New Mexico. Oops! But there was a hiccup Kakuben Jivan – the grassroot leader who was to represent SEWA Trade Facilitation Centre at the Folk Art Market, lost her daughter.” Despite her illiteracy, Jamuben a respected village leader volunteered to go in her place. The delegation was leaving on 5 July 2010, the day after the American Independence Day holiday and Jamuben needed a visa. Undaunted and with support from her sisters, she left on the four-stop journey alone! Finally Jamuben reached Houston, and the real challenge began. All the Indian passengers disembarked. Jamuben also had to change flight. There was a thunderstorm and her flight got cancelled??!! On the other end, we were all anxiously waiting for her arrival, and kept calling the International Folk Art Market volunteers at Albuquerque – as the hours and minutes and seconds ticked by.
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Jamuben found an old lady from Surat in a wheel chair who was also flying to Albuquerque. “I would follow her, where ever she would go I will follow – so that I do not miss the track.” Then a gentleman from Malaysia who was also going to the fair found her and a lady who only spoke English was waiting to meet her in Albuquerque.

When she was re-united with her delegation, they were very proud of her efforts, “Jamuben showed us all true leadership”. She also showed the world that even if poor, rural, illiterate women, when given the opportunity do excel. They have no barriers. From Santa Fe Jamuben travelled to New York to participate in another exhibition organized by the Asia Society. When interviewed by the New York Times correspondent – on what did she purchase from the US – Jamuben’s reply was – Nothing here is appropriate or suited for us villagers, so I did not do any shopping from the super market. Yes, but I did go to see the market. What simplicity!!
Invitation to Consider Aspects of SEWA’s Strategy

The idea of a trade union for self-employed people is unique to India and may not be applicable in other countries?
   Do you agree or not? Why?

SEWA’s success is due to leadership and support from outside the member groups which is very uncommon.
   Do you agree or disagree? Why?

Are there aspects of the SEWA story that are useful to your organisation/country/sector?
   State them:

If you were to extract ideas that you could apply, which would you choose?
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What skills were needed by leaders to make sustainability possible in PDA?

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In what areas did leaders need to empower staff to make the sustainability strategy successful?

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Sea-Freight Pineapple Exporters of Ghana

Emmanuel Ofori-Bah

Introduction

The Sea-Freight Exporters of Ghana (SPEG) emerged at a time when the fresh fruit and vegetable industry in Ghana was highly fragmented, with thousands of farmers producing for sale to either local or export markets elsewhere in Africa or Europe. The pineapple sector needed to be organised in order to achieve sufficient volume consolidation, thereby enjoying the benefits of economies of scale and increased negotiation power. At the time, Ghana had about 65 active exporters, all of them trading with European buyers. Although Ghana had a strong market share (about 65%) in air-freighted pineapples, sea-freighted pineapples accounted for only 6% of the total demand for pineapples in Europe, and sea-freight cost and packaging material, together, represented some 70% of the pineapple cost.

In an industry characterised by high costs, low volumes, unreliable and inefficient supply chain, low quality, and low access to long-term credit facilities, the Association managed to facilitate growth and development in the sub-sector and has survived since its inception in 1998. It has been recognized as important in fashioning strategic plans and addressing critical issues peculiar to the pineapple industry. It provides a supporting role in Ghana’s horticulture export chain and is a good example of a successful partnership between private actors and the public sector (i.e., exporters, the government of Ghana, and USAID). The vision of the association is to be nationally and globally recognized as a premier centre for unifying pineapple and other fruit exporters for shipment, shaping policy and providing relevant services to the fruit industry.

What is SPEG?

SPEG is a professional organized body with specialization in the export of high quality pineapples produced under good agricultural practice. Its mission is to bring together operators in the pineapple industry, promote good agricultural practices, and provide efficient, effective, and economic logistics and services. SPEG was initially set up with a financial contribution from USAID, but the association is now financially autonomous through the broadening of its resource base.

Objectives

Specifically, the goal of the association is to:

- Bring together exporters and producers / exporters of pineapples by means of sea freighting.
- Arrange for and purchase sea-freight space and other inputs for pineapple exporters.
- Ensure that only pineapples of the highest quality are exported from Ghana by maintaining on farm pre-shipment inspection at various locations; and
- Get its members to co-operate in the marketing of their produce both locally and overseas.

The current membership is 30 with 16 active members.

Ghana’s Horticultural Exports

In the last twenty years Ghana has developed significant exports of fresh produce to Europe. Bananas, pineapples, mangoes, and papaya lead the fruit exports while yams, chillies, and Asian vegetables head the vegetable trade. The European Union imported almost 90,000 tonnes of fresh produce from Ghana in 2007, which earned the Ghanaian horticulture cluster some €80 million (CIF).

These “non-traditional” exports (all products except timber, cocoa, electricity and minerals) contribute employment, fiscal revenue, and foreign exchange to the economy. As a result, policy makers and development partners have looked to support export horticulture as a diversification of the export base and an opportunity to improve rural livelihoods. The origins of this industry in Ghana lie in the Structural Adjustment Programme and liberalization strategies of the 1980s. Donors and NGOs have provided support since the 1990s and the industry has been integrated into agricultural and development policy in the new millennium.

