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# **CASE STUDY ON MWENGO, PACT AND USAID RELATIONS IN ISGM**

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# **1. INTRODUCTION**

## **Preparation of this Report**

This report was prepared over a period of five working days. Interviews were conducted over the phone and in person as shown under References. The TORs are found in Appendix 1. These limitations were so for the work was contracted late, most of the principals were travelling and it was needed for the Nairobi meeting. In discussing the TORs it was made clear that what was wanted was a first cut document to open up discussions.

## **Vision, Mission and Values of Organisations**

Organisationally Mwengo and Pact are committed to participatory development. Both seek to implement development, which is sustainably led by Africans. Both are committed to partnerships between the North and the South. It was these commitments which led them to begin to design a memorandum of understanding between themselves on how they thought they were to implement the ISGM project.

The antecedent to the ISGM project in Eastern Africa had been interest in jointly developing a project for Southern Africa.

USAID on its part is primarily in the business of funding development activities under a stringent legal framework. It should be noted here that perhaps the most relevant aspect of USAID impact on the vision, mission and values of the partners were its requirement that Mwengo be a subcontractor even though it is committed to African NGOs leading the development process. The contract option led to a project implementation structure and process, which ignores capacity building for Mwengo.

## **Partners Understanding of Accountability**

It is important to note that Mwengo had talked to Pact about developing a project for South Africa to be funded by USAID. Representatives of the two organisations wrote the proposal for this unsuccessful project in Harare. Being motivated to work together, when the possibility of a project in East Africa came up, Pact wrote the proposal in Washington with Mwengo inputs being essentially by phone and review of documents unlike the earlier case. The conception was that Mwengo would be responsible for institutional component of the project and other project matters would be left in the Pact purview.

Not only did one partner write up the project, but also partners hired their staff separately. There are some people who argue that the initial Mwengo Deputy Chief of Party was by default hired by Pact for purposes of bidding. Thus there was not joint initial hiring.

The original work plan was supposed to be done jointly by the Mwengo Deputy Chief of Party and Pact Chief of Party. The Mwengo person was deputy to the Pact person who was head of the project. Both were terminated by their respective organisations. The Mwengo hire because she, in the opinion of Mwengo, was incompetent in developing a realistic workplan and was leaning to the Pact side and not being accountable to Mwengo. The Pact hire because he could not start the project as speedily as was expected in the contracted benchmarks. He supposedly was concerned with the mundane. There is suggestion that the Pact hire was not familiar with USAID procedures. USAID was putting a lot of pressure on the beginning of project activities for the Greater Horn of Africa, the source of funds, had been under design for three or four years. His programme supervisor, who actually recommended his termination from the project, replaced him ultimately. This new Pact Chief of Party was seen as a specialist on USAID contract procedures above all else.

Whereas the bulk of Pact funding is grants, this project is a contract. Mwengo did not have experience in USAID contract funding. It was sceptical about the funding, but notably, it did not hire somebody with experience in it to cover its organisational inexperience in this.

### **Is Experience Worth Sharing**

The experience is worth sharing for it illustrates several failures in designing a joint operational program of activities. First, Mwengo was uncertain about USAID funding -particularly contracting. Second, initial staff hires looked good on paper but turned out to be incapable of operationalising a programme of activities. This entails, establishing an office, hiring, reviewing the project document, relating budgets to specific field activities, operationalising budget flows from the donor, relating such flows to field activities/timelines and finally relating budget requests and reporting to the donor to donor contract driven performance indices.

This process, usually undertaken by the project team, is about digesting the project proposal into project management structures and processes. Usually is done by bringing the policy makers of partner institutions together with the personnel to manage the project

(field management and headquarters supervisors/back stoppers) and the donor to clarify policy initially. Subsequently, the project management team is left to produce a viable work plan for the contract period. The third point then is failure to initially clarify policy and to develop a viable work plan by the management team with the authority of the partner supervisors and policy makers.

When new personnel were put into place in this program, there is no evidence that a systematic involvement of the Mwengo Deputy Chief of Party in the overall planning and management of the project. The Chief of Party, and thus overall executive, pushes as he sees fit. Illustrative of this is the comment about the deputy needing a printer and the chief executive telling the person to get it from Mwengo, although ultimately he provided one. The fourth point then is that the management has not worked as a team. Illustrative again is the team building effort, undertaken in June 2000, which saw people from another Pact project invited to take part in the project team building effort.

