Portfolio Review of

Zoralipe (*Strength*) in Social Impact Countries

Topic description: *RIO will review its support to the field titled “Zoralipe,” aiming at institutional growth of Roma organizations. RIO’s ambition in this field is that Roma organizations grow in efficiency, influence, credibility, and public recognition. For this field, the approved budget for 2014 includes 20 grants in “social impact” countries. RIO defines “social impact” countries as a class of countries where Roma organizations demonstrate comparatively higher capacity for change then in others. The “social impact” countries are Albania, Bulgaria, Macedonia, Romania, and Serbia. Based on 16 active grants, we are looking at reviewing the portfolio of work which RIO has been reforming most systematically in the last three years: starting with the analysis of our own work on grant-making for institutional support in 2011, consultation process with the grantees and other organizations in 2012, design and testing the new guidelines in 2013, and release of grants under the new guidelines as of 2013. Since the growth of Roma organizations is at the core of RIO’s work, and so critical for the future of Roma leadership and advocacy—as well as a rare objective among donors—we want to stop and check if we are facing a self-fulfilling prophesy or whether we are making real progress.*

**RIO’s ambition for the field**

Our key assumption is that work on Roma inclusion will take decades and Roma themselves need to be able to apply sustained pressure to change the status quo. The only way that Roma people and pro-Roma advocacy can become less dependent on OSF and other supporters is if Roma organizations are strong enough to make their own cases before governments, the EU, and others. This is our distinctive orientation in the field. Our ambition for Zoralipe is that Roma NGOs will be driven by their own strategies, which are focused on representing the interests and demands of their constituencies before authorities and influencing decision-making.

Our approved strategy states that the goal of the Zoralipe support program is the growth of Roma organizations in terms of their efficiency, impact, credibility, and public recognition. Over the next four years, we will support the transformation of existing Roma-led organizations and the strategic establishment of new organizations. We will use grant making as a tool for developing and improving governance and leadership practices, introducing conflict of interest policies, improving financial management, membership recruitment, expertise and skill development, fundraising and public communications strategies, and constituency building.

**State of the field and broad trends**

***Decreased private foundation funding, and greater reliance on governmental and EU funding.*** Private foundation sources of funding in this region have decreased alongside processes of EU enlargement. The financial crisis has also led to the overall shrinking of funding opportunities, including giving from corporations and businesses to NGOs generally. With the increasing reliance on governmental funding, largely by managing EU Structural Funds, many NGOs have transformed into contracted providers of services. EU funding, managed by governments, conditions cooperation between Roma NGOs and governments; this affects power relationships, potentially constraining the criticism and independence of Roma NGOs, and more importantly affects their strategies and structures in the long run.

***Prejudice, discrimination, and racist violence.*** Increased intolerance, together with politically legitimized and publicly promoted hatred against Roma, is a threat to the work of Roma NGOs. The climate strengthens obstacles to change at the political, policy, and service delivery levels. Therefore, it is much more difficult to achieve an impact through advocacy, not only of for Roma NGOs but for all those advocating for the interests of Roma.

***Roma NGOs have not been supported to adapt to the new political and policy environment****.* Even those funders that do provide grants to Roma NGOs, predominately the EU and the Norway Grants, do not ask or actively support improvements in strategy, leadership, or governance practices. RIO’s modest resources on their own may carry too little weight. Most of the Roma NGOs we know have not adapted their advocacy strategies to the current situation in which public policies have been adopted but remain token documents without financial implications adequate for addressing the needs of Roma. Reliance on the traditional advocacy methods of meetings, generalized reporting, recommendations, and conferences has also proven insufficient for influencing decisions about the distribution and management of resources for Roma integration. To illustrate, our major call for advocacy projects in 2013 attracted 252 concept papers, out of which we selected 33 to submit full project proposals. In the end, we approved only 12. The major problem was that organizations could not articulate their concrete policy change objectives, their sources of leverage, and how they intend to influence the work of governments. Most of the projects were in an almost identical “research-report-conference” format. Although the environment has changed tremendously in the last 10 years, organizations are still working on “building awareness,” “promoting education,” and “facilitating dialogue.”

