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FACILITATING FINANCIAL SUSTAINABILITY (FFS) ACTIVITY UGANDA ACTION LEARNING GROUP (ALG): LEARNING BRIEF

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FACILITATING FINANCIAL SUSTAINABILITY (FFS) ACTIVITY: UGANDA
ACTION LEARNING GROUP (ALG) LEARNING BRIEF

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ACRONYMS AND ABBREVIATIONS

ALG	Action Learning Group
CBO	Community-Based Organization
CSO	Civil Society Organization
DGF	Democracy Governance Facility
DRC	Democratic Republic of the Congo
DRG	Democracy Rights and Governance
FFS	Facilitating Financial Sustainability
FHRI	Foundation for Human Rights Initiative
GIZ	German Society for International Cooperation
IDF	Independent Development Fund
INGO	International Non-Governmental Organization
M&IE	Meals and Incidental Expenses
TOR	Terms of Reference
UNAIDS	The Joint United Nations Programme on HIV and AIDS
USAID	United States Agency for International Development

INTRODUCTION

The Facilitating Financial Sustainability (FFS) program, jointly conducted by LINC, Peace Direct, and the Foundation Center, was launched in 2017 to develop and test ways that different actors (including donors, policy makers, intermediary organizations, and Civil Society Organizations (CSOs) themselves) can work together to improve the factors that drive local organizations' financial sustainability in different development contexts.

With funding from USAID, this project was implemented in phases that began with research on the factors that affect financial sustainability and the formation of an Action Learning Group (ALG) to further discussions and conversations with various stakeholders including donors, government and private sector actors on how they can ensure financial sustainability of local CSOs in Uganda.

In Uganda, 14 organizations were mobilized to form the ALG. The group met regularly with support from LINC, Peace Direct and local facilitators. During ALG meetings the group strategized and developed an action plan for engaging with donors and the Ugandan government to enable local CSOs to achieve financial sustainability. The group initiated activity planning in early December 2018, but the ALG was dissolved in May 2019 due to several, significant difficulties it encountered.

The FFS consortium partners are interested in understanding why this happened, what was different in comparison to the ALGs in Colombia and the DRC, what worked, what did not work well and the lessons that can be gathered from this experience. Facilitators who had engaged with the group previously were tasked to investigate and document these findings. This report presents the findings from this review, as well as additional learnings and perspectives from the FFS consortium following the closure of the ALG.

METHODOLOGY

In consultation with LINC and Peace Direct, the consultants (Ruth Shevena, Frank Twinamatsiko, and Amanda Agaba) developed interview guides and identified a list of key stakeholders to contact. The consultants interviewed eight members of the ALG, staff from USAID/Uganda, USAID/Washington, LINC staff, Peace Direct staff, and development partners from Uganda including Democracy Governance Facility (DGF), and The Joint United Nations Programme on HIV and AIDS (UNAIDS) among others. Interviews were conducted face-to-face, via phone, via Skype and through online questionnaires.



BACKGROUND

Group Formation

In May 2018, the FFS consortium began targeted outreach (via phone and email) to a diverse group of approximately 100 local Ugandan stakeholders, including donors, government and private entities, universities and private enterprises known for their involvement with local CSOs. A two-page overview of the project and objectives was developed to accompany the outreach (see Annex 2). The consortium's anchor organization in Uganda, Independent Development Fund (IDF), also publicized the event on their website. Invitations to participate in an "Open Introductory Meeting," aimed at presenting the FFS initiative and research and introducing the ALG concept, were sent and the first meeting was held in June 2018. A total of 58 local actors attended. Of those that attended, 22 applications to participate in the Uganda ALG were received. Of the applicants, 14 representatives from both, local and national-level CSOs were selected to participate in the Uganda ALG. The initial kickoff meeting was held in August 2018 and the group met regularly through May 2019 to discuss how best to address the issue of financial sustainability in Uganda.

Once members were selected and fully onboarded, discussions regarding the formation and selection of a Steering Committee began. The members were given the opportunity to decide if they considered the establishment of a steering committee to provide strategic direction and oversight necessary. Due to the small number of actual participants (n=14) the group decided that creating a committee would prove futile and could promote an uneven power dynamic.