Pineapples Become Ghana’s Major Horticultural Export

Whole fresh pineapple was Ghana’s major horticulture export product from the 1980s through the 2000s. It was the basis on which Ghana’s horticulture export sector was founded, and it has continued to dominate fresh fruit and vegetable exports. While other horticulture products are produced in Ghana, none have ‘taken-off’ to the extent that pineapple has, and none include such a critical mass of commercial producer-exporters and smallholder producers.

Ghana began exporting pineapples to Europe in small quantities in the mid-1980s and exports grew slowly. At that time, Côte d’Ivoire almost monopolized the supply of fresh pineapples to the European market from West Africa. Ghana carved out a niche in the European market as a primary supplier of top quality pineapples shipped by air, and in the second half of the 1990s began shipping pineapples by sea. However, from 2005 Ghana’s pineapple export industry went into crisis, total exports decreased and the industry was restructured.

Back in the 1980’s, there were only five flights per week into Europe from Accra, the capital city of Ghana. Because of the limited space available, the quality of the fruit sent to Europe was high and Ghana established a strong reputation for producing good pineapples. Only 10% of production, however, could be exported due to the constraints. As more airlines began flying to Accra, production increased, but still was unable to meet the huge demand in the European market.

Association Helps Remove Constraints to Pineapple Exports

In the 1990s, Ghana’s nascent horticulture export sector, with its small fresh fruit export industry and even smaller processing industries (juice, dried fruit and fresh cut fruit) had many economic challenges to overcome in order to realize its potential. These challenges included the need to: create incentives for investment and access to finance, to establish market linkages between producers and exporters or producers and processors, to achieve scale, to build good logistics and transport, to lower the high cost of shipment (representing over 40% of total cost of production for fresh pineapple) as a result of low volume and few vessels offering the service, and to meet safety and quality standards for export.

In 1994 TIPCEE (Trade and Investment Program for a Competitive Export Economy) a United States Agency for International Development (USAID)-funded project, helped establish Sea-freight Pineapple Exporters of Ghana (SPEG) to address the challenges in the pineapple export sub-sector and promote higher export volumes. SPEG was formed as a spin-off from the Horticultural Association of Ghana to coordinate the activities of pineapple exporters and build a sufficient volume of exports to call ships to the Tema port, because a minimum number of pallets was required to induce a ship to call. SPEG was able to get transport time down from 21 days to 13 days, which reduced spoilage rates on arrival in Europe and increased Ghana’s share in the market.

Members Decide to Make the Association Self Sustaining

The formation of SPEG began with five members. Its office was initially housed by one of its members. Members took a decision not to rely on the USAID for the existence of the association, for which reason they secured their own offices in 1998. The decision was based on the realization that the services provided by the association

Figure 3 Quality inspection is undertaken at all pack houses to ensure the integrity of the Sankofa brand
were so essential that it could attract more members who would commit themselves to its survival, thereby providing adequate internally-generated revenue to sustain the association.

In 1998, SPEG members decided not to rely on USAID for the association’s existence.

Members recognized the potential role of the association and the need for its existence. They also acknowledged that the group effort and the synergy within the group were essential to their very economic existence because they facilitated the operations of their firms and, therefore, went the extra mile to offer their support to keep it in business. This motivation prompted members to initiate moves towards the association’s organizational and financial sustainability. SPEG was also quick to realize that its very existence was premised on the success of its members. Mutual trust and respect was born out of this symbiotic relationship.

Association Becomes Responsive

SPEG’s responsiveness has grown over the period of its existence as it periodically exercises additional responsibilities to meet the needs of members. The numerous functions it performs for its members have made it possible to facilitate trade and growth in the sub-sector. Members continue to benefit from:

- Arrangement of sea-freight space on assigned vessels.
- Consolidation of pineapple cargo for vessel operators.
- Co-ordination of shipping arrangements on behalf of its members.
- Oversight of loading of cargo at the port and preparation of all documents covering exporters’ shipments.
- Lobbying of Ministries, Departments, Agencies and Service Providers to initiate and enforce policies that will promote pineapple production and export.
- Provision of technical support services in Good Agricultural Practices, and post-harvest handling and food safety.
- Market promotion and provision of market information services.

The association plays a critical role in providing these services in a manner that no individual corporate member could achieve without difficulty and without incurring very high costs. These services are also needed on a regular basis by members.

To achieve this we ensure that members are actively encouraged to work towards recognized quality/standard certification such as GLOBALPGAP as well as maintaining an on-farm and pack house pre-shipment inspection.

Compliance with national and international standards is ensured by the association’s policy of total member awareness and actively encouraging them to participate in all training.

As a result of its full commitment to this policy, the association has achieved the reputation of being one of the largest pineapple exporters in the country exporting over 25,000MT of pineapples.

Becoming a Strong Lobbying Force for the Industry

SPEG positioned itself as the front for the pineapple groups. It served as a strong lobbying the interests of pineapple exporters to the extent government’s linkage of horticulturists to SPEG described as proactive. The organisation negotiated on shipping arrangements, port dues, trucking services; facilitated vessel services;
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provided technical support; and submitted business proposals on behalf of all members. One notable achievement was the lobby of the government to refurbish and dedicate a terminal for fruits. Another breakthrough was the allocation of space for vessel service with early berthing.

