

Investing in Peace: Public-Private Partnerships for the Mission-Driven

The second form on Investing in Peace

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SUMMARY AND MAJOR POLICY POINTS

Washington, DC – November’s **Conflict Prevention and Resolution Forum** (CPRF) was held at the Johns Hopkins School of Advanced International Studies (SAIS) on November 10th, 2009. Over 70 individuals from government agencies, think-tanks, non-profits and local universities attended the event. The CPRF is organized by the non-profit organization **Search for Common Ground** and is co-sponsored by the **Alliance for Peacebuilding, American University, Council on Foreign Relations, George Mason University, Johns Hopkins University, Partners for Democratic Change, United States Institute of Peace and the Woodrow Wilson International Center for Scholars.**

Cate Johnson opened this month’s CPRF by describing her experience as USAID Administrator in Romania. Ms. Johnson described four programs which have remained active, despite USAID and the U.S. Government’s pullout of Romania a year ahead of schedule and the subsequent severing of their funding streams.

The first program was a family health and family planning project that received \$35 million over eight years. The project was started amidst a troubled post-soviet Romania that experienced a population explosion, inept state operated orphanages and a high maternal mortality rate. With the substantial organizational and long-term support of USAID, the family health program became a model for the entire region. Working hand-in-hand with government officials, the second program, a child welfare initiative, brought in \$45 million over 10 years and remained a strong program after Romania’s transition into the European Union.

The other set of initiatives Ms. Johnson spoke about concerned two NGOs that have blossomed into fully self-sufficient organizations. First, Ms. Johnson recalled Leslie Hawke, the mother of actor Ethan Hawk, who, while serving in the Peace Corps, supported a number of street children through primary and eventually secondary school. More recently, through her connections in the acting world, she has been able to gather substantial charitable donations to further the breadth of her past project. The last example is of the Special Olympics in Romania. This initiative started small with the support of only one high-ranking official. However, after a number of years it has become the charity of choice for political elite. The project snowballed from being a largely ignored program to a successful public-private partnership with tremendously high political visibility.

Ms. Johnson summed up her presentation by acknowledging four key concepts from her experience in Romania. First, it is important to have support from top-level leadership: “We know that leaders respond to those of us in the ranks.” Second, is to match a committed U.S. government and technical staff with local staff who will ultimately be in charge of their own organization. Ms. Johnson noted that all of her examples would not have succeeded past USAID’s time in Romania without the commitment from local staff. Thirdly, it is important to seek top talent from implementing partners. And, finally, perhaps the most important aspect to ensuring sustainability is timely and tireless follow-up.

Next to speak was Judith Gillespie, Director of Strategic Philanthropy at Search for Common Ground (SFCG). SFCG has successfully maintained sustainable projects throughout the world for nearly 30 years. Ms. Gillespie, noting the nature of financial markets, described diversification of income as the key principle in ensuring organizational sustainability. To this end, Ms. Gillespie described how SFCG has identified five sources of income that would ultimately allow the organization to function should one source of funding dry up.

First, Ms Gillespie noted that historically, SFCG has relied on government and multilateral funding. Second, while they will continue these sources of funding, SFCG aims to open a corporate and foundation base and develop a synergy between government and private foundations’ work. Third, SFCG continues to pursue individual giving. Fourth, the organization is looking into providing an income stream in product- or service-oriented matters, and lastly, they are looking into a reserve and an endowment program. According to Ms. Gillespie, these five pillars provide the central funding base to the organization, “so if one source is less interested, other sources can pick it up” and sustain proper funding. As was the case with Cate Johnson’s example in Romania, after USAID left, the organizations diversified their sources of funding and have survived.

In summing up her presentation, Ms. Gillespie noted that in order to make partnerships with corporate philanthropy organizations and foundations, an organization needs “a larger vision to show partners how they may fit into that partnership”. It becomes necessary to convince the donor that the organization’s and company’s objectives overlap. Then, partners need to be clearly convinced of the benefits. What emerges is a three step process that (1) you show that their help will make the project work, then (2) your goals overlap and (3) lastly, there will be mutual benefit in a long-term relationship.

