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## **Exit strategies and sustainability of local institutions in Tanzania: Experiences from World Vision Tanzania in Bahi District**

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### **Abstract**

*In recent years, the use of exit strategies in development interventions has been welcomed as a mechanism for creating strong and sustainable local institutions upon ending of donor support. This paper discusses the sustainability of exit strategies in donor funded rural development projects using a case of Chipanga Area Development Programme, which was sponsored by World Vision Tanzania. The study involved 110 respondents. Data were collected through questionnaire, interviews, documentary analysis and focus group discussions. Analysis of qualitative data was done through content analysis whereas quantitative data were analyzed using descriptive analysis using the Statistical Package for Social Sciences (SPSS). The study results show that most of the project activities were not continued by the local institutions to which World Vision Tanzania 'phased over' its interventions to as anticipated. Thus, the exit strategy adopted by the donor agency was generally not sustainable because of managerial, technical, financial and human capacity weaknesses in the local institutions set in place. A number of contextual factors including late formulation and implementation of the exit strategies, inadequate capacity building, failure of local leaders to assume office, and absence of feasible plans for resource generation affected sustainability of the local institutions.*

**Key words:** Exit strategy, sustainability of local institution, phase over, donor support.



## 1.0 Introduction

Sustainability of donor-funded development projects is increasingly becoming an overarching goal of many governments, donors and development practitioners. Although there are many successes in the implementation and in the short-term results of donor-funded projects at the local level, many of them lack a full consideration of what is required to become sustainable beyond the project life. Thus, it is evidently becoming clear that foremost donor-funded development projects, as soon donor support ends, many projects collapse too. The dependence on external assistance creates both the potential for and the reality of non-sustainable local institutions as projects are terminated and staff and other resources withdrawn (White *et al.*, 2005). Consequently, the benefits gained come to an abrupt end.

Of recent, funding agencies and development practitioners are adapting exit strategies in the conventional project cycle in an attempt to address the sustainability quest of development projects. World Vision Tanzania (WVT), a development, relief and advocacy non-governmental organization (NGO) is one of such organizations that have adopted exit strategies in their conventional project cycles. For most WVT funded projects, the engagement period is usually fifteen years. Within this period, the beneficiary community is expected to become self-sustaining and ensure the continuation of project achievements based on the structures put in place and the expertise acquired from capacity building interventions. Ideally, the strategy is designed during project inception, is assessed and refined during implementation and is implemented upon ending of the project interventions (Gardner *et al.*, 2005).

In the context of development programmes/projects, an exit strategy is a plan describing how a programme or project intends to withdraw its resources while at the same time ensuring that the achievement of development goals is not jeopardized and, that progress towards these goals continues (Rogers and Marcias, 2004). The strategy is explicitly linked to sustainability in that it considers the means for ensuring further progress to achieve goals set upon ending donor's technical and financial support (IFAD, 2009). Proponents of exit strategies argue that having an exit strategy provides clarity, focuses programming work, enables better planning of available



human and financial resources and gets project stakeholders to think about the end at the beginning of the programme (Rogers and Macias, 2004; Davis and Sankar, 2006; Oswald and Ruedin, 2012).

In theory, ending donor support can take the form of phase down, phase out and/or phase over (Levinger and Mcleod, 2002). Phasing out is opted when the programme or project outcomes are already firmly established and, therefore, there is no need for making any arrangements for another organization to continue the implementation of project interventions. Phasing-down is opted as a precursor to phasing out or phasing over. It involves gradual reduction of aid and programme activities. Phasing-over is opted when project goals, responsibilities, and activities are to be transferred to a new or existing local organizations or communities (Gardner *et al.*, 2005). While this distinction is important in theory, in practice, however, the three forms of exit strategies are used often used interchangeably or are used simultaneously (Gardner *et al.*, 2005; Oswald and Ruedin, 2012).