## **2. DESCRIPTION OF RELATIONSHIPS**

### **Origin and Motivation of Relationship**

The relationship came out of the initial joint development of a proposal for South Africa. No doubt the vision, mission and values of the two organisations put a premium in finding ways of Northern and Southern organisations working together. This was the basic motivation. Their preferred model of how to work together, driven by past experience, seems to have been to run a project under the grant management model which both organisations had experience in. Once it was clear there was no option of this mechanism, both organisations consciously decided to give the contract format a go. They realised there would be problems.

### **Nature of Formal Agreement**

There are basic anomalies in the formal agreement. There was no provision for Mwengo's indirect costs. Neither was there provision for improving salaries of core Mwengo staff related to the project. This has relevance in terms of their increased workloads or the need for higher calibre staff. There is a clear need to renegotiate the issue of Mwengo's indirect costs, with both Pact and USAID, for they form an important aspect of Mwengo's institutional sustainability over and above the need to train its personnel in implementing this kind of project.

The formal agreement specifies that Mwengo would be responsible for institutional strengthening component of the project. With one individual in the project team there is a real question on whether this was realistic planning given that there have to be assessments, trainings and ultimately oversight over grants made.

The issue to be faced now is whether the argument that this component has been slow in meeting benchmarks should not be addressed by finding ways and means of increasing the number of Mwengo staff. Of course the argument can be made that the residual categories of desired staff and activities emanating after unstructured project operationalisation become the responsibility of the prime contractor. The Pact Chief of Party concedes that there is staffing inequity and he suggested to me that increasing staff, to assist the Mwengo Deputy Chief of Party, is not a problem since such personnel support can be from general funds. This may be a partial solution but more needs to be done in the wider context of the objectives of either 50/50 partnership and/or training Mwengo so that in the long term it gets experience to lead in these kinds of programs. I do not think his ideas were about managerial staff. Certainly there is a sense in which USAID is interested in African partners' managerial capacity building so that they can qualify for future work.

### **Roles and Responsibilities**

The original vision assumes team management. Yet this has yet to be.

Whereas the Chief of Party was the Pact hire, clearly by making the Mwengo Deputy Chief of Party, the project deputy, it was clear that overall management of the project would be shared. In interviews, it is not clear how this fared under the first management. Under the second management, Mwengo feels strongly that their key hire has been marginalised in overall management terms. Management capacity building to her for the future is therefore missing. This is more important with respect to overall work planning, donor relations and budget flow forward planning.

The Chief of Party, as expert on USAID contract procedures, proceeds. In his opinion, since taking over, he concentrated on logistics. This was positive for it got the project to begin to meet some contracted benchmarks. Still to date no co-ordinated team planning for work plans, budgets and budget flows has been undertaken. I am aware that there is confusion in the project about the Team Building Workshop in June 2000. Some see it as a planning effort. In any case the "plans" which emanated from there are yet to be finalised. They

are sectional plans, not an overall work plan charting how contact benchmarks are to be fulfilled by detailing activities and sub-activities so as to establish rational criteria for staffing.

Activity plans are developed not in team frameworks. Day to day management, in the opinion of many interviewed, is also not team effort. It is informally co-ordinated without an overarching long term Work Plan. This increases Mwengo's marginalisation.

The major issue exercising Mwengo currently is the unavailability of resources from USAID for moving institutional support to the next plane. In the 5 year project proposal USD 10m. was budgeted. USD 4.6 m. was supplied up front. However, USAID Nairobi thought USD3m. was still available but this is not so for project disbursements and obligation had been made on it.

There are two issues here. First when the project, through Pact reported on finances to USAID Washington, it did not report on the same to USAID Nairobi. The USAID Nairobi system was not able to track the disbursements in detail to the extent of being current. This, I am told, is now possible with a new reporting format recently designed. As a result of this new system of financial reporting, USD 929 thousand will be made available, although USAID points out that it will not be sufficient to keep the project in cash for the whole financial year. The point is simply that management staff do not seem to be even aware of this other than the Chief of Party. All Mwengo staff were not aware of this. The Chief of Party told me that once the funding becomes available, it would be allocated across the "divisions" based on their individual work plan efforts.

Point number two is that this saga of budget flow hiccup shows that the project management was not able to anticipate disbursement and obligation demands. This is so for detailed work planning related to budget flows and thus triggering requests to USAID were not done. No doubt the reduced fund flow has impact on project activity sequencing, which impacts on project quality over and above antagonising one partner. It again documents the failure in project management to keep both partners informed.