Group Leadership

The group was initially led by a facilitator, Annet Kiiza, with coordination support from Phionah Tumukumbe. Both were actively involved through member selection and the initial ALG meeting. However, in August 2018 Annet Kiiza stepped down as facilitator and the FFS consortium decided to have Phionah step up to fulfill the facilitator role with support of the FFS consortium and the DRC facilitator in order to provide continuity to the group. Phionah acted as the group's facilitator from September 2018 through March 2019. In April 2019, Ruth Shevena was brought on board as the new group facilitator. Ruth remained as the facilitator through the close down of the group and continues to support the FFS consortium with close-out activities including the writing of this learning brief.

Areas of Focus

The ALG members selected the following three core areas to focus on during the ALG implementation phase: 1) resource mobilization, 2) partnership modalities, and 3) capacity building. However, these three topics were developed by the FFS consortium. These three topics were used to guide the ALG workshop in October 2018 on ALG issue mapping and priorities. These topics were intended to be used for a breakout exercise during the meeting, but were not intended to shape the entire agenda of the ALG.

The FFS consortium encouraged the ALG to consider focusing on areas that were of most interest to the group, rather than adhering to this externally imposed set of topics. However, the group chose to remain in the groups that were formed by the FFS consortium for the purposes of this workshop exercise. The group insisted that these topics were of interest and that they desired to focus on these three areas. The FFS consortium believes that these initial meetings may have

been too structured and resulted in the ALG focusing on areas that were not of genuine interest to group members. As a result of this October workshop, the group formed small technical working groups that each focused on one of these three core areas and developed an associated workplan.

ALG Work Plan

The ALG identified a number of specific goals and associated activities required to increase financial sustainability of CSOs in Uganda. Based on group mapping exercises, analysis, and discussion that occurred during monthly ALG meetings the following specific goals were prioritized as part of the ALG Work Plan:

- 1) Building trust between CSOs and government;
- 2) Building trust between CSOs and the donor community; and
- 3) Capacity building for CSOs

The ALG members identified the pressing need for CSOs to build trust and increase collaboration with both the Ugandan government and with donor partners order to increase the financial sustainability of CSOs. The planned activities were primarily focused around advocacy efforts, and the group agreed to begin with a focus on dialogues with different stakeholders such as development partners, government institutions and the private sector. The purpose of the dialogues was to create the space and platform for different stakeholders to discuss financial sustainability.

The purpose of the proposed Government dialogue was to improve collaboration and partnership for financial sustainability and sustainable interventions with an overall goal of having a favorable legal environment for establishment, operation, and sustainability of CSOs. The ALG hoped that the dialogue with Government would lead to more government support for CSO institutional growth.

Dialogue Objectives
<ul style="list-style-type: none">• Strengthen relationships with local government• Strengthen relationships with donors• Advocate for increased flexibility for partnership and funding modalities

The ALG proposed a dialogue with donors to focus on partnership modalities. This included discussing how CSOs and donors can best work together to achieve CSO financial sustainability, how to create more flexible policies to ease access to funding, and how development partners can adopt policies that support both soft skill development (internal capacity) and tangible resource development, and the best ways implementing partners can negotiate for funding that will support and increase organizational sustainability.

Implementation Challenges

Ultimately the ALG was unable to plan or host any dialogues or implement other activities due to various challenges. ALG member reported frustration due to lack of guidance and consensus within the group and the fact that a number of the national CSOs stopped attending ALG meetings, which greatly affected the quality of discussions during the monthly meetings. Poor facilitation and leadership within the group also significantly contributed towards its closure. The following sections provide more in-depth discussion of the various elements of the Uganda ALG which worked well, and those which contributed towards its closure.

LESSONS LEARNED: WHAT WORKED?

CSO Leadership: Providing CSOs the opportunity to lead and own discussions and plans towards financial sustainability was critical in ensuring buy-in among members and made for successful group formation. The members were optimistic that the ALG was giving them space to nurture their leadership and networking skills and that this meant that they were learning collectively as a group.