The third speaker, Lisa Coll, Director of the Eurasia Foundation, discussed her organization's effort to localize its offices. From the outset after the collapse of the Soviet Union, the Eurasia Foundation set up field offices in 12 of the 15 former Soviet Republics. In 2001 the Board built upon the notion of decentralization and developed a network of locally registered foundations. Between 2004 and 2007 the Eurasia Foundation established four partnership foundations that are now issuing grants for various projects. At present, less than 50% of funding coming from the U.S. partner foundations "are able to themselves source funding from Russian and European corporations". The Eurasia Foundation helps with program design, hiring staff, organizational development as well as maintaining a common IT system.

The first key objective was to make partner foundations sustainable from the very beginning. At first the Eurasia Foundation was able to monitor performance but lacked a tool to look at each new foundation holistically. In order to confer organizational sustainability, the foundation launched a plan and capacity mapping initiative for assisting the newer foundations to plan, implement and assess their own organizational development efforts. Ms. Coll identified six modules related to key areas of organizational success: financial management, human resources, fundraising, program management, communications and board governance. Within the mapping initiative, each of these modules details 10 advancing stages of organizational competency. Each stage has verifications and capacity indicators, designed as yes or no questions that ultimately paint a picture of the general health of the organization.

Within the first year, the foundation establishes a baseline with assessment. A report is then written from which the U.S. office produces recommendations. These recommendations are discussed with the newer organizations' board and senior management. Then a growth plan is developed. The foundations implement the recommendations and the process is repeated the following year. This process has ensured that each of the new organizations exhibit "stronger structures" which in turn help broaden and strengthen their funding base.

The fourth speaker, Dušan Ondrušek, Director of Partners for Democratic Change-Slovakia, discussed the process his organization went through to become more sustainable. He started out in 1991 with only one person, but now he leads a middle-sized sustainable NGO. Mr. Ondrušek went on to discuss some of his lessons learned, describing a situation which defined organizational sustainability for him. When an influx of donor activity entered into Slovakia, many organizations became upset with the long term rhetoric of organizational capacity building and were more interested in starting projects. The organizations which attempted to solve problems with little effort to build up their own abilities ultimately failed. Those that survived thought critically about future needs and had a plan for sustainability.

Mr. Ondrušek's organization is one of 19 that belong to the Partners for Democratic Change Network. After three years of support, Partners For Democratic Change—US came to him with an idea of gradually withdrawing funding over four years to make them more mature and more sustainable. At first Mr. Ondrušek was skeptical but ultimately the strategy proved to be effective.

Shifting focus, Mr. Ondrušek discussed the meaning of sustainability. “I am wary to speak about sustainability for the sake of sustainability; rather it is better defined as a tool used to cover changing and specific needs and to respond to a variety of problems. According to Mr. Ondrušek, one of the key principles of sustainability is the timely withdrawal of centralized funding and the responsibility of each project to provide for its own funding.

Next, Ray Shonholtz, President of Partners for Democratic Change, discussed the model his organization uses in developing the capacity of partner organizations. The key principle is building in-country capacity, focused on its organization and not necessarily its projects. Rather, the success of an organization’s projects speaks to the degree of organizational capacity. Next, is that there is more revenue in country than there is externally, and the flexibility of internal resources is greater than external. Mr Shonholtz pointed out that USAID tends to be rigid while in-country donors are more flexible; they understand the country and maintain an inherent ownership over projects.

The third component of the Partners model is creating a credible organization. “If you want to build something as sustainable, it has to be designed that way from the beginning; the organization has to grow up with the sense that it is going to be sustainable.” To this end, the staff that is hired must view it as ‘their’ initiative. Furthermore, they must have their own board of directors that in turn decide which sectors to develop projects for. According to Mr. Shonholtz, “sustainability need not be a project; it shouldn’t be assigned to the development officer.” Rather, it is everyone’s task to see the organization can function on its own.

Lastly, Mr. Shonholtz repeated the notion that resources are better found within the country. Operating on this premise, Partners has been able to establish three programs in Yemen, Colombia and Serbia. These are areas where the United States would have difficulty accessing the necessary resources on its own. Concluding the CPRF, Mr. Shonholtz explained that the presentations all reflected examples of diversified funding streams—something Ms. Gillespie mentioned was imperative for sustainability.