In 2005-2006, following the switch in demand on the European market from one variety of pineapple to another, producers found it extremely difficult to meet production levels due to the non-existence of planting materials of the latter variety. SPEG led the lobby of the Government of Ghana and secured a grant of US$2 million for the importation of the required planting material from Costa Rica. Local laboratories were then established by exporters to multiply these materials.

Providing Technical Support to Members

Food safety standards are crucial in the industry. It is a challenge for a company to engage a full-time agronomist. The association, therefore, engages a team of experts who provide such technical services to its members on a regular basis. The Technical Committee is responsible for ensuring that the products and processes with which the association is involved are legal, effective and defined in terms which ensure they can be utilized effectively.

Facilitating the Acquisition of Machinery and Agricultural Inputs, and Sourcing Credit Facilities

SPEG also facilitates the acquisition of machinery, agricultural inputs like fertilizers and plastic mulch, and sources credit facilities for members which enable them to free up capital to enhance business operations. In 2008, SPEG lobbied for and facilitated the installation of post-harvest equipment, cold store facilities and generators by the Millennium Development Authority, managers of the Ghana Compact of the Millennium Challenge Account. In 2013, the association managed to secure approval from the Ministry of Trade and Industries to retool the industry with a long-term capital facility from the Export Development and Agricultural Investment Fund.

The Association Promotes Member’s Exports under One Brand

Group participation in trade fairs provides immense benefits to SPEG members. The brand consists of one type of carton and a logo, SANKOFA. Cartons are purchased from suppliers in bulk and distributed to members. The result is better packaging, pricing, timely delivery, and easy access to markets by members. The association has introduced the SPEG Common Marketing Scheme which involves the export of members’ produce under the single “SANKOFA” brand to identified buyers and under the same trade terms. The benefits of this arrangement are consistency, high volumes and ease in promotion and marketing.

To ensure that all shipments meet the required quality criteria and the minimum production and postharvest standards, the association has put in place a Quality Control Scheme in which quality inspection is undertaken at pack houses and the Tema Fruit Terminal prior to the export of fruits and at the ports of destination.

“The services portfolio is crucial. There is the need for a critical mass as constituents... whether big or small, each member's story is told” said Mr Stephen Mintah, the General Manager (GM).

Strategies to achieve Sustainability

Organisational Restructuring

The need to assure the consolidation of the group effort, the association’s functions, and achievements and lay the foundation for its growth required the transformation of the association into a well-structured organisation. This process included the appointment of an Executive Council and a General Manager, and the employment of Technical and Administrative staff. The Executive Council serves as a policy making body providing advice and direction, and executing its functions through
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several sub-committees whose membership includes non-executive members. Working Committees include Finance, Technical, Logistics, Marketing, and Public Relations. A General Manager who is to be responsible for the day-to-day operations of the association was appointed in February 1998. The association also recruited a Technical Manager, an Operations Manager, and an Accountant. It employed two Technical Officers, an Administrative Assistant, a Driver, and a Desk Officer. In selecting the management staff, much consideration was given to competency, professionalism, experience, maturity, human relations, and ability to relate to government, private, and public sector officials (local and international), among others. As of mid-2005, SPEG had 10 full-time staff.

Stakeholder Relations

Stakeholder relations are considered paramount and fundamental to the existence of the association. Stakeholders like the Ghana Export Promotion Authority, Ministry of Trade and Industries, Ministry of Food and Agriculture, and Export Development and Agricultural Investment Fund, have become partners in defining services to be provided and in the management of projects. The association ensures that stakeholder inputs are institutionalized, and information gathered regularly is used to keep it abreast with current industry trends and issues. All members have the opportunity to contribute to SPEG’s operations. This has encouraged ownership and partnership in governance. Members are not hesitant in expressing their views on issues, a characteristic that has helped the management team stay in touch with its membership.

Transparency Guides the Management System, Promoting Trust and Facilitating Working Relationships

Transparency is a key principle guiding the management system and the operations of the association. All staff are third party persons, well qualified, and insulated from any conflict of interest issues because their only stakes are their positions in authority. This has helped SPEG to build its credibility with external bodies and gain the support of members. The association has an effective and transparent financial management system. Its financial accounts are audited annually by a renowned accounting firm, Deloitte and Touche. All financial statements are regularly made available to members. All members have access to SPEG’s annual Audited Report and Financial Statement. The availability of such reports promotes trust and facilitates effective working relationships with international as well as local corporate bodies.

An Independent Management Team Ensures Equity and Adherence to Rules by Members

Export operations, which are characterized by infighting for space on vessels by members, required a management team which would ensure equity and adherence to rules and procedures. The independence of the management team, which has no vested interest in production and export of pineapples, ensures transparency and attracts more commitment from the members. No member is accorded any undue advantage by virtue of the working principles of management.