I have not found anybody in Mwengo who is conversant with this detail of the problem with budget flow. This points to the need of Mwengo backstopping staff needing familiarity with the USAID process. The deputy Chief of Party has just taken a course on this. There is need for Mwengo backstoppers to become familiar with it. It

also points to the need for tighter forward planning by the Pact management.

### **Who Accounts to Whom**

Within contractor provisions, Mwengo people account to Pact people. In the past Mwengo was reporting on finances to Pact Washington. This is anomalous for program financial reporting should be integrated. Recently Mwengo is supposed to report to Pact Nairobi. This is as should be although Mwengo is exercised about it. Pact accounts to USAID. I was informed that in accounting terms Mwengo would be treated as any other grantee in accounting terms!

Given that Mwengo has only one employee in management, it is clear its managerial and organisational impact and accountability by contractual arrangements is limited. Contractually, the Pact Chief of Party also supervises the Mwengo Deputy Chief of Party. My judgement is that the implications of the contract do not seem to have been internalised by Mwengo at all levels.

Obviously the Mwengo Deputy Chief of Party reports to Mwengo but given the many informal discussions between the Chief of Party and the Head of Mwengo, it is not clear whether she has much else to report formalistically. It may be a good idea if all reporting to Mwengo is channelled through their Deputy Chief of Party.

### **Who Accounts for What**

Financial accounting and program benchmark reporting to USAID contractually is with Pact and their Chief of Party.

It should, however, be noted that the Teaming Agreement, Attachment 16 of March 1998 provides that " The prime contractor will keep the subcontractor fully advised of any changes and provide opportunities to review any submissions that affect the subcontractors areas of responsibility". This provision would suggest that key program management issues like budget flows, development of monitoring tools etc should be discussed with the Mwengo Deputy Chief of Party. Most certainly, the failure by project management to anticipate funding needs did not get reported to Mwengo in the detail discussed above.

### **Monitoring and Evaluation of Relationship**

For program activities, the monitoring tool has just been developed. This is so, in the opinion of the Chief of Party, because USAID did not have a strategic plan. The tool is in Log Frame format. The question

one raises is, given that there are no detailed Work Plans in Log Frame format, how is it to be used? Since it has not been used yet and since it is pegged on contract deliverables, it is not possible to comment on how it is to be used in managing the program- the essential use of monitoring and evaluation both in management studies and development planning disciplines.

On monitoring and evaluation of institutional relationships, it is strictly informal- phones and emails especially between the Chief of Party and the Heads of Mwengo and Pact.

### **Enforcement Mechanism**

The Chief of Party stated that enforcement is "by shouting"! Humour and possible cynicism aside, and given that there are informal managerial consultations, it is safe to just state that nobody in the program has any doubts about who is the boss. The boss enforces.

### **Key Achievements**

The partners and their managers should be congratulated that the program is still afoot after losing two key managers. Management, especially Chief of Party, should also be congratulated for effectively setting up the office, and ensuring that some of the contracted benchmarks are on target now. These are major achievements.

The June 2000 Team Building workshop is seen as a key achievement, which set stage for future planning! Systems for grant applications, assessing NGO capacities and making grants are in place. Key conferences/seminars on contracted matters have been held. Baseline organisational capacities assessments have been done. Monitoring and evaluation curriculum has been developed. A benchmark based in-house monitoring and evaluation tool is also developed. Financial and administrative mentors have been trained. Six Grants have been made. Scores of NGOs have been assessed and significant numbers are on queue for funding. In short the program now has regional presence.

Working relations with USAID Nairobi improved with the hire of the new Chief of Party. The recent problem of budget flow seems to have dented this.

### **Challenges and Problems**

One of the challenges is the disappointment of NGOs who have been assessed and have not got the funds because of the lack of

synchronisation of project disbursement flow and budget flow from USAID, basically a project management failure. Organisations who have gone through the steps are anxious about funding. This is the old problem of raising expectations without offering services. Its solution is to synchronise activity implementation and budget flow requests.

There seems to be a challenge related to the capacities of Mwengo to backstop their person. There are three problems. First, the formal backstopper seems to be too busy to act in that capacity since he is fully engaged in training over and above travelling a lot. At the same time the new hire, in Harare, seems to lack detailed skills to act as an assistant to the Mwengo Deputy Chief of Party. Documents he handles receive extensive revisions thereby tying up the Deputy Chief of Party's time and thus reducing time, which should be used for project management. Finally, there is a sense in which the Head of Mwengo acts as backstop to the Deputy Chief of Party and even directly to the Chief of Party.