“Being part of the ALG has given us the opportunity to network as CSOs and learn from each other.”
- ALG member

Expert Partners: While it was important for members to lead and shape solutions, it was noted that the ALG members had no prior experience working on financial sustainability, especially through collaborative learning. Considering that both LINC and Peace Direct had done extensive work through the FFS research, this created the opportunity for the ALG members to learn from the consortium partners and enrich the ALG planning and outreach activities.

Additionally, local facilitators with knowledge of CSO culture were hired and further supported the mobilization and engagement with stakeholders and allowed for effective team building exercises to take place. The ALG facilitator in the DRC also visited the group and co-facilitated one of the monthly meetings, which supported cross-learning. In addition, weekly check-in meetings between ALG members, LINC and Peace Direct were perceived positively as they ensured timely communication between the all parties especially queries and updates on activities.

Monthly Meetings: All of the members interviewed appreciated the ALG meetings as an important platform through which different CSOs could connect with each other and learn from larger CSOs and development partners to identify points of collaboration. This allowed ALG members to craft strategies to promote CSO financial sustainability and allowed members to share skills and information from their respective work.

Furthermore, the significance of the group’s mission and discussions were compelling to external actors, which created opportunities for leading development partners including the German Society for International Cooperation (GIZ), and the Foundation for Human Rights Initiative (FHRI) to participate regularly.

LESSONS LEARNED: WHAT DIDN'T WORK?

Recruitment of Members: Various respondents felt that the process of recruitment was rushed, and the process of mobilization/selection was biased. The majority of the members were community-based organizations (CBOs) with previous or current working relations with the ALG’s anchor organization, IDF. From the onset, IDF staff were heavily involved in facilitating start up and follow-on meetings. ALG members were mainly grassroots organizations. Leading CSOs with experience in lobbying, and project development were left out. Although the ALG was broadly advertised, more experienced organizations were not targeted the same way IDF civil society partners were targeted. The resulting group that was formed lacked experienced collaborators and advocates for change with meaningful connections to the types of stakeholders the group needed to engage.

Capacity Gaps: The ALG members that were selected lacked some of the needed capacities and skillsets to engage in the ALG process in a meaningful way. ALG members did not fully grasp the research findings. Local partners such as Democratic Governance Facility (DGF) noted that at the initial meetings during which the FFS research was presented, there was no opportunity to reflect as a group on best approaches to local financial sustainability.

“We as the ALG did not fully understand the FFS research and we never had the opportunity to fully comprehend the task at hand.”- ALG member

The group also struggled in developing the ALG work plan and budget. The FFS consortium played a larger role in the development of the work plan and budget than was originally envisioned. Neither the ALG members nor the facilitator at the time had experience in developing work plans or budgets with the level of detail requested. The FFS consortium created templates for the group to use and facilitated many of the group discussions to ensure there was clarity around planned activities and to build consensus among the group about how the budget should be used. The consortium originally planned for the work plan and budget to be completed in 1-2 meetings. However, the process took closer to five months.

Member Induction & Clarity of Mission:

Respondents reported that the induction of ALG members was insufficient and not enough time was given to the group to fully comprehend the research findings and what it meant to address such an issue within the complex donor-dependency context of Uganda. The ALG members had differing opinions on what activities the ALG should undertake. Expectations of the ALG and understanding of the FFS research varied significantly from member to member. Some members thought the ALG would be an opportunity to pursue and secure funding for their own organizations. Others thought the ALG was an opportunity to create an expert organization to lead in financial sustainability for CSOs. In addition, there was an expectation for related capacity building. The divide in understanding the mission of the ALG led to significant friction between the members internally and with the consortium.

“One big lesson for us is that we should have taken some time to have an off-site retreat with the ALG members and have an intentional session on understanding the FFS research.” – Consortium Partner.

Leadership: While the group terms of reference were generally understood, the ALG lacked a real champion to keep them on track. To be successful, the ALG activity required members to take the time to be intentional about planned actions, have regular pause and reflect moments and check-in meetings.

“We totally lacked guidance internally, this created friction within us, some members assumed positions but never really offered any kind of direction.”- ALG member.

However, outside of the ALG meetings, there was no follow-up initiated by the facilitator or other members of the ALG. As a result, tasks identified during the meetings were never completed.

