

AFARD's SUSTAINABILITY QUESTION

A CONCEPT PAPER

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1.0 INTRODUCTION

This concept paper presents the quest by the Agency For Accelerated Regional Development (AFARD) for building itself into a sustainable organization; the AFARD that continues to deliver quality and impacting services to the poverty-stricken population of the West Nile region of Uganda. This quest is driven by the need to reduce AFARD's donor-dependency syndrome and hence the concept is termed "AFARD's Sustainability Question". The question is simple:

How can AFARD continue to work towards achieving its vision given the inadequacies and uncertainties associated with its current funding base?

While identifying answers to this question, AFARD acknowledge that, in the short run (within 5 years), it will continue to rely substantially on external support for both its programmes and sustainability building. Thereafter, AFARD should be able to gradually wean-off high donor funding ratio by being able to meet most of its operational cost.

To promote a better understanding of the plan, this paper explores AFARD's: (i) origin; (ii) current vision-driven objectives and activities; (iii) growth path; (iv) reasons for the search for sustainability; (v) sustainability pillars; and (vi) possible options.



2.0 THE ORIGIN OF AFARD

The Agency For Accelerated Regional Development (AFARD) is a local, not-for-profit, and non-denominational NGO currently operating in Nebbi district. It is a registered Company Limited by Guarantees and not having a Share Capital (Reg. No. 45170) and an NGO (Reg. No. S.5914/3735). AFARD's formation in July 2000 by professional sons and daughters of West Nile was motivated by several reasons. **First**, the West Nile region is the poorest in Uganda with 6 in every 10 people living below the 1 US\$ a day threshold. **Second**, many development interventions have been 'external to local context' leaving behind physical structures but a people hardly changed. **Third**, the policy of decentralization has sidelined the people from exercising their citizenship rights- leading to lack of voice in decisions that affect them. **Finally**, many educated sons and daughters of the region prefer "greener pastures" to working for the eradication of rural poverty in West Nile.

Instead of resigning to despair, AFARD believes that the region can, and indeed will, develop using an endogenous and empowerment approach that both improves people's well-being and gives them determinant roles in shaping the development agenda and processes. Accordingly, AFARD came up with the **Vision** of 'a Prosperous, Healthy, and Informed People of West Nile' and a **Mission**, 'to contribute to the molding of a region in which the local people, including those who are marginalized, are able to participate effectively and sustainably and take a lead in the development of the region.

In order to achieve this vision, AFARD looks at itself as a hub through which (inter)national and grassroot communities converge in diverse ways to partner for improving the lives of the poor people. It therefore gives priority to marginalized communities, Orphans and Vulnerable Children (OVCs), Persons Living with HIV/AIDS (PLWA) and Women. AFARD's catalytic function within that hub is primarily to build the capacity of the beneficiaries so that they can initiate and sustain, at their own pace, the initiatives that will make a lasting and sustainable difference in their lives. We term this *Capacity Building for Sustainable Livelihoods*.

3.0 AFARD'S KEY ACTIVITY AREAS

AFARD's activities can be grouped under three major themes: 1) Household food and income security; 2) Health security; and 3) Community empowerment. The themes are briefly explained below.

Table 1: AFARD's thematic focus

Theme 1: Income and Food Security	
<p>1.1 Sustainable agriculture enhancement</p> <p>AFARD fights food insecurity by enhancing households' food production, purchasing power, and food acceptability. High-yield crops and livestock are provided to groups (plus the requisite agronomy, livestock management, and agribusiness training) for multiplication and on supply to other members of the community. Additional training covers nutrition.</p>	<p>1.2 Community micro enterprise development</p> <p>To widen and strengthen households' income base and group self-funding capacity, AFARD integrates training in entrepreneurship with the promotion of group savings and credit schemes. Loan committees are also established and trained.</p>
Theme 2: Health Security	
<p>2.1 HIV/AIDS prevention and mitigation</p> <p>While HIV/AIDS prevention is tackled through multi-channel communication aimed at behavior change, HIV/AIDS mitigation uses a family-centered approach. Material support is provided for Orphans and vulnerable children in schools. Their support families are supported to generate income and increase food production. And, positive living among People Living With AIDS is encouraged through a post test club approach.</p>	<p>2.2 Safe water and sanitation promotion</p> <p>AFARD improves access to safe water and sanitation chain management through the provision of facilities and community hygiene education and promotion. Community policing that are enforced by the community is promoted to ensure a lasting adherence to locally agreed upon standards for a safe home and community.</p>
Theme 3: Community empowerment	
<p>3.1 Institutional development</p> <p>To ensure that community based organizations (CBOs) grow and are sustainable, AFARD facilitate both their programme enhancement and organizational growths. Through participatory capacity self-assessment, capacity building priorities are agreed upon. Periodic reviews then allow CBOs to chart their growth paths and identify their areas of persistent weaknesses for continued redress.</p>	<p>3.2 Good governance</p> <p>To promote gender equality, AFARD focuses on widening political space for, and entitlements of women by increasing women's participation and voice in decision-making in local government planning and budgeting processes. Through participatory resource mobilization and monitoring, government responsiveness and accountability for better services is won.</p>