This paper examines the sustainability of exit strategies in WVT programmes using the case of Chipanga Area Development Programme (ADP) which was an Australian funded program under WVT in Bahi district in central Tanzania. The programme started in 1993 and graduated in 2009 (WVT, 2009). As part of their exit strategy, the ADP established village agricultural facilitators (VAFs), income generating activities groups (IGAs) and an umbrella community based organization (CBO) named “*Shirika la Maendeleo ya Jamii Chipanga*” (SHIMACHI). In structure, VAFs and IGA groups are subordinate to the CBO. The VAFs were recruited from the local population and trained by the ADP to enhance the benefits that resulted from agriculture and food security interventions. Their roles included sensitizing community members through on-farm training about improved farming practices such as farm preparation, use of manure, and plant spacing (WVT, 2009). Others were sensitizing livestock keepers to utilize dipping services and to change their attitudes of keeping big herds of livestock but of low economic value (ibid, 12). To ease their mobility and serve many farmers within their villages, VAFs were provided with bicycles. The IGA groups fell into four broad categories of petty business, agriculture, and traditional dances. By forming these groups, members could be trained about entrepreneurship in



their respective areas of speciality and access loans from the CBO. All members of IGA groups were eligible members of SHIMACHI upon paying membership fee of TZS 1 000/= and 10000/= for individuals and group basis, respectively. The annual fees were TZS 10 000/= and 30 000/= for individuals and IGA groups, respectively.

Against this background, the present paper aims at establishing whether the local systems and structures put in place by World Vision Tanzania and the ADP as part of their exit strategy continued to function effectively after the programme phase over, and identifying the contextual factors that affected the sustainability of the local institutions established by the ADP. The study was conducted two years after ADP interventions had been phased over to SHIMACHI. This provided an opportunity to examine the exit strategies used by WVT and the extent to which the local institutions are sustainable. In general, the paper contributes to the literature on impact evaluations of donor-funded development projects. Whereas most evaluation studies either formative or summative in their orientation, this study focuses on sustainability issues beyond the project life cycle.

## **2. Study Area and Methodology**

This paper is based on the fieldwork that was carried out in the villages of Chipanga A, Chipanga B, Chikola and Ng'hulugano in the former Chipanga ADP in Bahi District. These villages were selected for the study because they were part of the beneficiaries of ADP and SHIMACHI interventions. Bahi is a predominantly rural district where smallholder agriculture is the mainstay for the majority of the people (URT, 2010). The study used a descriptive case study design, which among other factors, allowed in depth examination of the exit strategies adopted and the local institutions established (Burns, 2000; Varkevisser *et al.*, 2003).

The study involved 110 randomly selected former beneficiaries of ADP intervention among whom 57% had joined with SHIMACHI while 43% had not. Both quantitative and qualitative methods were used to collect data. Quantitative data were collected using a structured questionnaire that was administered to household-level respondents. A five-point Likert scale interview schedule was used to measure the performance of SHIMACHI based on its ability to



generate funds and other resources; organisational management capacity and mastery of necessary skills. During data analysis, however, the scale was reduced to three points: satisfied, don't know and dissatisfied to ease understanding of findings. Qualitative data were collected using key informant interviews, focus group discussions (FGDs) and documentary analysis. Key informant interviews were held with the former ADP coordinator, and ADP/SHIMACHI Chairperson while the FGDs involved three members of the formerly ADP supported households and three SHIMACHI members. Quantitative data were analyzed for descriptive statistics to generate frequencies and percentages while qualitative data were analyzed using qualitative content analysis that involved reading through field notes to identify key themes and patterns relevant to the research objectives.

### **3. Study findings and discussion**

#### **3.1 Sustainability of local structures established by the ADP**

In a phase over context, sustainability requires project managers to develop some local organizations or institutions to assume responsibility for adapting development activities and for maintaining their benefits (Oswald and Ruedin, 2012). Accordingly, in Chipanga ADP, WVT established SHIMACHI, IGA groups and VAFs to further carry out development interventions after the closure of the ADP. In the literature reviewed, however, no precise measurement for sustainability of local structures and institutions set in place is given (e.g. Levinger and Mcleod, 2002; Rogers and Marcias, 2004; and Gardner *et al.*, 2005; Davis and Sankar, 2006; Oswald and Ruedin, 2012). Thus, this study used Likert scale questions to solicit opinions of community members regarding their level of satisfaction or dissatisfaction with the functioning of SHIMACHI on three capacity areas: ability to generate funds and other resources, organizational management capacity and mastery of “necessary” skills. These three capacity areas, referred to as “skills” in some literature, must be inculcated into a local organisation for it to effectively sustain development activities (e.g. Rogers and Marcias, 2004).