The leadership gap was significant. The ALG didn’t select a leader yet, there was a need for one. Some members noted that other members created small steering committees and assumed

leadership without being elected. ALG members were suspicious of separate discussions among these members with the facilitators. This dynamic resulted in constant misunderstandings regarding operational issues including transportation refunds, meeting agenda setting, budget allocation exercises, and the nature of the ALG's relationship with consortium partners.

Facilitation: Initially LINC and Peace Direct had hired a facilitator and an assistant to support the process. However, ALG members felt these individuals were not well suited for the job. According to the ALG members, the facilitators seemed overwhelmed and were not able to provide technical guidance and

“As the facilitator I found it very hard to use the facilitation guide, I felt it didn't speak to the work we were doing as the ALG.”
- Facilitator.

coordination support. The facilitators were provided with a facilitation guide created by the FFS consortium. The guide was meant to be used as a starting point for the facilitators to walk the ALG through stakeholder mapping, issue identification, and prioritization. However, the guide was used without being fully understood by the facilitators and without being adapted based on the outcomes of prior meetings. This resulted in meetings seeming redundant or disconnected from one another. This confusion regarding the facilitation guide was not communicated to the consortium, and therefore was unable to be addressed by the consortium in a timely manner.

The facilitators reported feeling torn between the guidance received from the FFS consortium and the demands of the ALG members. Communication between the facilitators and ALG members was loaded with misunderstandings, especially when messages were delivered in a linear fashion from LINC/Peace Direct to the facilitator to ALG members.

Multiple FFS Representatives: The ALG was co-managed by LINC and Peace Direct and there were several different representatives who attended the ALG meetings, as well as several different representatives on the weekly check-in calls. The inclusion of representatives from LINC and Peace Direct resulted in the development of new ideas but also gave rise to challenges. Given the number of facilitators and number of FFS consortium representatives there was a multitude of ideas. This resulted in changes in approaches and a lack of clarity on the part of the facilitators as to who to engage with on the consortium side. The coordination complexity caused some delays.

USAID Participation: Various members noted that the limited participation of the USAID team left the members feeling demotivated and feeling that the ALG lacked credibility among USAID staff. This greatly affected the commitment of the group members to the extent that some members stopped attending the monthly meetings. The USAID Democracy Rights and Governance (DRG) office noted the observed challenge. USAID representatives were supposed to be invited to each monthly meeting by the facilitator. However, changes in facilitators, USAID points of contact, and FFS consortium points of contact led to gaps in coordination. For some meetings invitations were not sent. For other meetings invitations did not reach the appropriate contact. Additionally, competing priorities and the location of the ALG meeting far from the USAID/Uganda mission made it difficult for USAID representatives to attend.

KEY LEARNINGS AND RECOMMENDATIONS

Below is a synthesis of key learnings and recommendations resulting from the follow-up interviews with ALG members and other stakeholders as well as reflections from the FFS consortium. The memo that the FFS consortium sent to USAID with initial reflections is included in Annex I.

- **Membership:** To be successful, the group needed a strong mix of CSOs, NGOs, and government actors who had experience collaborating with civil society. The group also would have benefitted from clearer guidelines that promoted advocacy activities and enhanced collective learning among the stakeholders.
- **Leadership:** As much as possible, the consortium needed to maintain steady leadership including a single facilitator throughout the duration of the activity. The FFS consortium experiences in Colombia and the DRC suggest that the facilitator can serve effectively as the group leader. A group leader/facilitator should have a background in advocacy work, demonstrated experience with group facilitation, a deep understanding of CSO culture as well as project development savvy (e.g. appreciating the shrinking space for CSOs in the country due to the political environment and how this affects the ability of CSOs to advocate for issues). Additionally, the facilitator should not have the ability to influence who becomes a member. In the future, ALG member input into the selection of a leader/facilitator should be considered.
- **Orientation:** Ample time should be taken at the beginning of a project to help ALG members reflect on the research and gain a deeper, shared understanding of the context and goal. This includes spending more time clarifying what relationships need to be built moving forward and developing terms of reference to enable effective collaboration. The consortium members suggest a retreat or more intensive start-up workshop with ALG members. The consortium suspects that splitting up these upfront discussions over multiple meeting spaced apart by months or weeks contributed to misunderstandings and misalignment.
- **Geographic Scope of ALG:** Uganda is the only ALG that is national in scope. The Colombia ALG is limited to the Montes de Maria region, and the DRC ALG is concentrated in North and South Kivu. The diverse priorities of the ALG members may have been a barrier to achieving agreement on objectives and forward momentum and the distance they had to travel to join the meetings may have prevented consistent coordination, collaboration, and productive engagement. Going forward, groups with members that operate in the same geography or have some existing relationship with one another should be considered.

