

STOPPING AS SUCCESS: TRANSITIONING TO LOCALLY LED DEVELOPMENT

FACILITATING EFFECTIVE INGO TRANSITIONS THROUGH THE PROJECT CYCLE

PLANNING GUIDANCE FOR DONORS WORKING WITH INGOS AND LOCAL PARTNERS

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This document is part of a suite of practical resources to support increased local leadership of development initiatives, through responsible transitions of international partners. Evidence informing the guidance is from the global Stopping As Success program. More information available at <https://www.stoppingassuccess.org/>

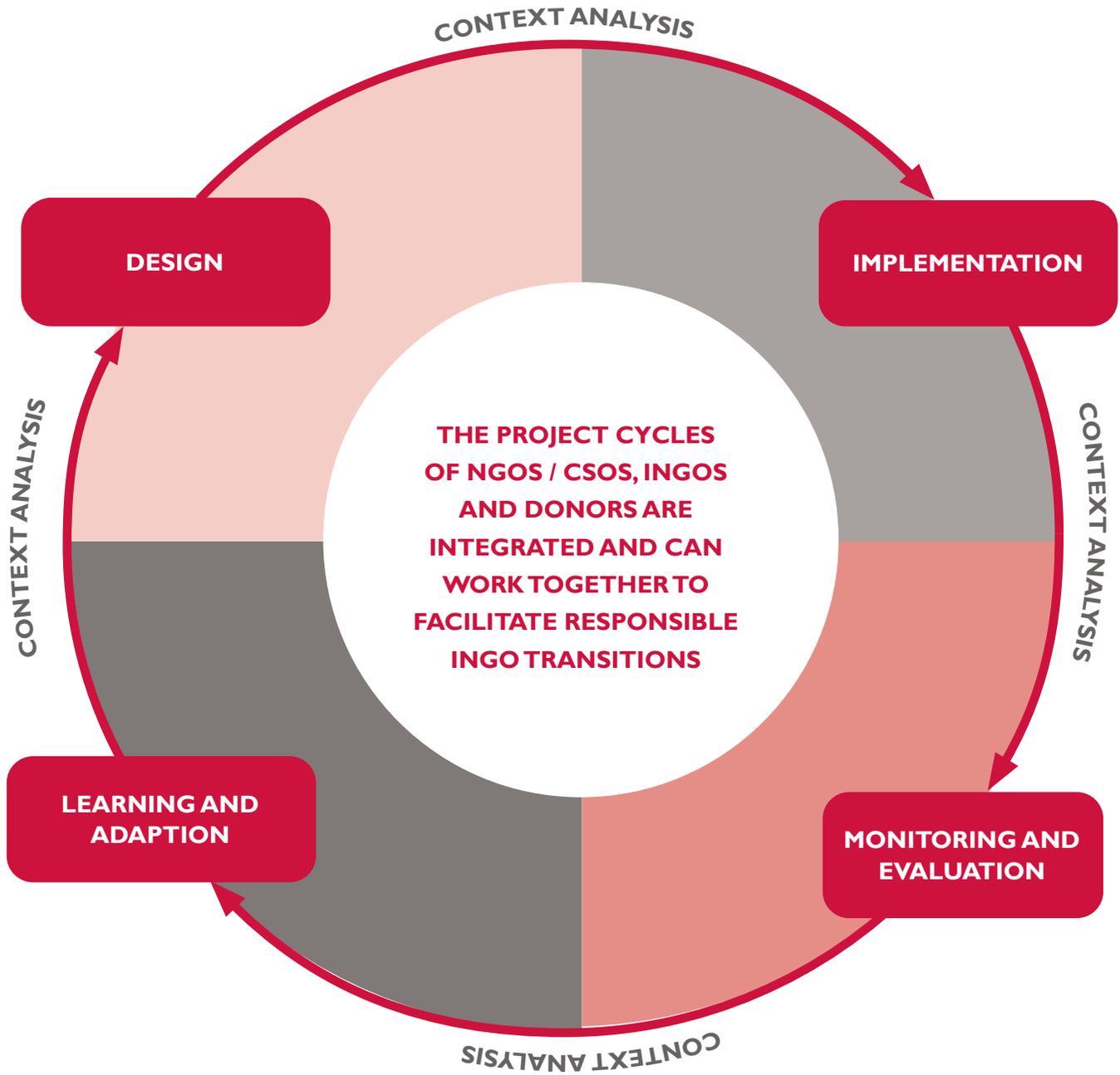
INTRODUCTION

Many donors see a significant gap between their desire to foster sustainable local development and the knowledge and processes for actually doing so. The Stopping As Success (SAS) literature review, online consultation, case research, and regional workshops found again and again that donor staff working at different levels and contexts are looking for guidance on how to plan for, implement, and learn from good transitions. This resource shares SAS lessons relevant for donors throughout the project cycle, with illustrative examples from the 20 SAS

case studies as well as input gathered during review workshops with diverse practitioners.