Source: Annual Reports and Strategic Plan

4.0 AFARD'S GROWTH PATH

AFARD started as a very young organization with all its activities performed by the Founder Members on a volunteer basis. It had no permanent staff, used a hired office space and borrowed equipments, and depended on Founder Members' funding. Its only strength then was the commitment of its Founder Members and the Board. Over the years, AFARD has grown as can be seen below:

4.1 Governance

Today, AFARD has Board of Directors composed of five members (two are women) and a Board Secretary who have accomplished the following:

- Ensured full registration of AFARD with the relevant authorities.
- Formulated policies and regulations for Board and Management operations. In addition, it is reviewing human resource policy after a participatory Job Evaluation.
- Put in place a 5-year Strategic Direction 2007-11 and regularly reviews and approves annual plans, budgets and periodic performance reports.
- Ensures annual audit of accounts by registered and reputable firms.
- It is also working on its own Board appraisal system.

4.2 Management and Staffing

From a 3-person volunteer team in 2000, AFARD now has 11 technical staffs. Of these, 2 are still volunteers, 5 are permanent staffs and 4 are contractual staffs. This team is composed of persons who are well trained, exposed, practical and committed to community development.

4.3 Logistics

AFARD has now secured some basic assets, namely:

- A 3-room office block and a '*payot*' for staff meeting (on own land).
- 1 old Land Cruiser vehicle and 5 motorcycles (2 are extremely old).
- Some basic office equipments.

4.4 Funding

Between 2000 and 2007, AFARD witnessed a marked growth in its cash inflow. Starting with Ushs 1.3 million (approx. 650 Euros) in 2000, by 2005 a half a billion (250,000 Euros) peak was reached and is maintained to-date. These funds were raised from diversified sources such as foreign donors, in-country calls for proposals, contracts from local government and the mandatory annual contributions from Founder Members.¹

¹ We remain grateful for funding from Gorta Ireland, Tudor Trust UK, Cordaid, Maria Stroot Fonds, Haella Stitching, Overall Stitching, Regina Fonds, ETWA, Little Sisters of Providence, R.C. Magdenhuis, Development Cooperation Ireland (now Irish Aid), UNICEF, HURINET (U), Global Fund, Action Aid International, Canada Fund for Local Initiatives, and 9th EDF Civil Society Capacity Building Programme. The in-kind support of SNV and GERED Stitching are also appreciated.

4.5 *Networking*

In line with its mission, AFARD is affiliated to a number of like-minded organizations:

- National level:- the National NGO Forum, Uganda National AIDS Services Organization, Participatory Ecological Landuse and Management–Uganda Chapter, and Uganda Water and Sanitation NGO Network.
- Within Nebbi District:- the West Nile Private Sector Development Promotion Centre Ltd., Nebbi District NGO Forum, Nebbi AIDS Services Organization Network, and Nebbi Area Development Network.

4.6 *Targets and Outreach*

Although AFARD's vision is regional, for strategic reasons its operations have been limited to Nebbi district. Going to the other districts in the region is solely on specific assignments. Even within the district, certain interventions are spread all over while others target specific locations as outlined below.