CONCLUSION

This deep dive into the implementation, experiences, and impressions of the ALG yields a number of insights into what worked and the factors that led to the discontinuation of activities. It suggests that a collaborative approach has the potential to lead towards increased CSO financial sustainability. However, the biased member recruitment, the multiple facilitators and consortium members involved, weak facilitation skills, poor ALG member relationship building, and a “traditional funding” attitude by the CSOs led to the failure of the ALG to coalesce.

The project however was a key step in better understanding how to design for collective action and collaborative learning which allows the stakeholders to be part of the development process. For future programming, it is critical to devote more time to this process. More time should be given to recruitment, onboarding, relationship-building, and startup. Additional time would allow for more culture-informed processes including effective member selection, and participant buy-in on terms of reference, milestones, rules, roles and responsibilities, partnership modalities with funders, recruitment of savvy facilitators, and collective leader selection.

ANNEX 1: PERSPECTIVES FROM THE CONSORTIUM

May 15, 2019

The Facilitating Financial Sustainability (FFS) consortium, in consultation with Local Works, recommends closing down the Action Learning Group (ALG) activity in Uganda. This letter aims to briefly describe what led to this decision, lessons learned, as well as proposed next steps.

There are multiple factors that have contributed to our recommendation to close down the ALG. We are concerned that the current experience has made it impossible to move forward with this group, ensuring good stewardship of US government funding and ensuring that we are not creating a more vulnerable situation for the members of the ALG themselves. This is a difficult decision because we and many members of the ALG have invested valuable time and we would very much like to see some action come from this effort.

It was our hope that bringing in a new facilitator at the end of March 2019 would help alleviate the challenges the group has been experiencing and help them move forward with activities from their action plan. While we have full faith in our new facilitator, the following ongoing and escalating dynamics (including those noted by the new facilitator) have led us to believe that continuing with the ALG activity in Uganda will continue to cause more harm than benefit for the members of the ALG (as well as for other stakeholders):

- *Bullying behavior:* In meetings that we have attended and via feedback obtained from our facilitator, we are aware of increasing interpersonal tensions and “bullying” behavior among ALG members.
- *Inconsistent engagement:* There has been a decrease in consistent and constructive ALG member engagement in meetings. We have observed members showing up for brief portions of the day to avail of the lunch provided, travel stipends, and accommodation and then leaving.
- *Potential for adverse outcomes:* Based on both our own observations and feedback from the facilitator, we believe that the dialogues with government and donor partners that are a part of their workplan will take an adversarial and negative approach rather than a productive discussion with potential for change. Several ALG members continue to refer to the dialogue activities as an opportunity to air grievances as opposed to an opportunity to openly discuss the challenges each group faces and how they may work together to resolve them. In addition, in past meetings organized with donor partners, some members have used the ALG as a platform to solicit funds for their own individual organizations. Given this, we are concerned that the dialogues may adversely impact all members of the ALG based on the high potential for disruptive behaviors.
- *Lack of alignment with activity goals:* The ALG members’ behavior indicates a misunderstanding and divergence from the intended objective of forming the group – addressing CSO financial sustainability. Based on feedback from the facilitator, we believe that a large number of the members have not read the FFS research. As a result, ALG activities are not being designed to meet action-learning objectives and this is also contributing to the lack of consistent engagement mentioned above.

- *Lack of ownership:* The ALG has been planning activities since October 2018. Based on the current group dynamics and level of engagement, if the dialogue activities are to occur, the agenda, outreach, and event will be driven primarily by the facilitator and outside consultants (moderators), as well as by the FFS team. Having activities directed by outside actors rather than by the ALG members, themselves is not consistent with the learning objectives of the FFS activity. The group has stated that they feel dependent on the support of LINC and Peace Direct and to date have not shown the level of proactive work required for the activity to be autonomous. We have tried to address this dynamic with the group at three separate in-person meetings.