Learning from Other Organisations and a Growing International Network

The establishment of SPEG was guided by a similar organisation in La Cote d’Ivoire named Association of Fruit Producers and Exporters (OCAB). The GM visited the organisation to understudy its operations. Visits were also made by staff to Kenya to study the operations of the Fruit Producers and Exporters Association of Kenya (FPEAK). The GM and Operations Manager have also been on study visits to South Africa. Members of the Technical Team also attend training periodically within and outside Ghana. Such training is financed by SPEG and Donors. Collaboration with international organisations, donors, and sister organisations in other countries have increased the association’s network of relationships. It also provides an input into decision making by the association. The Europe-Africa-Caribbean-Pacific Liaison Committee. (COLEACP)\textsuperscript{13} which is

\textsuperscript{13} COLEACP is a non-profit inter-professional association, representing and defending the collective interests of ACP producers/exporters and EU importers of fruits, vegetables, flowers and plants

STAR-Ghana
March, 2014
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made up of producers, exporters, and buyers and funded by the EU provides SPEG with another platform for engagement and deliberations.

In 2013, 11 members participated in a Fruit Logistical Fair, an international trade for fruit and vegetables, annually held in Berlin. SPEG has been participating in this fair since 1999. The fair provides a platform for interacting with industry players to acquire knowledge on new trends in the industry, identify what competitors are doing, meet potential and existing clients, and explore new equipment and technology in the industry.

Becoming and Remaining Financially Self-Sustaining

The need to strengthen the association to "stand on its feet" was recognized by all members. This encouraged cooperation and unity of purpose among members to implement strategies which could ensure the long-term success of the association. Members showed urgency in sustaining the organisation financially.

One strategy was to ensure that professional staff were paid and retained to guarantee that the association provided all needed services. Another strategy was to build fee-for-service and other cost recovery mechanisms into service delivery processes. Each member was required to pay US$5 per pallet of pineapple volumes shipped. This is in addition to an annual payment of US$500 per member per annum.

The Associations Responds to Market Changes

SPEG faced financial challenges in 2005 due to low volumes of exports when demand switched from the previously known varieties. Sustainability became a challenge because income depended on volumes. In reaction, members agreed to pre-finance the operations of the association by providing it with considerable credit, which was paid back over time by the association.

Furthermore, the association instituted graded contributions, where bigger firms paid higher contributions. Such contributions ranged from US1,000 to US$15,000 per annum and were paid for a specific period of three years. These fees constituted the revolving fund for the purchase and distribution of agricultural inputs and other operational needs.

Evolving Ways of Raising Funds

SPEG also evolved ways of collecting moneys from members. One of such was surcharges retrieved directly from service providers after they had been paid by members for services rendered. Other incomes were sourced from additional administrative charges and gains on bulk agricultural inputs purchased and redistributed to members.

Income streams from the association have included grants, fees, dues, container handling charges, payment for participation in foreign fairs, sale of consumables, profit on trading, graded contributions, gains on foreign exchange transactions, and payment for members’ certification. Additionally, consultancy and research into field trials of plan protection products and fertilizers have provided another source of revenue.

Providing Training and Farm Certification Services

The Association continues to provide training in farm extension services, and certify farms who meet international standards in good agricultural practices.

This allows such farms to export fruits. These services are being provided on the assumption that the more farms are assisted to secure certification, the higher the probability of increase in exports which will result in increased revenue for the Association.

Current Challenges

Attracting New Members

One strategy to make the association self-sustaining was to ensure that professional staff were paid and retained to guarantee that the association provided all services needed by its members. Another strategy was to build fee-for-service and other cost recovery mechanisms into service delivery processes.
SPEG has faced a number of challenges. Today, SPEG is not in the best shape it could be in. This reflects the difficulties in the pineapple industry. SPEG’s very survival hinges on the progress of the sector. Any internal and external decisions that affect the sector have implications for the organisation. Though the Association was able to secure some assistance to alleviate the situation caused by the switch in the variety demanded. The consequence of this external influence was a landscape depleted of active participants. Active membership of the organisation reduced due to the inability of some of the members to transition to the production of the new variety, which required considerable investment. Bringing non-active members on board remains a challenge.

Sourcing Finance for Members’ Operations
Sourcing finance for members’ operations is another key area of concern. Securing long-term credit facilities has been a challenge. SPEG has managed to deal with this issue by taking a number of initiatives. The organisation had spent the last few years walking the corridors of the Ministry of Trade and Industries and the Export Development and Agricultural Investment Fund (EDAIF) for deliberations on securing credit facilities for members. The request for the support of credit lines was finally approved by the Ministry in 2013. However, progress has not been made in securing the long-term capital to refinance the pineapple sector.

Attracting Interventions from Government
SPEG appears to be under pressure to secure more support for its members in the form of interventions from Government as evidenced in other product sectors. The periodic changes in the ministerial portfolios present challenges in bringing closure to advocacy processes in process.

Threat from the Local Fruit Processing Industry
Another area of concern to the Association is loss of revenue from reduced exports as a result of the switch by some members, particularly the active-but-not-exporting members, from exports to production for local fruit processing firms.

