

Reflections on: Project Acquisitions

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Background

The possibility that projects may have to be closed early and incomplete can be a huge source of stress to staff in the closure of an NGO that goes well beyond loss of their own employment.

Context:

Mergers and acquisitions of NGOs are being promoted as a way of expanding impact and scale, and to build their added value as we enter a new era of evolution and change. Whilst this may be the case for many reasons, mergers of NGOs are not as common as they are in the for-profit sector. Part of this may be attributed to the determination of NGO leadership not to let go of their way of doing things, until the funding situation means that it is too late for an organisation to take part in an effective merger. The very nature of NGO workers is that we take the responsibility of meeting and delivering on our commitments to our partners and the people we work with very deeply. The following is a focus on the transfer of one project after the option of a full merger had been ruled out, drawing out elements which resulted in its smooth and successful transfer.

The Organisations:

African Initiatives (AI), a UK based NGO, had partnerships with 8 Tanzanian organisations when they began to consider the closure of their organisation. A range of issues had taken their toll, including funding challenges.

APT Action on Poverty (APT) is a UK based NGO working to break the cycle of poverty and inequality, and enable everyone to work with dignity for a better future.

The conclusion after a first review by Action on Poverty's Board and Chief Executive was the recommendation that a merger did not bring significant benefits to either organisation – with which AI concurred – and only the acquisition of one project should be considered. This was the **TUSONGE** project funded by the **National Lottery Community Fund (NLCF)**. TUSONGE is a Tanzanian NGO who work with marginalized groups in grassroots communities of Kilimanjaro region (Northern part of Tanzania). The project, Disability Inclusion in Village Community Banking (DI-VICOBA) aimed to increase the economic empowerment of 560 people, at least 10% of whom would be people living with a disability. The project aims to increase knowledge of disability rights, to empower those living with disabilities to claim their rights and to increase the practice and capacity of AI and Tusonge to design and implement disability inclusive projects.



African Initiatives



Tusonge



National Lottery Community Fund



Key elements to assist a smooth process:

At the beginning:

- Development and signature of Non-Disclosure/Confidentiality Agreement.
- The early establishment of a Board Sub-Committee (APT and AI) to speed and facilitate decision-making, providing interim feedback at key points to the Board for their decision.
- AI's early engagement with the donor for their perspectives and requirements. NLCF had a clear procedure and gave active guidance. They were open to discussions and to the justification for continuity, strength and additional value.
- AI held early discussions with partner organisation in Tanzania Tusonge to consider the transfer to APT, after gathering requested information and reviewing APT's interest, approaches and experience.
- Development of a project handover Risk Register – maintained and updated during the process.

In progress:

- Agreed Handover Planning and Milestones timetable.
- A three-way signed MoU between AI, Tusonge and APT, articulating intent for the handover, outlining intent and specific commitments of all three parties to ensure a smooth handover and to give confidence to the NLCF that APT was the right organisation. Advantage was taken of a retired solicitor amongst APT's Trustees to produce an Exclusivity Agreement.
- Detailed Review of Tusonge Project itself and the stakeholders, and further financial and operational detail including staffing review. This included a capacity assessment of the partner Tusonge, as far as possible when done remotely, including organisation and management of the project, quality financial and narrative reporting with the Board engaged and open to new ideas.
- Presentation to NLCF of a handover to APT by AI explaining their selection and decision-making.
- Clarity by TNLF in their requirements. Inclusion of disability and safe-guarding processes and development were key areas of capacity building for both the UK and Tanzanian NGO, Action on Poverty was able to document progress in these areas in order that TNLF could carry out an assessment of Action on Poverty's safe-guarding policies and procedures.

For completion:

- Update on COVID Situation and impact.
- Detail in final queries: for example, exchange rates, latest expenditures and related UK overheads all need to be clear, together with some trust and flexibility to enable a smooth transfer at the last stages.
- Formal handover agreements at Board levels.

Final agreement between TNLF and AI, and another between TNLF and APT Action on Poverty, with transparency between all parties.



The Result

This is a demonstration of the potential of small NGOs to take on projects when sister organisations close. Whilst the transfer took place when a merger was not considered in the best interests of any of the stakeholders, the core values and interests of partners and their clients have been preserved. The process was undertaken smoothly, and the project with Tusonge is now being supported by Action on Poverty and continues to be funded by the NLCF.

Eight months later Tusonge continues to flourish and develop benefits to her clients. The project continues to exceed its targets and to develop new ways of doing things, despite the frustration of APT programme management team being unable visit due to COVID restrictions. The VICOBA groups are going from strength to strength and their inclusion of people living with disabilities is exceeding expectations, with an additional partnership with the Uchumi Commercial Bank to undertake training for accessing loans and a new DPO (Disabled People's Organisation) established.

Organisationally, Action on Poverty is looking at other ways to learn from and compare this approach with other disability inclusion work in livelihoods in Uganda and Kenya. We look forward to developing new projects with Tusonge, building on their achievements.

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