Of course, we would rather find other ways of re-engaging the ALG to improve the intra-group dynamics and encourage consistent and proactive participation and member ownership. We recognize that our initial group formation efforts and facilitation of the group played a role in creating the challenges we now face. We attempted to change some of these dynamics with increased coaching of the facilitators, bringing in new facilitators, increased FFS team presence for meetings, and adapting our policies and approaches to try to shift incentives and motivations of ALG members.

We are not observing the above dynamics in our ALGs in Colombia and DRC. In both of those locations, activity planning is being driven by ALG members with coordination support provided by local facilitators and general oversight being provided by the FFS consortium. While these groups have faced challenges, they have been aligned with what might reasonably be expected in this type of activity.

Lessons Learned

We are keenly interested in understanding why the ALG was not able to coalesce as a team or achieve its goals, and why we are seeing different behavior and results in our other ALGs. There are several potential contributing factors. We plan to further investigate the root causes with assistance from our current facilitator. Potential factors include:

1. *Geographic scope of ALG:* Uganda is the only ALG that is national in scope. Our Colombia ALG is limited to the Montes de Maria region, and our DRC ALG is concentrated in North and South Kivu. The diverse priorities of the ALG members may be a barrier to achieving agreement on objectives and forward momentum.
2. *Recruitment of ALG members:* Based on some comments from prior facilitators and ALG members, we suspect that members may have been led to believe that joining the ALG would provide the potential for funding for individual members or their organizations. We would like to investigate what member's expectations were when they joined the group and how the purpose of the group was messaged during the recruitment process.
3. *Facilitator turnover:* The group has had three facilitators. Our first facilitator was unable to continue due to personal issues. As a result, we agreed with her that it was best for her to discontinue her involvement. The team decided to move forward with the ALG coordinator taking on the role of facilitator in order to provide a sense of continuity. FFS consortium members, and the facilitator from DRC attended meetings in-person in order to support the coordinator in taking on this new role. However, after 6 months in this role she chose to resign. When she provided her notice, we were already actively considering other options as

it was clear that she was not the right fit for the position. We brought in a third facilitator in March. This facilitator has been performing quite well from our point of view. However, the number of changes has been understandably frustrating for group members and has led to gaps in communication.

4. *Involvement of multiple representatives from the FFS consortium:* This ALG is unique in that it is co-managed by both LINC and Peace Direct. As a result, this group has had four representatives from the FFS consortium present on-the-ground at various times. There has also been greater variability in FFS presence on weekly check-in calls with the local facilitator. This has resulted in increased opportunities for gaps in communication. In contrast, our ALG in Colombia has had one consistent point of contact at LINC throughout the duration of the activity, and the ALG in DRC has had two consistent points of contact at Peace Direct.
5. *Sequence of ALG meetings:* The Uganda ALG has been meeting ahead of our other two ALGs during most of the planning phase. This has allowed us to learn from our experiences and modify our approach in Colombia and DRC. The ALG in Uganda has not been able to benefit from the learnings of other ALGs during this critical phase.

Proposed Next Steps

While an immediate and full termination of all ALG activities may be the best course of action, we welcome ideas for how to provide appropriate transitional support. We would appreciate the opportunity to speak with members of USAID, including Zufan Mulugeta, and representatives from USAID Uganda, in order to solicit ideas and feedback.

If the recommendation to terminate the ALG activity in Uganda is supported, we plan to notify ALG members as soon as possible. We understand that this needs to be a coordinated effort with involvement of both Local Works and the Mission to ensure all parties are aware of this decision and prepared for potential questions from ALG members. When appropriate, we plan to send out a letter from LINC to each ALG member informing them of the decision not to continue with ALG activities. We will clearly and succinctly describe the rationale behind this decision.

We plan to capture and share the learnings from this experience with both Local Works and USAID/Uganda. We plan to work with our current facilitator to conduct interviews with key stakeholders to better understand 1) the contributing factors that have led to this outcome 2) key differences between the 3 ALGs that may have led to this outcome in Uganda, or supported the relative success of the other two ALGs and 3) potential solutions to overcome these challenges in the future. We plan to document these findings and share them with both Local Works and the Mission.