New Strategic Plan
Another challenge is the difficulties facing the Association in developing its new strategic plan. The development of a strategic plan for the period 2010 to 2014 has not been successful, partly due to some level of apathy and members’ preoccupation with their own businesses. The association was expected to assess its mission, review its service portfolio and statutes, and redefine its strategy in order to establish the way forward.

Way Forward
Members Must be Able to Compete in the Market
“The sustainability of SPEG as a product association depends largely on the capacity of its members to contribute financially to the association and also to actively participate in SPEG programmes. To do this, members must be strategically positioned to be able to compete in the intensely competitive market which is dominated by Costa Rica. This calls for retooling SPEG members to move it away from the production structures of the previous variety to structures for the current variety. “Market exposure and nurturing of the Ghanaian brand must be on top of an appropriate market strategy” observed Mr. Botchway, who owns Bomarts, a pineapple producing company and is a member of the association.

Advocacy Needs to be Strengthened
SPEG needs to increase advocacy in the area of stakeholder consideration of the pineapple industry as one that requires their support for sustenance. Banks and other funding institutions in particular,
have to be influenced to improve long-term lending and develop more responsive strategies for the agricultural sector which they consider a risk area. The pineapple sub-sector is ready to take advantage of such support given that the roll out of MD2 is largely done and material is widely available at a manageable cost, the production protocols are better understood, and 100% of exports are GlobalGAP certified\(^\text{14}\). SPEG members can build on their increasing technical skills with the new variety and on their steadily improving infrastructure.

**Expand Scope to Attract Other Fruit and Out-grower Groups**

The Association is considering expanding the scope of activities to attract other product groups. Currently, there are some SPEG members who are also producing and trading in papaya, mango, banana, and passion fruit. These fruits also have their product associations. The extension of SPEG’s export-related services to such groups will increase its membership and, ultimately, its revenue base. Outgrower groups producing pineapple and other fruits are also targets for membership. The Association is prepared to consider the option of instituting graduated dues and service charges for such groups.

*The Association will have to put its house in order before bringing other fruit producers on board*

“Among other strategies, SPEG will be structured, to bring in a Commercial Manager; augment the Technical Unit to enable its scope of work to be broadened; strengthen its advocacy capabilities to attract more stakeholder attention and support for the industry; and enhance Research and Development” stated Mr Solomon Benjamin, a member of the Board. Hopefully, the development and successful implementation of the new five year strategic plan, which seeks to reposition SPEG as a strong and globally competitive product association, will help achieve the above. The changes in SPEG must mirror the radical changes that have taken place in the Ghanaian pineapple industry.

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Invitation to Consider Aspects of SPEG’s Strategy

The strategy used has worked in powerful and exciting ways though it depends on generating income in capable and sophisticated enterprises. Do you agree? Why?

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SPEG’s example may therefore have limited application in a number of developing countries. Do you agree or disagree? Why?

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Are there aspects of the SPEG story that are useful to your organisation? State them:

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If you were to extract ideas that you could apply, which would you choose?

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What skills were needed by leaders to make sustainability possible in SPEG?
In what areas did leaders need to empower staff to make the sustainability strategy successful?
PDA Embodies a Holistic Approach to Sustainable Development

Sharda Naidoo

Thailand became a middle income country in 1988; even though a large proportion of the population lived in rural villages and was still very poor. The case of PDA is the story of an innovative NGO that started in population development and grew to embrace a wide range of sustainable development programmes while building and maintaining its own sustainability.

How PDA Started and Spread its Wings

The Population and Development Association started as an NGO in 1974 to promote family planning in Thailand. After 39 years, the association has expanded its work very substantially and it can be described as offering services that promote health, integrated rural development as well as a range of other programmes which include democracy promotion (advocacy), youth and gender development programmes. Building sustainability has been central to the work of PDA throughout its lifecycle and progression through expansion of the range of programmes offered. Currently, PDA operates in 15 rural provinces of Thailand through 18 regional development centres and branch offices. With this extensive infrastructure and its staff of 800 working with 12000 volunteers, PDA has established itself as the leading NGO in Thailand.

The idea of generating income was on the agenda of the Association from the inception. While grants were being provided by the International Planned Parenthood Federation in the first five years, PDA was generating income from the sale of condoms. A dual concept, titled “bearable cost” was applied to indicate the acceptance of family planning at village level. By paying for condoms and pills, even if not the full cost, villagers were showing their acceptance of contraceptives and their appreciation of the value of them. From this early introduction of proportional cost recovery as a practice, PDA has explored and undertaken a range of other innovative practices which have contributed to the sustainability of the organisation,
The notion of sustainability is practiced at more than one level in PDA’s strategy. Financial sustainability is built through a diverse range of income sources, both internal and externally generated. Organisational and technical sustainability of the programmes is promoted through partnerships and building ownership among villagers, community groups and government.

What Motivated the Leadership?

Up to late 1980s Thailand had a chequered economic history. The 1950s and 1960s were periods of high growth with significant US investment in the economy and good political relationships with the west due to the need for an ally in the region (after cessation of relations with the People’s Republic of China). Things changed drastically in the 1970s with the increase in oil prices and an increase in Thailand’s current account deficit. Accompanying this economic decline was a series of political crises with neighbours on three sides becoming communist and Thailand becoming a frontline state needing to protect its borders.

