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The Partnership Between Farming Systems Kenya (FSK) and Lutheran World Relief (LWR)

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Executive Summary

Farming Systems Kenya (FSK) and Lutheran World Relief (LWR) have been cooperating for eleven years to address the poverty of small scale farmers in the Nakuru District of Kenya. The partnership is well regarded by both organizations. To LWR, FSK is a strong indigenous NGO that catalyzes agricultural development among poor farmers in Kenya and stands as a model for other NGOs in the region. And to FSK, LWR is a valued partner that provides needed resources in a responsible and responsive manner. The partners are nearing the end of a three-year project, and FSK has submitted a new proposal to LWR. It is likely that cooperation will continue in the near future, but in the longer term, the question of phasing out may come to the fore. As resources for development cooperation become more scarce in the US, LWR faces increasing pressure to allocate its funding in support of development that is sustainable in the long-term.

The partnership between FSK and LWR is an example of an effective long-term partnership which offers several lessons for US PVOs seeking to increase or enhance their partnership strategies. This study examines several aspects of the partnership, including its history and evolution, current arrangements, the influences of organizational systems and environmental forces on the partnership, and its major achievements, future hopes and challenges.

History and Evolution

FSK had six years of experience as a local church-based organization in Nakuru District before the Managing Director approached LWR for resources. From 1987 to the present, LWR has provided financial and other kinds of support to FSK for its work with small farmers. LWR has traditionally operated by supporting local partners rather than implementing its own partners. Its guiding philosophy and procedures enable it to select and support appropriate local organizations like FSK.

Although LWR is now FSK's major donor, contributing 98% of its resources, FSK has worked with other donors, including USAID and Canadian LWR. Currently, FSK considers itself in a "low ebb" period of funding; it has responded by maintaining a lean program staff, increasing the self-management of farmer groups, and expanding its networking activities with neighboring government, universities and NGOs. Nevertheless, demands for FSK's services by the local poor farmers exceed its capacity to respond.

Current Partnership Arrangements

FSK and LWR's partnership is formalized in a written contract delineating mutual obligations and responsibilities. LWR is providing about \$120,000 over a three-year period (1996-1999). FSK implements the stated project activities and submits financial and narrative reports at the mid- and final points of the contract. LWR staff from Nairobi and New York visit FSK to stay informed of project progress. FSK seeks donors who act as partners, rather than simply funders. FSK is open, transparent, and welcomes visits from LWR and other donors.

Equally important as the written contract and reports is the relationship between the two organizations and the individuals representing them. LWR's process-oriented approach prioritizes shared values and vision, mutual understanding, respect, and responsiveness to genuine needs. FSK perceives LWR as "*easier to go with than most*": they support FSK's mission and activities, are usually timely in approving and releasing funds, and respond flexibly to FSK's emerging needs.

Systemic Influences on the Partnership

Few systemic influences on the partnership were reported by either organization. Reasons may be associated with the fact that LWR has had many years in which to develop policies and systems that support partnership and FSK has developed internal systems and external strategies that respond effectively to systemic demands. In general, LWR's policies and procedures were reported to be supporting of partnership demands. One issue was raised that proposal guidelines from the head office are perceived to becoming increasingly more rigid; it was suggested that they could be more relevant to the capacities of local groups.

The major external influence on the partnership is the reduction in financial resources available in the US for PVOs like LWR. This has led to increased attention in many PVOs to ensure that development results are sustainable beyond the involvement of external donors. In LWR, decision-makers have realized the necessity of phasing out assistance to some of its partners. FSK is not currently one of these partners, but the issue has been raised as one for FSK and LWR to consider in the longer-term.

The Value of the Partnership: Achievements, Future Hopes and Challenges

The partners value highly the impact of cooperation in alignment with their shared values and development missions to alleviate poverty. With LWR's support, FSK has been able to provide agricultural training, credit, and other services to poor farmers in the Nakuru District of Kenya. Additionally, LWR's Regional Representative highlights the mutual learning process as a major achievement.

A major challenge for FSK in the near future is to mobilize the additional funding needed to continue and expand its services to groups of small-scale farmers. FSK has made appropriate strategic responses to the reduction in funding, but demands for new and expanded services from local farmers are high. With the poverty rate in Kenya at 48% of the population, many of whom live in rural areas such as those served by FSK, the needs for FSK's services remain high.