The study results show that most respondents were either unsatisfied or indifferent about the capabilities of SHIMACHI (Table 1). Prominence of the “unsatisfied” category could be attributed to the “weak” performance of SHIMACHI including its failure to continue providing material support that was previously provided by the ADP. In addition, it had limited financial capacity to provide soft loans, goats, piggery and poultry projects as promised during the transition period. This means that SHIMACHI had failed to create a felt need and deliver quality services which could be valued by its members (Rogers and Marcias, 2004; Engels, 2010). Predominance of the “don’t know” category could be explained by the fact that SHIMACHI had not managed to hold meetings with its members. Besides, about 43 percent of respondents who were formerly supported by the ADP did not join with SHIMACHI, hence, were not well informed about the organization and its interventions. These results, thus, imply that SHIMACHI was not functioning effectively, which could also be interpreted as unsustainability of the exit strategy adopted.

Table 1: Respondents’ satisfaction with the capabilities of SHIMACHI (n=110)

<b>Variable</b>	<b>Unsatisfied</b>	<b>Didn’t know</b>	<b>Satisfied</b>
Ability to generate funds and other resources	42 (39.1)	68(60.9)	0(0)
Ability to network with other organisations	40(36.3)	59(53.6)	11(10)
Ability to plan activities for the organization	32(29.1)	70(63.6)	8(7.3)
Ability to implement planned activities	42(38.2)	64(58.2)	4(3.6)
Ability to monitor interventions undertaken	43(39.1)	62(56.4)	4(3.6)
Ability to manage resource	26(23.6)	75(68.2)	9(8.2)
Ability to hold meetings regularly	58(52.8)	51(46.4)	1(0.9)
Ability to train staff and community members	59(54.2)	48(44.0)	2(1.8)
Ability to adhere to organizational values and standards	26(23.6)	80(72.7)	4(3.6)
Ability to provide quality services in line with community needs	64(58.2)	45(40.9)	1(0.9)
Ability to portray positive image of the organisation	66(60.0)	44(40.0)	0(0)
Ability to resolve conflicts resulting from its interventions	7(6.4)	93(84.5)	10(9.1)

Figures in brackets are percentages.



With regard to the VAFs, the study sought to determine if they continued to visit and sensitize farmers on improved agricultural practices. The results show that only about 15 percent of the respondents acknowledged that VAFs were still visiting farmers regularly. Regarding the IGA groups, the study sought to determine if they continued to function as they did under the support of the ADP. It was revealed that only 16 percent of respondents were of the opinion that IGA groups continued to function even after the end donor support through the ADP. These results were supported by the qualitative information from the interviews and FGD. For example, the SHIMACHI chairperson explained that by 2008 just before the ADP graduation, there were 96 IGA groups in the area, but dropped to 33 one year later. By October 2011, IGA groups had further dropped to less than ten; mainly those involved in paddy production and salt extraction. It was found from the SHIMACHI chairperson that the collapse of IGA groups was caused by group mismanagement and lack of viable economic activities to generate income and hence promote sustainability. In other words, these local institutions were not economically sustainable. These factors suggest inadequacy in sensitization during their formation and limited diversification of livelihood activities partly contributed to the unsustainability of these local institutions.