***The leadership of Roma NGOs has not been open and democratic.*** The question of leadership in Roma NGOs is particularly critical. Our understanding of leadership does not relate only to the people in leadership positions, but also to leadership structures and practices. Up to now, the decision-making in Roma NGOs has been highly centralized, conservative, and often discriminatory toward Roma women and youth. The culture generally lacks democratic practices of participation, transparency, and accountability, both within organizations and in relation to Roma communities. Many small to medium organizations have weak financial management and lack proper accountability mechanisms. The credibility of Roma NGOs to challenge politicians, governments, and public administration is compromised, as their own practices reflect the same patterns of those they should hold accountable. This is an acute pattern among mainstream NGOs as well.

***In this context, young Roma are not motivated to work in Roma organizations****.* OSF and others have held the belief that nurturing a “Roma elite” through university scholarships will strengthen the voices of Roma organizations and help make them more effective. This has been the most positive trend. Roma have never had a bigger number of secondary school and university graduates. They are the best hope for the Roma people and for Roma advocacy groups. However, our overall impression is that 10 years ago, when there were fewer highly educated Roma, the voices of Roma organizations were stronger. Now, when there are many more highly educated Roma, the voices of Roma organizations seem weaker. This impression, though not well documented, is largely shared and expressed in the field.

**Significant players**

Influential Roma organizations ***we know and do not support*** are organizations such as Impreuna, the Resource Center for Roma Communities, Romani CRISS, and Sastipen in Romania, Amalipe in Bulgaria, and InSoc in Macedonia. These organizations are focused on, or aim to be involved in, large-scale service-provision projects funded by the EU or other donors. Because of their role as service providers they are visible in the field. In Serbia, we do not support the Roma Cultural Centre, the Roma Students Union, and the Minority Rights Centre, who are all visible in the field, because they are supported by the national foundation.

Among the significant players ***we do support*** are Integro in Bulgaria, the Policy Center for Roma and Minorities in Romania, the League for the Decade in Serbia, and National Roma Centrum in Macedonia. Each of these Roma-led organizations has maintained a core watchdog and policy-advocacy function related to integration measures, anti-discrimination, and human rights. None of them has gone into large-scale EU service projects, and they do work directly with particular grassroots groups or constituencies. They also network and build alliances with smaller community-based organizations and other significant players in the capital cities as part of their advocacy strategies.

For 2014–2020, the ***European Union*** budget is expected to provide major funding for social inclusion programs carried out through national governments. These programs offer funding for providing services, but they do not support the institutional growth of Roma organizations, other than providing a cash-flow increase—which sometimes has dreadful long-term consequences for Roma organizations. On the other hand, many small and even medium-sized Roma organizations cannot access the funding provided by the European Commission directly to civil society, since they rank low in capacity due to factors such as limited financial history, lack of annual reports, and audited accounts. They are also at risk of cash-flow problems due to pre-financing requirements and tough financial regulations that are often subject to change during the course of a project.

After the EU, the ***Norway Grants*** (EEA and Norway Grants) are the second biggest funder on Roma issues for governments and civil society organizations. Improving the situation of Roma is a priority for the Norway Grants, and they aim to provide 10% of their funding for Roma programs. The Norway Grants are active in Bulgaria, with EUR 1 million for Roma NGOs, and in Romania, with EUR 3 million for Roma NGOs over 4 years. However, like EU funds, these funds support service-provision activities and do not specifically target Roma-led organizations.

The ***Council of Europe*** program on Roma mediators has been the major vehicle for brain-drain among Roma organizations. The program provides incentives to (former) Roma activists, NGO leaders, and young Roma to play a “mediating” role between the authorities and Roma, but these “mediators” are employed by, and therefore completely dependent upon, the authorities. The CoE has also introduced a program called ROMACT that aims to increase the absorption of EU funds by strengthening the capacity of local and regional authorities to develop and implement projects for Roma inclusion. The program lasts for two years and costs about EUR 2 million.