This recommendation is not made lightly and the FFS consortium welcomes feedback regarding the ALG activity in Uganda and appropriate next steps. For any questions or clarification regarding this recommendation please contact Jenna White, Program Director at LINC (jwhite@linclocal.org)

ANNEX 2: FFS UGANDA OUTREACH FLYER

Financial Sustainability Action Learning Group

Concept for Uganda

Background

For local actors to take the lead in development, local organizations must have sufficient and appropriate financial resources for long-term planning and implementation. Although many resources exist to help local civil society organizations diversify and improve their financial sustainability models, uptake is low and the challenges to sustainability are heavily context-dependent, often beyond the capacities for any one local organization. To address these challenges, in 2017 the *localworks* program at USAID launched the *Facilitating Financial Sustainability* (FFS) activity, implemented by LINC and Peace Direct.

Financial Sustainability Action Learning in Uganda

After conducting research on the factors driving local organization financial sustainability in six countries, including Uganda, in 2018 FFS will launch an “Action Learning Group” among stakeholders in Uganda focused on improving the conditions for sustainable local organizations. The research revealed various structural and organizational challenges that local organizations face in progressing towards sustainability. The ALG will bring together a diverse group of stakeholders to identify and facilitate actions that can be taken collectively by group members to overcome these challenges within the local context.

Action Learning Group Objectives

The specific objectives of the Action Learning Group activities will be decided by group members themselves, but the process facilitated by LINC and Peace Direct seeks to:

- Maximize local learning and local ownership of the group;
- Enable group members to collectively identify and prioritize activities that will have an impact on local organizations’ financial sustainability;
- Facilitate the implementation of the agreed-upon activities by group members through 2020 and establish structure to allow the group to continue after FFS support ends; and
- Track the progress and learnings of the Action Learning Group in order to develop materials for replication of successful aspects of the group model in other geographies.

Action Learning Group Membership

The Action Learning Group will be composed of a wide range of organizations including local CSOs, international NGOs, donors, government officials, private sector stakeholders, and others. Members of the group will participate in regular meetings and workshops to contribute to decisions regarding the strategic direction of the group, as well as in the implementation of activities prioritized by the group. There may be multiple tiers of involvement, with some organizations serving an “anchor” or “backbone” role with greater day-to-day involvement, while other members may be involved in a lighter touch capacity. Group members will be expected to sign a Letter of Intent (or similar document) laying out their anticipated participation.

Process and Timeline

The group will follow an “action learning” process to identify issues, prioritize actions, and track success:

- I. Group Formation (February - April 2018): “Anchor” ALG members with a strong interest in helping to shape the group are signed on and help design the initial structure for kick-off, and a local facilitator is onboarded.
- II. Group Kick-Off (May - June 2018): A kick-off meeting is held with a wide range of local stakeholders that may be part of the group to discuss the group’s goals and determine which organizations will join the group.
- III. Issue Mapping and Prioritization (June - August 2018): Starting with the results of the completed financial sustainability research, the group will map out the different challenges to local organization financial sustainability and prioritize issues for the group to address.
- IV. Strategic Planning (September – December 2018): The group will use a facilitated process to co-develop an action plan to address the prioritized issues, including roles and responsibilities, timing, metrics of success, and a plan for sustainability of the group itself.
- V. Implementation (Starting January 2019): Based on the strategic plan, the group will implement activities and track success, with regular check-ins to assess progress and make any adjustments as necessary.
- VI. Harvest Learning and Full Local Ownership (late 2019 – early 2020): At the end of 2019, the group will undertake a facilitated process to assess what did and did not work, and move towards structuring the group for full local ownership as direct project support ends.

Funding

A limited amount of funding may be available through FFS to support the implementation of activities by the group. FFS will also support the work of a local facilitator to manage the group. However, the objective is to establish a structure that allows the group to maintain sustainability after direct support ends in 2020.

Next Steps

The FFS team is currently looking for organizations that are particularly interested in being a core part of this group as a way to help drive local organization financial sustainability. Please contact Matt Guttentag (mguttentag@linclocal.org) if you are interested in being a part of this initiative.