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“FSK is a good organization. It is a catalyst. They understand people, their culture and their needs. They do what people need, not what the donors want.” Such are some of the strengths of Farming Systems Kenya (FSK) as seen through the eyes of Francis Stephanos, Regional Representative of Lutheran World Relief (LWR) in East and Southern Africa. Currently, LWR and FSK are in their 11th year of development cooperation. LWR provides funding and consultation to support FSK’s work with small-scale farmers in the Nakuru District of Kenya. LWR has been FSK’s major donor partner, though not its only one. *“They are easier to go with than most,”* reflects Paul Maina, Managing Director. In turn, LWR regards FSK as a successful local NGO that could serve as a model for others in the region (S. Riveles, Africa Program Director).

The longevity and strength of the relationship prompt consideration of the future. The current contract between the two organizations is due to end shortly, and FSK has submitted a new proposal. There are no immediate plans to phase out the relationship. However, in the long-term, as Stephanos observes, *“LWR does not like to stay with one organization forever. The...fear is creating dependency ...when the hope is to create sustainability.”* Like many US-based private voluntary organizations (PVOs), LWR seeks to use its scarce resources to contribute to long-term sustainable development in Africa and other Southern regions.

Much can be learned about effective development cooperation between US and African agencies by analyzing the partnership between FSK and LWR. This study examines four major aspects: (1) the evolution of the partnership, from its beginning to the present; (2) the current cooperative arrangements between the two organizations, including formal agreements and informal relations; (3) the major systemic influences on the partnership from internal organizational features and stakeholders in the external environment; and (4) the partners’ assessment of the value of the partnership, including its major achievements and future hopes and challenges.

Methodology

This case is one of a series of five studies of partnerships between US PVOs and African nongovernmental organizations (NGOs) designed to identify and explore the elements which contribute to effective cooperation. The project is organized by The Institute for Development Research (IDR), of Boston, MA MWENGO, of Harare, Zimbabwe, and the Global Excellence in Management Initiative (GEM), of Washington, DC. Funding is provided by the Office of Private Voluntary Cooperation of the US Agency for International Development (USAID) in Washington, DC. and in-kind contributions are provided by the participating PVOs and NGOs. Five cases, two in Kenya, two in Ethiopia, and one in Malawi, were selected from among nine volunteered by US PVOs in response to the following criteria: (1) located in Southern and Eastern Africa; (2) represent widespread PVO-NGO programs; (3) commitment to action learning; and (4) the program has evolved over time.

Information about the partnership was gathered through semi-structured interviews and archival documents from FSK and LWR. Interviews in Africa were conducted jointly by an African-US research team with organizational leaders, key program staff, and representative program participants. Documents included monitoring and evaluation reports, program brochures and other kinds of informational materials.

Evolution Of The Partnership

Birth of a Kenyan NGO (1981-1987)

Farming Systems Kenya was established in 1981 by the Nakuru Region Laypeople Fellowship of the Africa Inland Church to assist poor members of the congregation. Originally, it was planned with two US-based church organizations, Farming Systems International and Christian Aid, as part of a joint venture. Farming Systems East Africa. Agencies were initiated in Kenya, Tanzania, and Uganda; Kenya is the only one that survived. *"A seed was planted,"* recalls Paul Mugo Maina, a founding member and current Managing Director of FSK. Maina became Managing Director in 1984, when he returned to Nakuru with a degree from an agricultural college in California.

FSK developed its philosophy and approach to working with farmers in its early years. Initially, FSK worked with individual farmers, but found it too difficult to reach the number of farmers needing services. As of 1985, they started to work with groups of farmers. Their approach is to mobilize groups and then provide support such as training and credit. *"People are custodians of their own development. Groups have their own objectives. We take a participatory approach,"* says Maina. The need for FSK's services is high. Most farms in their target areas are between 1 and 5 acres, although some have as little as ¼ acre, and most farmers earn less than \$240 per year.

Development of an Effective Partnership

FSK has received significant funding from LWR since 1987. Maina first contacted LWR in 1987, when he was searching for funds to support FSK's programs with groups of small-scale farmers. At first, LWR and FSK engaged in a process of dialogue through which they learned about each other's development visions and programs. This is consistent with LWR's standard approach to initiating new partnerships. LWR operates by supporting locally based initiatives; it does not implement its own programs. Experience has led LWR to select partners carefully, based on clear needs, a genuine vision and mission, and a clear timetable of activities. The first stage of any cooperation is considered as a learning process in which information and ideas are exchanged. This leads to the identification of areas for cooperation. When the basis of cooperation is clear, LWR gives support in the form of advice, capacity-building, and small amounts of money. When this cooperation proves effective, larger amounts of funding may be given.