### **3.3 Factors affecting sustainability of structures put in place**

#### **3.3.1 Late inception of the exit strategies**

The literature on exit strategies strongly argues that exit strategies should be designed at the inception of programmes (cf. Levinger and Mcleod, 2002; Davis and Sankar, 2006). This study, however, found that the exit strategy adopted was formulated after ending project implementation period; three years prior to the ADP closure. This was when the ADP and its projects were entering into the transition phase. Thus, there was sufficient time to refine the project activities and test the logic and assumptions made at the inception of the programme in line with changes occurring during project implementation (Gardner *et al.*, 2005; Davis and Sankar, 2006). Besides, formulating exit strategies towards the end of the programme did not allow adequate time for capacity building for individuals who assumed office within the funding cycle of the programming empowering local beneficiaries (Gardner *et al.*, 2005). Inevitably, local actors assuming office lacked skills and resources they needed to deliver high-quality





services to ensure sustainable flow of benefits (Levinger and Mcleod, 2002). The possible explanation for this situation could be the fact that in the past, WVT mainly used phase down strategies without necessarily considering other options such as phase out or phase over. More recently, however, phase over strategies have been mainstreamed in its “old” interventions that were designed without such strategies in place.

### **3.3.2 Limited time for SHIMACHI to assume responsibility**

Levinger and Mcleod (2002) explain that in order to make an exit strategy most effective, the donor or implementing agency should identify, prioritize and schedule the staggering of key elements of a programme. It should also plan how and when local actors will take on new roles and responsibilities. In contrast, this study found that staggering of programme portfolios was done in a two months period, involving handing over to SHIMACHI some of the physical assets that were formerly used by the ADP. This was partly so because ADP staff continued to hold office until the point of departure despite the awareness that they would finally hand over to SHIMACHI. This situation sharply contradicts the views of Gardner *et al.* (2005:7) who assert that: “The purpose of an exit strategy is not to hasten the exit – exit is not valuable for its own sake – but to improve the chances of sustainable outcomes for the programme”. Under such circumstances, the chances to improve sustainable outcomes for the programme were missed because the ADP could not gauge out which elements of the programme had been solidly established and which ones had not (Levinger and Mcleod, 2002). As a result, any weakness in their ability to take new roles and assume responsibility could not be determined (Levinger and Mcleod, 2002). In addition, SHIMACHI leaders could not gain influence and control over work strategies and their own personal destinies. They could also not enhance their confidence and personal growth in leadership and organisational management (Engels, 2010). Thus, these results show a mismatch between the sustainability strategies articulated on paper and what was actually implemented on the ground. In policy, WVT changed its exit strategies from those that are more inclined towards the ‘phase down’ approach by adopting a ‘phase over’ strategy. In practice, however, its practitioners at the project level remained reluctant to effectively implement the policy. This calls for the need to build the capacity of local practitioners to make them flexible when accommodating changes made at policy level.



### **3.3.3 Limited communication between ADP management and community members**

The qualitative results from the FGDs and SHIMACHI chairperson show that there was communication lag between community members on the one hand, and SHIMACHI and ADP management on the other hand. During the transition period, SHIMACHI and the ADP facilitated the establishment and capacity building of IGA groups, and mobilized them to join SHIMACHI. It was expected that by being members of SHIMACHI, the groups could benefit in terms of soft loans, goats, and poultry projects. However, SHIMACHI lacked the capability to provide such support to its members, a situation that caused dissatisfaction among the members. Some members went to the extent of not paying their annual subscription fees, leaving SHIMACHI financially crippled. Gardner *et al.* (2005) argue that transparent communication on the intent of the exit strategy is critical to enable community sense of ownership of the exit strategy. They further argue that it helps convey a sense of responsibility in undertaking planned activities. Thus, the findings of this study imply that poor communication about the expected benefits from the local institution, and the failure of the institution to meet its members' expectations might have greatly affected its sustainability.