In the year 2007 alone, AFARD worked with the following beneficiaries:

- i. 15 groups with 352 members in food security, micro enterprise, and savings and credit promotion. These same groups also benefited from institutional development.
- ii. HIV/AIDS prevention in 2 fishing villages (Dei and Singla) with over 20,000 people.
- iii. HIV/AIDS mitigation in Dei fishing villages for 120 Post Test Club members and about 60 pupils in school.
- iv. Provision of safe water points and sanitation education/facilities in the 2 fishing villages above for more than 20,000 people.
- v. Good governance promotion in 19 lower local governments in Nebbi district with 544 Women Council leaders and 220 local government officials.
- vi. Supported 8 Nebbi Area Development Network members groups working with about 650 people.
- vii. 3 Lower Local Governments under National Agricultural Advisory Services with in 17 Technology Demonstration Sites.

4.7 *Public image*

The dedicated efforts of AFARD Board and Staff has earned it recognition and respect as a professional organization with tested capacity and proven commitment to rural development. This legitimacy and credibility translated:

- In 2001, at a very nascent stage, to winning a Certificate of Merit from the National NGO Forum.
- In 2006, winning beneficiary recognition from Organizational Capacity Assessments conducted by Ernst And Young Global Fund Uganda) and CEFORD (EU Civil Society Capacity Building Programme).

- In 2007, scooping the Best Grantee Award from the EU-funded Civil Society Capacity Building Programme.
- Into securing the support of the local government (both technical staffs and politicians).

3.8 Lessons learnt

Over the years, we have learnt that:

- a) Poor people want to live a better life. Coming into self-help groups is one avenue they use to pool their resources and attract assistance. However, development support agencies have not reached many such groups. Even the lucky few that are reached often do not get adequate support that may not be even of the type they themselves chose.
- b) Working through groups is cost-effective in both outreach efficiency and impact effectiveness and sustainability. Hence, with many individuals not currently reached, a huge potential for their inclusion exists.
- c) Government development initiatives tend to be more infrastructure-oriented and centrally dictated without due consideration for local needs and strengths. This creates lack of ownership and affects sustainability.
- d) Poor people prefer and commit to well-being improvement approaches that are holistic and synergistically address issues related to income, food, health, education, and local democracy in tandem.
- e) Voluntarism (at community and organizational levels) has a limit, and when not managed well, can in the long run become detrimental for organizational growth.
- f) When effectively mobilized, grassroots communities can dedicate their efforts for change if the nature, direction, and pace of development is aligned to their livelihood aspirations. In this way, 'outsiders' can primarily play a catalytic, facilitative and supportive role.
- g) Donor funding is not always forthcoming, and reliance on it is a source of unending worries, operational vulnerability and vision instability.

Our basic argument is therefore that grassroots communities, effectively mobilized, can dedicate their efforts to the nature, direction, and pace of development aligned to their livelihood aspirations. In this way, 'outsiders' can primarily play a catalytic role that widen their perspectives, visions, and hunger for sustainable livelihoods. However, such "outsiders" should have the requisite resource capacity to champion the facilitation process. Thus, AFARD's search for its organizational sustainability is aimed at just that.

5.0 WHY THE SEARCH FOR SUSTAINABILITY

AFARD is committed to enabling communities build sustainable livelihoods using clear and tested strategies and has legitimized itself as a vision/impact-driven stakeholder in the West Nile region. This favorably responds to fighting the high rate of poverty in the region where 6 in every 10 people are still income poor when compared to only 3 in every 10 nationally (2005/6 National Household Survey).

However, to operationalise this commitment AFARD must have the resources required to deliver the direly needed services. Does it? The answer is no because to date AFARD largely depends on donor funds from 43% in 2001 to 77% in 2006 and 63% in 2007.

Experiences also continue to show that donor funding are getting scarce and increasingly difficult to access because:

- First, many northern donor NGOs are under budget cuts thereby limiting their uptake of new partners.
- Second, the prevailing basket funding approach has limited access to hitherto small grants given its manipulations and lack of transparency.
- Finally, the major donors in Uganda are targetting greater north sidelining West Nile region.

Below is a brief analysis of the causes of the financial frailty of AFARD and the effects.