According to a LWR project summary, LWR has provided three major grants to FSK of about \$149,000 (1987-1990), \$138,000 (1991-1995) for a loan program, and \$120,000 (1996-present) for self-reliance promotion. FSK has also received funding from Canadian LWR, USAID and local sources. At present, LWR is FSK's major donor, providing about 98% of its financial resources. Although funding is a core element of the relationship between FSK and LWR, it is not the driving force. The organizations share a common vision of development and their complementary roles. LWR program staff from New York and Nairobi visit FSK's office and projects in Nakuru. Says Maina, *"We're not just looking for money, we're looking for partnership. We encourage interactions and involvement of donors with farmers and groups.... They can understand problems if we're having them."*

The regular turnover of staff in LWR's regional office has been a challenge for FSK. Once they establish a good working relationship with a Regional Representative, it is difficult to see them depart every couple of years. FSK is uncertain as to whether the new person will continue the cooperation, and they must invest additional effort in developing a new relationship. So far, things have worked out well from FSK's perspective. Each of the new Representatives have come into office in mid-stream of a contract, so that they have had a chance to get to know each other in the course of monitoring and evaluation before negotiating a new contract.

FSK's Present Situation

FSK sees itself in a "low ebb" period of funding. It has had other significant funding sources (e.g. USAID provided grants for two years that were three to four times the size of LWR grants), but currently there are few additional funds beyond LWR's support. FSK has had some negative experiences with other donors. *"Its not easy to convince donors to move fast. I would encourage them to make longer commitments, beyond the project focus."* However, the reduction in funds has had a surprising impact on FSK's operations. In response, FSK pursued a strategy of increasing the self-management of the farmer groups and facilitating networking among NGOs, government, and universities in the region. *"We are busier now than when we had more resources! Our impact on farmers has increased, because they are more self-managed. Now we take cautions to condition against the end of projects, since renewal is not guaranteed."*

Current Partnership Arrangements

All partnerships may be understood to have two faces. One is the formal and legal face, shaped by national legal systems and institutional practices. The formal dimensions of partnerships between US PVOs and African NGOs usually are embodied in written contracts or agreements and designated roles and responsibilities for inter-organizational interactions. The second face is the informal dimension of partnership, shaped by social and cultural norms, behaviors and expectations. Usually, informal dimensions are expressed in interpersonal relations between individuals involved in the partnership.

Cultures vary in the degree of importance attached to either formal or informal dimensions of partnerships; some observers suggest that one of the key differences between US and African cultures is that Americans generally give more weight to formal agreements, whereas Africans tend to value the relational understandings and interactions more highly (Hall, 1976; Hofstede, 1997). In order to give equal weight to both sets of values, this study examines both the formal and informal dimensions of the partnership between FSK and LWR.

Formal Arrangements

The formal aspects of the current relationship between FSK and LWR are described in a written contract signed by the two organizations. The contract itself was not available, but in general, it specifies the mutual roles and responsibilities of the partners. LWR has committed to provide about \$120,000 in funds over a three-year period. FSK implements the project activities and reports to LWR at the mid- and final points in financial and narrative formats. Accountability is important to LWR; the head office has a set checklist of guidelines for reviewing financial reports for all partners, some reports are spot-checked and audits are done every two years. As described by Francis Stephanos, LWR's expectations of FSK are very straightforward: *"to commit themselves to their own mission, vision, etc. and to hold themselves accountable; to report on achievements as per objectives of the proposal and established indicators; and to submit proposals for discussion."*

FSK has an effective system for fulfilling its monitoring and evaluation obligations to LWR and other donors. Regular monitoring, assessment, and improvement of programs is an integral part of its management system. According to the program officers, they all complete daily, monthly, and annual reports, including quantitative and narrative summaries. Each report is review by two to three other staff in the organization; questions and issues are discussed openly. *"We look at this system as something to help us improve. It is based on equality; everyone has something to offer. The boss is open to suggestions. Just as we are teaching farmers to participate, we need to participate. Everybody comes together and we just talk. We don't personalize problems and confidence is built. We also don't use money to monitor employees."* The high quality of FSK's data is reflected in the frequent requests for it made by local government offices.