What is called for is a rethink of persons, skills and levels of backstopping in Mwengo. At the same time, it is a good idea for communication to Mwengo to be channelled through their hire in Nairobi.

Another challenge is the structure of dialogue, in the context of prime and sub-contractor legalism, between the partners. An African proverb says that marriage is consumed by continuous dialogue. The burden of this squarely falls on creating a more consultative management process as discussed extensively in other sections. Beyond those earlier discussions, there is need to formally segregate issues which are policy and which are operational and target them to the appropriate partner levels.

Accounting from Mwengo to Nairobi seems to be problematic. The argument is that documentation is incomplete. I cannot establish whether this is a skills, knowledge or attitude problem. Mwengo needs to look into this for accounting documentation to Nairobi is two to three months late. This fact alone is sufficient ground to review whether the person responsible has the skills and time to deliver for failure to do so means that contracted deliverables are not met. That threatens the whole program.

## **Key Element of Relationships**

The key element in the relationship is that the Chief Executives of the partner organisations are committed to making partnership work. They knew there would be problems. They were willing to take the twining risks. I do not think significant components of their staff are as committed to making it work as they are. Both need to do something about how the partnership is managed as discussed elsewhere.

### **3. LESSONS LEARNED AND CONCLUSIONS**

#### **Key Positive and Negative Insights**

In the positive column, the key insight is that the program is meeting some contracted benchmarks. Credit must go to the Chief of Party who took over a limping program and forced it to work. It is time to attend to the challenges of the partnership. Ironically, it is this success which is also generating problems in relationships.

The key insight, in the negative column, is simply that I do not think that the Partner Chief Executives, given their commitment to partnership, have struggled enough to find a middle ground on the challenges and problems identified through the report. They should get together, work out how they want the program staffed and managed and communicate to the programme managers how they want to maximise partnership relations in the context of the strictures of the contract and the need to get African partners capacities built up for future work.

It is the staffing and management processes, quest for other work and talk of establishing a regional Pact Office, which are creating to problems- not the contract format. They need to take standpoints on these issues.

In a five-year program, there no doubt is need for revisions of budgets, staffing norms, range of activities etc. The donor would welcome these for they would lead to better programming and implementation.

#### **Policy Implications**

In my view, this program, over and above the hitches discussed, shows that the contractor model can work. Given that the bulk of past Pact financing is grants and further that Mwengo has no previous track record of using USAID contract funds, both Partners should be able to implement the balance of the program and show that it is doable. Towards that end, they ought to refine how the contractor

model needs to be managed and write it up for use by others including USAID.

### **Programming Implications**

The programming implications are found throughout the document. The key issues are systematic Work Planning, Relation of Budget to Operational Activity Categories and Relationship of the Two to Budget Flows in consultative/participatory management frameworks.

### **Messages to Others**

The first message is that a joint project has to be conceptualised and written up by two partners to allow all to be in at creation. The same argument follows for all major re-design efforts.

Second, the core project management team has to be hired jointly to built in skill complimentarity and perhaps compatibility. If they do not mesh, team building has to be done early. Special attention needs to be paid to key sets of skills, familiarity with donor procedures and management styles, for managers, back stoppers and policy makers within both partners.

Three, operationalisation of the project, including detailed work planning, budgeting, budget flows and relevant time lines, have to be worked out by the project team in consultation with the partner supervisors/ back stoppers and policy makers. It is a team effort. They, redesign changes and other long-term concerns like hunting for subsequent contracts, need to be known by all partner policy makers and their operational staff.

A corollary is that the donor needs to be informed of budget needs in sufficient time to review and make adjustments to funds availability. This should be a central concern in project management.

Fourth, grant managing is perhaps easier than managing contracts. This however is not sufficient reason for supporting non-team based management styles in the later.

Fifth, partner program supervisors/back stoppers should have skill levels, which allow them to function effectively without having to take operational matters to the higher policy making levels of partner organisations.

Sixth, formal communication to partner organisations should, as far as feasible, be channelled through partner hires for three reasons. First to keep partner hires informed about operations and secondly to short circuit possible confusions about roles and accountability and finally to train African partner personnel on managing contract format programs.

Seventh, partnerships should ensure that there is a fairer distribution of senior managers during design for any time the ratio is too skewed on the international side, it really is not a partnership. The African partner becomes an appendage. For too long African partners have just been that and are increasingly allergic to it.