Table 2: AFARD's operational challenges and effects

Core problem	Causes	Effects on AFARD
Inadequate funds to operate optimally and sustainably	Over dependence on donor funds that are inadequate, sporadic, conditioned and often insensitive to the existing high administrative cost	<ul style="list-style-type: none"> • Institutional instability <ul style="list-style-type: none"> ○ Over reliance on voluntarism ○ Inadequate staff motivation and development, job insecurity ○ Weak asset base– logistics ○ Inadequate systems (e.g., accounting and documentation softwares). • Performance limitations <ul style="list-style-type: none"> ○ Limited services outreach and partial goal realization ○ Less innovation due to inability to try out new ideas • Financial insecurity <ul style="list-style-type: none"> ○ Low capital reserve fund ○ Inadequate running costs
	Lack of clear fundraising plan	<ul style="list-style-type: none"> • Inability to effectively engage the Board in resource mobilization • Dependence on project funding • Inability to generate own funds • Over-reliance on resource mobilization skills of the Programme Director

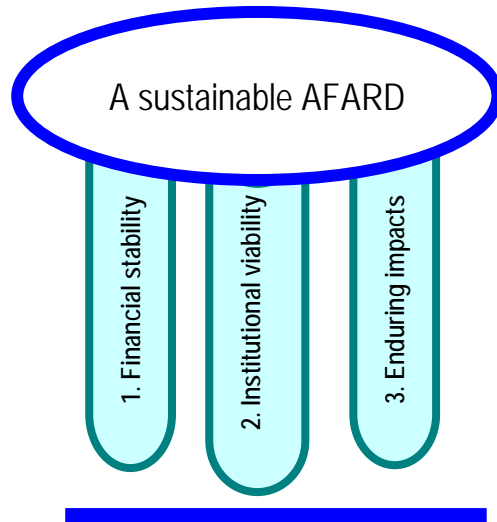
With this trend the unavoidable question that needs an answer is:

How can AFARD continue to work towards achieving its vision given the inadequacies and uncertainties associated with its current funding base?

6.0 THE SUSTAINABILITY PILLARS

For AFARD to be sustainable, it has to: 1) generate enough finances to implement its plans; 2) in order to become institutionally competent; 3) so as to consistently produce lasting impacts in its primary stakeholder. This idea is presented in the diagram below.

Figure 1: Sustainability domains



The domains (pillars) in the figure above can be explained as follows.

Pillar 1: Financial stability

To minimize donor dependency, AFARD needs to explore the prevailing global wisdom of *social enterprise approach to charity work* as an option for increasing its resource envelop. Herein, AFARD will undertake business ventures but with the aim of reinvesting, the profits made back into its development work.² This is opposed to the distribution of dividends among shareholders in a businesses entity.

Pillar 2: Institutional viability

Adequate funds should energize AFARD to operate effectively by securing the right resources. Improvement will be attained in its systems (policies) enhancement, logistical (office space and equipments) support as well as having fully -paid staff with requisite skills development and reward improvement paid attention to.

Pillar 3: Enduring Impacts

With adequate funds and befitting institutional structures and systems in place, AFARD will be left with justifying its relevance and responsiveness through its continued broadened and deepened (programme) impacts on its beneficiaries. That is why AFARD exists. Moreover, demonstration of impact is crucial in resource mobilization.

Worth noting is that the three sustainability pillars are mutually reinforcing. A viable AFARD will find it easy to generate resources and achieve impacts. Impacts help in the generating more resources, but also come with institutional growth.

² Success may depend on investing in enterprises that: Are easy to manage; Exploit existing skills; Maximize local resource use; Promote local replication, Yield adequate profits in both the short and long run; and Promote corporate social responsibility in the local private sector.

7.0 THE WAYS FORWARD

The starting point in the realization of a sustainable AFARD is the need to widen and stabilize the organisation's finances. While it is imperative that this should go hand in hand with improvements in the institutional and impact domains since they are mutually reinforcing, adequate funds remains vital and a kick-starter for the other pillars.

Therefore, to ensure financial stability, two strategies are proposed: 1) Improving on the current resource mobilisation approaches; and 2) investing in independent income generating ventures

7.1. Improving on current fund mobilization approaches requires:

- Exploring longer and more stable relationships with donors through programme funding instead of the short-term project funding approach.
- Enhancing AFARD's capacity to respond more effectively to calls for proposals since competition for such calls is countrywide and stiff.
- Improving consultancy services provision through rigorous marketing and logistical support.