From the database collected by FSK for its own purposes, the staff put together the reports required by various donors. “*The donor is accountable outside Kenya, so they need information. If you don't fear accountability, you won't fear report writing,*” reflects one of the program officers. “*Donors vary. We have to know who wants what and give it to them.*” LWR is like other donors in that it may ask questions about items in the reports and make field visits to verify and augment their understanding of project progress and impacts.

FSK program staff, like the Managing Director, appreciate LWR's approach in carrying out roles and responsibilities. As compared to other donors, FSK has generally found LWR to be timely in making visits and disbursing funds. They are responsive to emergency needs and opportunities, assisting FSK to achieve its mission in its own context. “*They have understanding, [the relationship is] not an airtight kind of thing; it is not a bureaucracy. We have shared Christian values, the same vision to help and provide assistance to the needy.*”

Francis Stephanos explains the LWR approach from his perspective: “*[My job is] to listen and to learn and be sensitive. Not to pose with ready-made answers.*” He sees his other major responsibilities as supporting activities with training and funds, and communicating about projects to the head office in New York. LWR's procedure for approving projects enables Stephanos to approve projects up to a certain level of funding, or facilitation funds, in the regional office. These funds are intended to be used for start-up funding in the early phases of relationships with local groups and organizations. Projects seeking larger amounts of funds for longer-term purposes are reviewed by the screening committee at the head office and approved by the President of LWR.

LWR promotes a kind of networking approach among its partners. FSK has participated in workshops with other partners and LWR to discuss cooperative arrangements. “*We suggested ideas to them how to strengthen the partnerships,*” reflects Maina. LWR has supported FSK to share its expertise in the country by employing FSK as a consultant on other projects. Similarly, LWR welcomes other donors to support partners like FSK. Unlike some donors, they do not take a proprietary approach to their partners; they see the benefits for self-sufficiency of having multiple donors.

Informal Arrangements

Both partners value the quality of their relationship highly, and consider shared values, mutual respect, and flexibility to be part and parcel of their responsibilities. In this partnership, the formal and informal arrangements overlap: maintaining good relations on interpersonal as well as organizational levels is an important requirement in both organizations.

FSK's Managing Director describes the relationship as “*cordial; trust with checking. FSK is open and transparent.*” The importance of Christian values in guiding organizational behavior were mentioned by staff in each organization, although not about the partnership directly. It is possible that these shared values play an important role in shaping mutually valued relationships, even if the values are not discussed explicitly.

Stephanos shared his own culturally based image of partnership that guides his interactions with FSK and other partners. An Ethiopian of the Borana ethnic group, Stephanos described the inherent equality of intra-clan relationships: “*I am not from the US. I am from this continent. We are equal partners. I have been fighting the idea of the giver-recipient relationship....In the Borana culture, there is no giving-taking. We are a community. Everyone can decide; they provide when someone is in need. Kin collaborate within the clan. If he is lacking, the community is lacking.*”

Systemic Influences On The Partnership

Survey research and formal consultations with US PVOs and southern NGOs indicated that partnership relations are influenced by factors outside of the partnership itself (Leach, Brown and Kalegaonkar, 1998; PRIA, 1998). Inside the organization, strategic plans, organization-wide policies, and inter-departmental relations can shape the actions and choices of representatives involved in partnerships. Externally, other actors such as governments, donors, and communities can exert pressure on individual partners to respond to new demands. Social and natural disasters can hinder the achievement of program targets, as well as present new pressures and demands. US PVOs, in particular, said that one of their major challenges was operating between two diverse environments: southern NGOs and their communities on the one hand, and US donors, board and staff, on the other (Leach, Brown and Kalegaonkar, 1998; PRIA, 1998).

This section of the case study examines the major internal and external influences reported by FSK and LWR to be influencing their partnership. Few influences on the partnership from the systems in which they operate were reported in the interviews, perhaps because of LWR's long-term strategy of working through partnerships and FSK's proactive approach to managing challenges.

Organizational Influences

Like many NGOs, FSK has developed its internal systems to meet the dual demands of implementing high quality programs and donor accountability. But whereas many NGOs find it burdensome to meet external reporting requirements, FSK seems to take them in stride. By developing a monitoring and evaluation system for its own internal purposes, FSK program staff have the information necessary to improve its programs and report to LWR and other donors. The shared values and open management approach appear to have built a sense of investment and workplace community among the staff.