### **3.3.4 Absence of feasible plans for resource generation**

In a phase over context, a local organisation needs to carry out relevant activities. This calls for sound financial base. Alternatives include revolving credit or business model, community contributions, user fees or cost recovery, and external donor support (Levinger and Mcleod, 2002; Rogers and Marcias, 2004). Accordingly, this study sought to identify the alternative sources of fund established and their feasibility. The results from key informants show that fund generation alternatives established were mainly community contributions in form of membership and annual fees. The business model, though credited for creating a sustainable financial base (Levinger and Mcleod, 2002; Rogers and Marcias, 2004, Engels, 2010), was not adopted. Similarly, unlike the usual practice of establishing saving and credit cooperative societies (SACCOS) that is common in other WVT ADPs, none was established in Chipanga because a similar institution had been established at the division level. For that reason, the ADP avoided duplication of efforts and contradictions. It was established that only six board members of SHIMACHI had paid their annual fees for 2011, which amounted to only TZS60, 000/=. Other



members had declined paying their membership fees partly because of internal mismanagement problems including SHIMACHI's failure to support its members with soft loans, and piggery and poultry projects. Consequently, SHIMACHI was financially weak and at the verge of collapsing. In fact, the chairperson of SHIMACHI complained that:” *The ADP had a lot of money and experts to manage its interventions. It could even hire experts from other organisations. But for SHIMACHI, we have neither money nor experts. This has affected our ability to carry out development interventions as required by our constitution*”.

### **3.3.5 Inadequate capacity building**

Mere establishment of local structures to further carry out development interventions is not enough for they need adequate facilitation to gain necessary knowledge and skills. As suggested by Engels (2010), “the more educated and skilled local project staff become, [because of training] the better prepared they will be at the closure of an aid project to use what they have learned to fund their own locally managed, independent development organization”. This study sought to establish if SHIMACHI and IGA groups' leaders were adequately trained to effectively carry out their roles. The results from FGDs participants and SHIMACHI chairperson show that capacity building for local people who assumed office was inadequately done. The SHIMACHI chairperson told us that: “*They [WVT] promised to train us on many things but up to their departure, they did not fulfill their promise*”. These complaints were confirmed by secondary data from 2009 annual programme report which shows that in the final year of the programme training of SHIMACHI leaders and IGA group members were the least implemented activities. Of the 20 targeted leaders of SHIMACHI, only 12 (60%) were trained in governance, leadership and resource mobilisation. Also, of the 55 targeted IGA group members, only 10 (18.2%) were trained on entrepreneurship (Table 2). The reason behind, according to the same report, was shortage of funds. Implicit to these findings is that leaders who assumed office could not perform their roles effectively for lack of knowledge and skills suggesting unsuccessful phase over. Thus, these results suggest that it is important to promote human asset development in donor funded interventions. This can be achieved through collective participation, empowering local stakeholders, promoting development ownership through localization, and building individual and institutional capacity (Engels, 2010).



Table 2: Capacity building activities done in the final year of the projects interventions

Activity for financial year 2009	Target	Achievement	Percent
To train CBO leaders on good governance, leadership and local resource mobilisation	20	12	60.0
To train IGA groups on entrepreneurship	55	10	18.2
To conduct CBO meetings	3	9	300.0
Train SACCOS members on book keeping	54	35	64.8
To conduct networking meetings	2	3	150.0
To conduct programme evaluation	1	1	100.0

#### 4. Conclusion

The general impression gained from the findings of this study is that the local systems and structures put in place as part of the exit strategy by the donor and implementing agencies were not functioning effectively. Community members felt that SHIMACHI was underperforming; that VAFs were not visiting farmers, and that most IGA groups had collapsed. A number of contextual factors affected sustainability of the local systems and structures developed, including: belated inception of the exit strategy, limited time for SHIMACHI to assume responsibility, limited communication between ADP management and community members, absence of explicit plans for resource generation and inadequate capacity building. In that light, the study concludes that the exit strategy was a mere plan to reduce resources over time and hence, did not warrant sustainability of benefits. On the basis of the findings above, the study recommends exit strategies be more than a plan to reduce resources over time; they must be real strategies to maintain benefits after external assistance disappears. This can be achieved by developing human capacity by training local leaders in relevant knowledge and skills and allowing them assume responsibility as early as possible, two to five years. This would enable them to gain confidence, influence and control over work strategies and their own personal



destinies. In addition, phasing down of financial support should take into account the activities planned for effective exiting before and during the transition period.

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