The economic crisis was dealt with by devaluing the Thai Baht 3 times between 1981 and 1984. Around the same time the Plaza Accord devalued the US dollar. With the third devaluation and the Plaza Accord, Thailand’s products became very attractively priced and with Japan investing heavily in the country, economic recovery soon followed. Although the country was classified as a middle-income by 1988, more than 30% of Thais were still very poor and based in rural areas. In keeping with international protocols, bilateral donors exited.

It was against this background that Mechai Viravaidya a former politician and activist in Thailand founded the Population and Community Development Association. Having studied in Australia, he returned to Thailand in the mid-1960s and experienced the boom of the 1960s and the bust of the Thai economy in the 1970s. His working life started in family planning followed by a stint in politics and then a return to family planning when he set up PDA in 1974. A key focus for him was to popularise the use of condoms, which were handed out to taxi drivers for their passengers and he even held condom blowing competitions with school children.

Under his leadership, a popular PDA staff canteen was commercialised hence he is also credited as the founder of a restaurant chain called Cabbages and Condoms where condoms, rather than mints or fortune cookies, are given to customers together with the bill.
The Founder of PDA, Mechai Viravaidya campaigning to curb HIV/AIDS

Under his leadership, a popular PDA staff canteen was commercialised hence he is also credited as the founder of a restaurant chain called Cabbages and Condoms where condoms, rather than mints or fortune cookies, are given to customers together with the bill.

While the work of PDA was a clear necessity with the high levels of poverty, PDA’s leadership soon realised that health promotion was complicated by the lack of proper water and sanitation and of course that poverty had to be tackled head on.

PDA Develops a Responsive Approach

<table>
<thead>
<tr>
<th>Evolution of PDA’s Development Programmes</th>
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<tbody>
<tr>
<td>Mid-1970s</td>
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<td>Late 1970s</td>
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<td>1988</td>
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From its earliest work in promoting family planning, PDA’s partnership approach was practiced. The work was designed to work alongside the efforts of the Royal Thai Government and using a participatory, community-based approach PDA recruited and trained residents of villages and urban areas to provide information on family planning, as well as supervised non-medical distribution of oral contraceptives. In this way, the programme supported and expanded government’s efforts by growing to cover more than one third of the country and made a significant contribution to lowering the population growth rate from 3.3% in the mid-1970s to 0.6% in 2005.
When AIDS started to spread all over the World, PDA was one of the first to sound the alarm and to respond with a National AIDS Programme that addressed prevention, information dissemination and care. PDA’s prevention programme worked through open discussions, the provision of accurate information and differential approaches to community needs. Sex workers were encouraged to follow alternative career pathways through education and vocational training.

As PDA’s health programmes expanded, workers in rural areas realised that access to clean water and sanitation were necessary to reduce the incidence of diseases caused by water-borne bacteria. PDA’s Water Resources Development (WRD) project works with communities to establish manage and maintain their own water systems. Villagers are offered a loan for the tanks and systems which has to be repaid over 3 years. Repayments from loans go into a revolving fund which is used to train villagers in establishing new water systems in other villages or in training villagers to build and operate water systems. The system of training local people to manage and maintain is one aspect of the sustainability of the programme while the revolving fund builds the extension process and ensures further sustainability. “The WRD at PDA have been involved in the installation of more water storage tanks than all of the Thai government agencies combined.” (PDA Website) PDA thus set in motion a process of advocating by example.

The water installation and management process is followed by economic development programmes. Water enables rural communities to grow vegetables and cash crops as well as cultivate fish and shrimp and it promotes a host of other businesses that need water.
Case Studies In Financial Sustainability

A linked initiative titled Sky Irrigation Projects works with communities installing irrigation which enables year-round production of crops. The produce meets household consumption needs and surpluses are sold for additional income. Thus by starting with an essential resource, water systems and management, villagers are able to generate more income and a stable institution is created at village level. As important in this process, is PDA’s ability to ensure that they promote sustainable rural development. This will be discussed further in the section below under PDA’s Community Based Integrated Rural Development (CBIRDs) Centres.

Reacting to Donor Exit

As international donors were exiting and a local option made sense, the Association thus launched a further significant initiative, the Thai Business Initiative in Rural Development (TBIRD) in 1988.¹⁵ This programme promoted the use of private sector resources in poorer areas. Companies could foster or adopt a village and work with poorer groups on increasing income through sustainable agricultural projects, small businesses or cottage industries. Over time the TBIRD grew to involve over 150 companies working with over 400 projects bringing $50m to rural areas with no previous access to such markets and income levels.

As donors exited from Thailand, PDA drew the private sector into rural development programmes. 400 rural projects brought $50m worth of business to rural communities.

TBIRD has since transformed into the Village Development Partnership (VDP). It is PDA’s most comprehensive poverty eradication and environmental improvement programme in rural Thailand. The VDP specifically addresses issues in community empowerment, economic development, environment, health and education. Each VDP (more than 400 have been implemented) starts with locally elected and gender-balanced (with youth, middle-aged and the elderly representatives) committees to plan.