For the most part, LWR's guidelines and procedures were reported by all to facilitate the partnership process. Its own donors, whether from church or secular sources, support LWR to support local partners. LWR board members are taken on visits to programs like FSK's so that they feel they participate in the partnership and gain as full an understanding of local conditions and project progress as possible. Clearly, LWR has learned much in its decades of experience with partnership that has been translated into its operational practices. However, there was some sense from the Nairobi office that the proposal guidelines, referred to as the "Ten Commandments" could be more responsive to local conditions: *"They are like a string we hold.... Our proposal format is different from others, e.g. Oxfam, USAID. Its difficult for the partners to go through the individual guidelines. Although I agree with a lot of the guidelines, I think they are really good, sometimes they are too elaborate, especially for women farmers. It seems like they are getting more elaborate."*

Environmental Influences

The main external influence on this partnership is the recent general decrease in funding available to US PVOs like LWR. As a result, they have fewer resources to distribute to NGOs like FSK, and the issue of phasing out comes to the forefront of project considerations more quickly than it might otherwise. To date, LWR is not actively considering phasing out the relationship with FSK. However, FSK and LWR, like other N-S partnerships, are planning more frankly for the time when project funding may cease. *"LWR won't be around forever, so FSK ...should be sustainable to provide services in the communities,"* is a sentiment heard several times during the interviews for this case, as for the others in the project.

The reduction in funds has had a mixed impact on FSK and its programs. On the one hand, the farmers in the area have not received the kinds of services that contribute to their own self-development. Group members interviewed by the researchers spoke of needs for the next cow or pig to be acquired by families in their groups, the next loan installment, and of needs for more training and printed

informational resources. FSK's mid-term evaluation of the Self-Promotion Project reports an extensive demand for FSK to serve new groups and to expand the services provided to existing groups. On the other hand, as noted above, FSK has found other ways to increase impact, despite the scarcity of resources. Facilitating farmers to manage their own groups has cut down on the supervision required, and extending linkages to neighboring organizations to complement services has prevented the farmer groups from being cut off.

FSK's networking strategy has also helped it to maintain a good reputation and good working relations with important local stakeholders, such as the government. It is not uncommon in Kenya for local government officials to use their positions to hinder the work of the local NGOs. The Managing Director is the Chair of the regional NGO network, an indicator of the esteem in which he is held by the regional community. Through the network, FSK and other NGOs can play a more active role in shaping their environment. Recently, the network made strong recommendations to a European donor to change several of their funding policies. Finally, the research and educational linkages with universities, one local and one in the US, help FSK keep abreast of—and contribute to—new knowledge and understanding in agricultural development.

The Value Of The Partnership: Major Achievements, Future Hopes And Challenges

Both partners cite the benefits of increased income and quality of life to local farmers and their communities as the major achievements of the partnership. They are clearly oriented towards their shared vision and mission of addressing poverty through strong local groups and organizations. In addition, Francis Stephanos holds to LWR's vision and approach: he believes that *"a major accomplishment is the process—engaging in learning together."*

The near future will bring the end of the current project arrangements, and LWR will consider FSK's proposal for the next phase of cooperation. Indications have been given that support will continue, subject to the necessary approval process. There is no question that, in the current economic environment, the needs of poor farmers in Nakuru and other regions of Kenya for economic and educational support justify the same or an increased level of financial support to FSK. The mid-term evaluation lists a number of areas in which FSK could expand its activities, and program staff are enthused about the potential to increase FSK's role in producing training manuals and other informational resources.

However, the issue of phasing out looms on the not-too-distant horizon. For LWR's Africa Program Director, this is a difficult issue: *"Phasing out is the hardest part. We do it through long discussion, training, and capacity building to become self-sustaining."* Paul Maina is pragmatic: *"With every donor, the end will come. The question is when and how. The issue is to let us know early so that we can prepare."*

Future relations between FSK and LWR may benefit from an open discussion of when and how phasing out might take place. For example, Maina notes one challenge in preparing for sustainability in the restrictions many donors place on the use of grant funds. He can see several ways in which business-like use of the funds could develop FSK's financial sustainability, but he is prevented from doing so by donor guidelines. With their history of mutual respect and listening, new issues and ideas may come to the surface and ultimately strengthen FSK's likelihood of becoming more sustainable.