SAS also recognizes that social change is complex and requires systemic and long-term approaches that are not fully captured by the project cycle. Some of these are relevant to INGOs and local/national NGOs/CSOs, so this resource can be used along with the accompanying resources for those groups. SAS tools, cases, and issue papers provide further insight about adaptations in diverse contexts and partnerships, and are linked throughout.

NGO/CSO, INGO, DONOR PROJECT CYCLE FOR TRANSITIONS



DESIGN PHASE

Facilitating effective transitions starts with project design! Consider the following questions during the design phase

- **How can we support more open-ended and locally defined transition processes?** Transition should mean transformation, whether into an NGO, social enterprise, foundation, or CSO. Whichever path local staff decide to take, there will be transition costs. These include legal fees for the drafting of bylaws and articles of incorporation; registration fees paid to governments or nonprofit umbrella organizations; operational costs such as rent, utilities, and gasoline; consultant fees for strategic planning, business planning, and capacity development; costs associated with fundraising and business development; and bridge funding for salaries. There is a clear opportunity for donors to provide general support grants to both INGOs and transitioning local entities.
- **How can we structure financial assistance in ways that leads to self-reliance, including the timeframes and ultimate objectives?** One to five-year project cycles may not provide enough time to build trust in communities, establish connections, and create a long-term sustainability plan. Donors

should consider longer-term commitments to specific regions, communities, and local or national organizations, or provide longer grants to INGOs and transitioning local entities with explicit objectives and metrics related to transition.

- **How can we ensure programming is community-based and demand-driven?** Spending time with communities in a collaborative and open-ended way, allowing them to define priorities and areas requiring external support, can lead to more effective and sustainable programs if feedback is incorporated respectfully and comprehensively from inception. Overall, there is space for donors to fund local processes and gaps that have been identified, as opposed to inviting feedback on projects that have already been designed. This process can create a sense of local ownership that sustains program outcomes beyond their period of performance. This can take the form of listening tours, recurring focus group discussions, co-creation processes, or simply asking for permission to place staff in communities.

During the procurement process, donors can ask

- **How can I be more inclusive?** There is increasing interest across major donors in holding co-creation workshops or collaboration events (e.g., [USAID Broad Agency Announcements](#)) in the initial stages of project design in order to match potential organizational partners, verify local context analysis, and jointly identify effective strategies that can lead to sustainable and positive change. Donors have an opportunity to provide funding for local organizations to travel and attend these workshops, allowing them to build networks, establish strategic partnerships, and expand their influence.
- **How can I update my calls for proposals to make offerors think about successful transitions?** Donors can include strategic objectives in calls for proposals for INGOs to transition program activities to local entities (whether existing partners or organizations

created during implementation) during the period of performance. Transitions during a grant allow for a period of accompaniment and capacity development potentially crucial to future success.¹

- **How can I develop local capacity with traditional partners?** Requirements that key personnel positions in project leadership roles be staffed by country nationals are an excellent way to build local staff capacity and ensure sustainability after a transition. In some contexts, it may be difficult to identify qualified local staff or staff may be unwilling to work for a local organization after project close. In this situation, donors can include requirements for positions to transition to local personnel, especially those with a clear interest in continuing to work for the local organization post-transition, along with milestone objectives related to professional development.

IMPLEMENTATION

The implementation phase should focus on strengthening the local organization and, if applicable, preparing for the INGO transition out that will accompany project close-out. Ask:

- **How should I approach capacity development?** Donors can provide or fund capacity development of the local organization during the transition. This should be in areas beyond technical skills and program implementation, encompassing organizational development, grants management, strategic planning, leadership development, financial management, and fundraising. Many of the most effective transitions documented by SAS declined to utilize traditional one-off trainings, but rather a longer-term accompaniment model with recurring engagement with beneficiaries and clear milestones for success built into work plans and reporting mechanisms.²
- **How can I ensure INGOs are adequately preparing for transition?** Requiring regular reports documenting progress towards both local entity sustainability and INGO transition would be a useful step towards institutionalizing a sustainability agenda within a given project. Reports should detail actions (e.g., milestones around capacity development, registration of local entity, local staff replacing international staff, proposals written, new funding secured) taken to date and planned actions to ensure project sustainability. SAS's Practical Guidelines for Partnership Transitions provides more information about good relationships between INGOs and transitioning local entities.
- **What can I do to avoid creating political problems for local partners?** Donors should consider waiving donor regulations on branding for organizations in countries where governments and civil society have a tense relationship. This is of particular concern for local organizations, who may face increased government pressure relative to INGOs.
- **What steps can I take to ensure local partners are financially sustainable?**
 - SAS case studies highlighted the retention of property such as vehicles, furniture, computers, and information technology systems during project close-out as important to organizational and programmatic sustainability. This can be either through a transfer of title from the INGO or retention by the local organization. Grants directly to local partners provide an opportunity for donors to fund acquisitions of property identified as being important to organizational and programmatic sustainability. Besides hard assets, organizations may benefit from software systems for grants management, financial management, M&E databases, human resources, and other crucial operational functions.
 - Donors can facilitate financial audits for local organizations. This can be either through direct funding or through reimbursement of a transitioning INGO. Establishing an audit history helps local organizations develop a financial track record and policies that will set them up for financial sustainability, regardless of chosen funding model. The general purpose of these audits should not be to assess specific compliance with donor regulations, but more broadly to develop financial systems that will strengthen the organization as a whole. However, audits can also assist with donor compliance as well as helping local entities to create an indirect cost structure to recover overhead costs.³

MONITORING AND EVALUATION

Donors should consider how the burdens of monitoring and reporting fall differently on INGOs and local organizations-- there are clear opportunities to support locally led development. Ask:

- **What steps can I take to make reporting easy for local partners?** Thousand Currents' reports ask local partners to respond to a [single question](#): "What would you like us to know about your work and what has happened in your organization over the past year?" Allowing reporting in local languages, reimbursing for translation, or providing no-cost translation services to local organizations is also tremendously valuable to local organizations. Many local organizations do not have native English speakers on staff, presenting a barrier to effective reporting and creating a significant burden.
- **How can I ensure my reporting standards are respectful of the cultural context?** Donors should consider tailoring financial reporting regulations to individual host countries to allow for culturally sensitive standards; for example, many cultural contexts include some form of gift-giving when establishing new relationships.
- **How can my agency learn better from transitions?** Funding evaluations and ex-post evaluations focused specifically on how transitions contributed to sustainability, whether organizational, programmatic, or outcome-based, can help build the knowledge base of "what works" in transitions. Both new evaluations and meta-analyses of previous work could play a role.

4. LEARNING AND ADAPTION

Learning and adaptation around transitions should occur throughout the project cycle. INGOs and local organizations should regularly reflect, iterate, and change practice. Ask:

- **How can I incorporate good adaptive management into strengthening local capacity?** Adopting an iterative and participatory approach to capacity development can offer more potential for skills and knowledge transfer than traditional trainings. Donors should consider using collaborative capacity assessments (e.g., USAID's [OPI](#)), regular training evaluations, and adaptive design (e.g., through [pause and reflect sessions](#) with INGO and local staff) to continually reflect and update capacity development techniques.
- **What role can I play to facilitate more diverse funding streams for local organizations?** Host country regulatory architectures may not be prepared to regulate alternative models of association that can support local organizations' financial sustainability, such as NGOs with a consulting wing, social enterprises, community management organizations, or microcredit organizations. Donors can advocate for new host country regulations covering alternative association models, providing new avenues for local organizations outside of traditional grant-funded models.
- **How can I help local organizations outside of a grant relationship?** Many local organizations profiled by SAS were not aware of strategic opportunities available to them. Donors interested in locally led development should provide outreach to inform local organizations that they are able, for example, to request overhead rates from donors, to request capacity development from INGO partners, to accompany INGO staff to donor meetings to facilitate connections, and to advocate for retention of property after project closeout. SAS's [How-To: Access Unrestricted Funding](#) may be a useful resource.

END NOTES

1. For more information on how to incorporate these lessons into procurement documents, please see the SAS tool [“Procurement Language for USAID Missions and Operating Units.”](#)
2. Please see our issue paper [“Capacity Development in Responsible Transitions”](#) and “Guidance Note on Joint Learning” for more information.
3. For more information on financial sustainability in transitions, please see the SAS [Financial Sustainability issue paper](#), as well as our [Practical Guidelines for Financial Sustainability](#). For further guidance, please also refer to the research conducted by our fellow co-created research initiative [Facilitating Financial Sustainability \(FSS\)](#).

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