Eighth, partner Chief Executives should police the partnerships for it is possible that lower levels of operations might want to do business as usual. That is not creative, neither does it address donor concerns.

#### **4. REFERENCES**

##### Phone Interviews

- |                    |        |
|--------------------|--------|
| 1. Ezra Mbogori    | Mwengo |
| 2. T. S. Muyoya    | Mwengo |
| 3. Liz Loughran    | Pact   |
| 4. . Charles Ward  | USAID  |
| 5. . Sarah Newhall | Pact   |

##### Face to Face Interviews

- |                   |        |
|-------------------|--------|
| 1. Bill Polidoro  | Pact   |
| 1. Florence Omosa | Mwengo |
| 2. Jack McCanna   | Pact   |
| 3. Chris Ngovi    | Pact   |
| 5. Yves Kore      | USAID  |

##### Documents

1. Pact Proposal for HASP (Cost)
2. Pact Proposal for HASP (Technical Proposal)
3. Contract Pact USAID |No. 623-c-00-98-00026-00
4. 4. ISGM Subcontract Pact Mwengo Subcontract Version 3.0 (Unsigned)
5. ISGM Regional Consultation on Conflict Resolution and Peace Building on Greater Horn of Africa and Lakes Region. 16-18 May 2000-10-06
6. ISGM Quarterly Performance Report July-September 1999
7. ISGM Quarterly Performance Report October -December 1999
8. ISGM Quarterly Performance Report January-March 2000

9. ISGM Quarterly Performance Report April-June 2000
10. ISGM Proceedings of the Workshop Reflections and Pre-Organisational Capacity Assessment.

## **Appendix 1**

### **Terms of Reference (TOR) for Case Writers**

Purpose:

The purpose of the case studies is to form a sound basis for discussions on different aspects of accountability in a development relationship between African NGOs, US PVOs and US missions. Those cases will be discussed at two sub-regional conferences in October in Lagos, Nigeria and Nairobi, Kenya ions.

These Terms of Reference (TOR) lay out the qualifications for case writers, procedures for writing cases and a suggested format for writing reports.

#### *Qualifications for case writers*

- experienced in research, documentation, and report-writing
- ALPI will be responsible for the translation of documents in French into English and vice versa
- Familiar with the cases and knowledgeable about the NGO sector without being direct participants in the case activities:
- They must be credible with key actors from whom they will be seeking information and viewpoints
- At the same time, case writers must be able to tell the story of the case “neutral” ways that outsiders can understand, e.g. language that describes events, rather than ideological or emotional opinions.

### *Procedures for case writing*

- Case writers will be hired and paid by host country team after consultation with InterAction.
- InterAction will provide an orientation to the conceptual framework and case writing process when possible. Otherwise, the host country teams will provide this orientation using these TOR. Case writers will need copies of the TOR and conceptual guidelines.
- Case writers will have direct contact with InterAction to make comments, ask questions, and seek guidance during the case writing process.
- InterAction will review first drafts of case reports and provide feedback to the case writers and host country team. Feedback from InterAction and other sources will be incorporated into the reports before they are finalized.
- Case writers should use the conceptual framework and basic theory of accountability as a guide to gathering information about the case and writing the report.
- A suggested format for the report is included.
- *Methods of data collection*
  - Case writers should keep a record of the sources of information (or data) used as a basis for writing the cases. We expect that data will include interviews with key actors and written documents such as memos, minutes of meetings, internal reports, newspaper reports, etc. All major sources of data should be referenced in the case report and a list included at the end of the report.
- *Outline for case studies*
  1. INTRODUCTION:
    - Vision, mission and values of organizations involved
    - Each partner's general understanding of accountability (to whom?, for what?)
    - Why is this experience worth sharing?
  2. DESCRIPTION OF RELATIONSHIPS:
    - Context (the point at which the idea of a relationship emerged and what motivated it)
    - The engagement process: Formal agreement and its nature; roles and responsibilities of various actors (who defined roles/responsibilities?)
    - Who accounts to whom? For what?

- M & E of relationships (how are relationships reviewed over time?)
- Enforcement mechanisms
- Major achievements/challenges or problems and how do you think these can best be overcome?
- Key elements of the relationship that made accountability work

### 3. LESSONS LEARNED AND CONCLUSION

- Key insights (positive and negative)
- Implications for policy making/future programming
- Messages to pass on to others

### 4. REFERENCES