7.2. Investing in income generating ventures

Apart from profitability, the other criteria used by staff during a brainstorming session meant to worthwhile income generating ventures included feasibility considerations such as the capital size required, payback time, existing skills to manage the ventures, marketability of the products in the regions, expandability overtime, competitiveness, risks involved, and adaptability. However, the bottom line is that such ventures should be in line with, and promote, the vision, thematic focus and values of AFARD.

In order of time span, the following were identified:

1-3 years	4-5 years	6 years and over
<ul style="list-style-type: none"> • A microcredit scheme • Agro-input shop • A model and demonstration farm • Planting (pine) forests • Revamping the consultancy services 	<ul style="list-style-type: none"> • Community clinic • Publishing/stationery shop • Constructing a Hostel in Pakwach TC • Eco-Tourism • 	<ul style="list-style-type: none"> • Buying shares in large corporations • Housing estates • Radio station • Link with research institutes

The investments logics

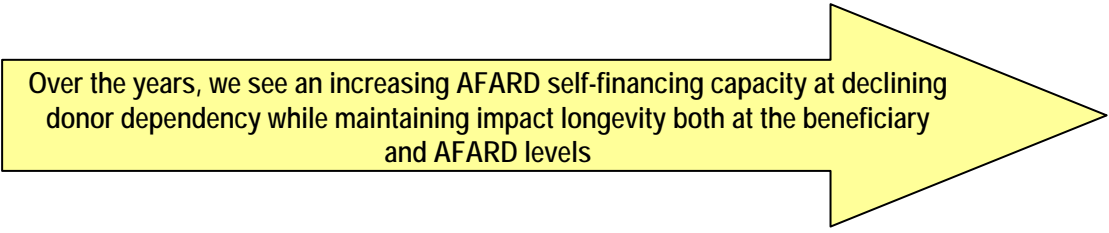
The link between these investments and AFARD's sustainability is that:

- First, in the short term a stable donor fund is sourced to concurrently fund the Strategic Plan 2007-11 (impact-driven programmes) and part of the sustainability projects (investment proposals) including their feasibility studies.
- Second, the prioritized investment will be run autonomously as a profit generating entity although the managers will report to the Programme Director.

- by initiating the income generation projects, it is envisaged that within 1-5 years AFARD should be able to earn an increasing capital reserve fund.
- Third, the capital reserve fund should enable AFARD, in the long run, to largely self fund its operations from its internal revenue.
- In this way, AFARD should be able to gradually wean-off reliance on donor funds.
- This means that AFARD will be prepared to receive a declining donor support while it is ably filling the funding gap using its own funds.

Table 3 below summarizes the investment proposals and logic.

Table 3: Summary focus of interventions in the short and long run

		
Sustainability domain	Short-term focus (1-5 years)	Long term focus (6 years+)
1. Financial security (IGA focus)	<ul style="list-style-type: none"> • Undertake development investment in: <ul style="list-style-type: none"> ○ A microcredit scheme ○ Agro-input shop ○ A model demonstration farm ○ Community clinic ○ Planting (pines) forests • Undertake direct investments in: <ul style="list-style-type: none"> ○ AFARD's consultancy services ○ Constructing a Hostel in Pakwach TC ○ Publishing/stationery shop • Set a Capital Reserve Fund 	<ul style="list-style-type: none"> • Undertake direct investments in: <ul style="list-style-type: none"> - Buying shares in large corporations - Housing estates - Radio station - Eco-Tourism
2. Institutional viability (Functionality focus)	<ul style="list-style-type: none"> • Secure programme funding in order to: <ul style="list-style-type: none"> ○ Employ, develop, and retain permanent and salaried programme staffs ○ Procure means of transport (1 4WD car & 2 M-cycles) ○ Build and equip & tool office block to house desired staffing level 	<ul style="list-style-type: none"> • Employ and retain high caliber staffs
3. Impact longevity (Accountability focus)	<ul style="list-style-type: none"> • Develop communication strategy • Set a documentation and research centre • Train staff in participatory M+E 	<ul style="list-style-type: none"> • Set a regional development training centre tied to research institutes and universities

8.0 MEASURING SUSTAINABILITY

Although it is too early to talk of the measurability of our sustainability, it is prudent enough to rethink the 3 broad pillars noted above. Especially relevant are the core indicators with which we can elaborately and competently measure the three facets of institutional viability, financial stability, and enduring impacts.

Figure 2: Measurement domains