A Village Development Bank is also set up in each VDP to empower poor people and thereby eradicate poverty. In this way, ownership and partnership, key ingredients for sustainability are established at the outset.

The central structure is a Village Development Committee that conducts hearings on needs and aspirations and creates a Village Development Plan designed for continuous improvements in villagers’ lives. The joint emphasis by PDA and the partnering companies is to ensure that local leadership is empowered and that villagers take charge of and own their communities’ development plans and processes. As a result, most of the Village Development Committees have become long-term structures, thereby building and ensuring sustainability.

The Village Banks have an innovative way of generating income, in that villagers can obtain payment from sponsoring companies for planting trees thereby increasing the awareness of resources, meeting national environmental goals and promoting local development.

¹⁵PDA started the TBIRD to respond to poverty Thailand. In 2012 despite the average annual GDP per capita of $5851, 8m (of 65m) were extremely poor, i.e. they lived on $2 per day or less.
This level of empowerment and joint decision making promotes liaison and advocacy with local government structures enabling people to obtain the infrastructure and services that they need.

A Micro Credit Group Meeting

Sustainability Strategy to Expand Development

PDA has been relatively unique in conceptualising sustainability as integral to its work from the outset. In this respect, the organisation has been ahead of its time, especially as there was an international organisation that was providing grants for the early work. Clearly, this innovation has stood the programmes in good stead.

PDA’s Community Based Family Planning Service (CBFPS) built sustainability and achieved its goals in three ways:

- Contraceptives were distributed by community based volunteers;
- Although the condoms were either purchased with donor income or donated by foreign sources, they were sold at “bearable cost” to assess acceptance of the method; and
- Self-sufficiency was built over time by setting up the Population Development Company which imported and sold contraceptives and cross subsidised development programmes.

In the first five years, PDA achieved its goal of becoming financially sustainable as shown by the figures below:
The principle and practice that was developed in the first five years was then replicated in three of the CBFPS programmes. Volunteers could also add a small margin to generate some income for themselves. The system remained in place for more than 27 years up to 2001 and still continues in some cases with condoms donated by foreign agencies.

The Population Development Company (PDC), PDA’s private sector arm expanded services into provision of sterilisation and other medical services at family planning clinics throughout Bangkok around 1989. These brought in as much as Baht 840,000 within 12 years and this was sufficient to cover PDA’s operating costs. In addition to the income from these services, further income was generated from the sale of a range of promotional items, e.g. condoms, key rings, t-shirts etc. These sales were later hived off to the PDC and grew considerably such that by 2001 they were bringing in more than $300,000 for PDA’s programme activities.

The CBFPS also created a third component which offered general medical check-ups by a mobile team. These services were offered in urban areas to teachers, school children, factory workers and residents in low income neighbourhoods. The prices were very low ranging from less than $1 for information booklets on parasites up to $1.5 for a physical examination. Even at these low prices, the services were self-sufficient.

### Programme Responds to Health Challenges

When PDA saw the need to work in provision of water and sanitation, they used the donor income as an investment to start the programme and then as a base to expand the programme as widely as they could. Villagers provided labour for installation and as discussed above, funds for water tanks were a loan to villagers which was later repaid. As villagers were trained, they passed their knowledge onto others and funds from repayments went into a revolving fund. This fund was used to extend the programmes to further villages.
Although the programme expanded considerably with the revolving fund, PDA leadership realised that there were villages where people could not afford to pay for the tanks. In response to this, they started setting up Community Based Integrated Rural Development (CBIRDs) Centres.

New Focus on Affordability

The Community Based Integrated Rural Development (CBIRD) Centres were PDA’s response to villagers that could not afford to pay for water tanks (Tungnam). Work in the first three poor districts in Northern Thailand started in 1979. As PDA had accumulated experience and had teams working there on primary health care and sanitation, the programme went further and worked with communities to set up crop production and animal rearing to increase income levels. These were supplemented by skills development and marketing.

After 22 years, 12 of these centres had been established. While they were all started with grant funds, they were also expected to pay their own way as the incomes of the villagers increased. There was thus a distinction between village and centre programmes. Through the training and production, villagers build sustainable income streams and the centres ensure the on-going technical and organisational sustainability.

Through the training and production, villagers build sustainable income streams and the centres ensuring their on-going technical and organisational sustainability.

The centres act as demonstration, training and marketing hubs. They rear crops, breed fish, piglets, chickens and ducks. Villagers ‘borrow’ the seedlings and young animals and sell them back when they are fully grown and pay back the centre for the loan. With their profits, they can buy more animals or plants and keep increasing income levels. In this way, the centres and the villagers build livelihoods, benefit and grow.
Case Studies In Financial Sustainability

Further empowerment is done by encouraging villagers to form co-operatives for purchasing feed, fertilizers and other inputs. Rice banks have been set up and villagers have grown more versatile in their marketing and trading strategies. As the villagers grow their productivity and income, project staff at the centres increases their knowledge base by providing expert advice and conduct research into new varieties, methods and improved yields.

Centres are also encouraged to be entrepreneurial about how they build self-sufficiency. While some make money from selling seedlings and young animals, others have turned to other have turned to other sectors.

One Centre in Sup Tai, a scenic area in Thailand runs a guest house and small restaurant. The restaurant uses the vegetables grown at the Centre and the income pays for the Centre’s projects.

One of the more innovative ideas for a centre’s sustainability was set up by the Nang Rong CBIRD centre. They encouraged the establishment village co-operatives for the purchase and sale of agricultural inputs and outputs. The Centre’s co-operative does the purchasing and marketing and funds itself from margins on purchases and sales. In this way the Centre, a registered legal entity run by villagers, has been able to employ professional managers and only receives guidance from PDA.

Donor Investment to Private Sector Rural Markets

The Thai Business Initiative for Rural Development (TBIRD) was motivated by the shift of donor income out of Thailand when it was classified as a middle income country. While the country was middle income at aggregate level, there was still considerable inequality and poverty in the country. PDA therefore saw the need to involve the emerging companies that were building up powerful export industries in the country. While PDA had not relied entirely on donor income, it was generally used as a base investment in development projects. In most cases, PDA followed the establishment phase with income whether as ‘bearable cost,’ cross subsidisation, full income recovery or shared profits. The self-sufficiency principle remains at the core even in the TBIRD programmes and both villagers and companies have benefitted significantly. By 2000, there were 182 companies involved in 324 projects across Thailand.

TBIRD was chosen as an outstanding example of sustainable development at EXPO 2000 in Hannover in Germany.
PDA and Entrepreneurship

In the earlier discussion on PDA’s CBFPS, mention was made of the sale of promotional items that raised good income for PDA. In order to do this effectively, PDA the NGO had set up a separate vehicle, a private company called PDC Population Development Company. The company is a profit oriented, registered tax paying company. This company not only produced income from the sale of these promotional goods, it expanded into a range of businesses. One of these was a restaurant, serving Thai food which started on the premises of PDA’s headquarters in Bangkok. In view of the organisation’s work, it was humorously called, Cabbages and Condoms. Instead of mints, patrons were given condoms with their bill. The restaurant has now expanded into a chain and there are 4 branches across the country.

The flow of clients in the restaurants and resorts are also encouraged to support the work of PDA by patronising the handicrafts and produce stores at the restaurants and resorts. These market the products from PDA’s CBIRD villages, rural development projects and promotional goods to sponsor health projects and cover operating costs.

Another venture is the Small Scale Industries Company which provides loans for viable businesses. This company has loaned to a bamboo plant exporting mats to Korea, a rural enterprise which manufactures bricks and other sanitation goods and an agro-plant which produces preserved ginger that is exported to Japan. The company also offers loans to individuals owning small enterprises.

In this innovative manner, PDA had set up 14 for-profit companies to create income for its development work. And having established its ‘formula’ for success, PDA established the Asian Centre for Population and Community Development (ACPD) in 1978. This centre was initially supported by a donor and since 1984 the training centre has met all its costs with internally generated income. The Royal Netherlands Government has sponsored some participants at courses. The centre also offers consultancy services to other training institutes across South East Asia.
In addition to more than 5000 people trained by the Centre, numerous visitors are given short briefings. ACDP has since expanded its services to supporting other NGOs that seek to build financial self-sufficiency.

Organisational Practices that Enabled PDA’s Sustainability

- **Wide-ranging partnerships**: Through the development of its programmes, PDA’s approach has been to build partnerships with government, the communities and villagers and the private sector with which it worked. This has been applied in the family planning, rural development and the Thai business initiative. The use of partnerships delineates roles, sharing and joint learning which leaves room for PDA to create sustainable structures;

- **Empowerment of staff and villagers**: People who are intended targets are at the centre of processes and serve on decision making committees thereby being the owners and drivers of their empowerment and sustainability;

- **Exchange at many levels**: As PDA’s programmes developed the principle of giving in exchange for some service that is needed or wanted has been established. The acceptability of contraceptives was known through ‘bearable cost.’ The water tanks were provided as a loan until communities paid. Seedlings and young animals are a local to farmers till they are fully grown and can be sold. In this way the market principle is integral to development and establishes sustainable practices.

- **Using donor funds as investments**: Although donor funds were available in the early years of PDA’s life and work, the organisation chose self-determination, flexibility and responsiveness above the dependence on funds and agendas that comes with grants. PDA used donor funds as a base to capitalise programmes and enable partners to generate income which advanced community development and built the sustainability of projects.
References

The Website of PDA: http://www.pda.or.th/
Lohitkul, W. and Bepier, S (2001): PDA’s Self-Sufficiency Experiences
Invitation to Consider Aspects PDA’s Strategy

The strategy used has worked in powerful and exciting ways though it depends on generating income in capable and sophisticated enterprises.

Do you agree? Why?

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PDA’s example may therefore have limited application in a number of developing countries.

Do you agree or disagree? Why?

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Are there aspects of the PDA experience that are useful to your organisation/sector/country? State them:

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If you were to extract ideas that you could apply, which would you choose?

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What skills were needed by leaders to make sustainability possible in PDA?
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In what areas did leaders need to empower staff to make the sustainability strategy successful?
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