With NGO funding from private donors decreasing and EU and Norway Grants funding to governments being very large, and with the Council of Europe working to absorb of EU funds, Roma activists and leaders have had great incentives to become detached from Roma communities and to consider them as pure recipients of welfare. For RIO, these players and the patterns they encourage have made the progress slower, and their influence will likely continue.

**Our work in the last two years**

This portfolio began to take its current shape in the second half of 2012. These have been the major interventions to date:

* ***Closed the constantly open application process for any type of grant.*** Previously organizations could essentially apply for any type of grant at any time of the year, and the publication of calls for proposals was not a common practice. This caused inconsistency, backlogs, and a non-competitive environment. Without published guidelines or criteria, applications for institutional development funds came from those who had earlier received grants or from others who heard of our funding through word of mouth. The closure allowed us to focus more on the existing grantees and communicate more intentionally about forthcoming changes in strategy.
* ***Learned from our community-organizing model.*** Our experience supporting informal groups in community-organizing efforts in the last 2.5 years has helped us learn how we can best support the establishment of new types of democratic organizations such as civic associations.
* ***Developed new application forms and guidelines for all applicants***. The guidelines inform applicants about the rationale and goals of RIO’s institutional development support, as well as criteria for funding and changes within organizations that the program seeks to advance. (See Annex 1.)
* ***Ended funding to some organizations.*** Once strategic guidelines were introduced, some organizations were dropped from the portfolio: in 2012 we ended funding for 10 organizations and in 2013 ceased support to 3 more. Most cases involved a process of 6 months to a year, during which we shared our concerns about issues such as strategic programming relevance, the inability to raise (or even apply for) other funding, and unsatisfactory reporting on previous grants. Organizations proved unwilling or unable to prove they are worthy of support.
* ***Identified new grantees.*** RIO also identified new grantees for institutional development support through its call for proposals for policy advocacy projects, including start-ups that showed openness and the capability for institutional development. We are supporting 2 start-ups for the second year (IRCA, LIDER) and 3 for the first year (E-Romnja, CLSHR, CRIS).
* ***Supported returning grantees because they demonstrated progress.*** We decided to support changes at National Roma Centrum (NRC) in Macedonia, for example, because we expected that this could influence other organizations. NRC is a particularly difficult case because we have supported the organization for 10 years already and there is an entrenched culture that needs to be changed. We decided that it was worthwhile to encourage change, because if we learn how to do so in this case, other cases probably will be easier.
* ***Supported start-ups that fill a niche.*** Most of the organizations that entered the portfolio last year can be considered start-ups—they were established within the last 1-2 years and are led by emerging young Roma leaders or leadership teams. IRCA in Albania, for example, was started by a small group of highly educated young Roma, some of them REF scholarship recipients, who applied to RIO for funding to start a center for organizing youth and promoting Roma culture. As there was no strong Roma-led organization in Albania, we decided to award a start-up grant of USD 15,000 after consulting with OSF Albania. After one year, IRCA has already become one of the most prominent organizations in Albania and an important partner for OSF, international organizations, state institutions, and others.
* ***Engaged in more intensive collaboration with REF, PHP, and MtM.*** RIO shared its guidelines with the Roma Education Fund and with other OSF programs supporting Roma NGOs—in many cases, the same Roma NGOs. We have also stepped up efforts to communicate with them about grantee performance and to coordinate our funding strategies. With the Roma Health Program and the Human Rights Initiative, for example, coordination has resulted in limiting or ending RIO’s support for organizations that already receive core funding or development assistance grants from these programs. With MtM developing a new capacity-building grant scheme for middle managers at NGOs, we shared feedback on the organizations concerned, and MtM focused its support on areas not covered by RIO. Likewise, when organizations requested support from us for ESF-related training, we referred them to MtM.
* ***Intensified communication with grantees.*** Much more effort has been put into communicating our strategy and our related rationale and assumptions concerning, for example, good governance and conflict of interest policies. To help organizations understand our new approach to institutional development, we also started sharing information about key concepts and resources with them. During the application review process, we sent feedback and questions to organizations, and sometimes organized Skype calls with them to discuss issues in more details. Our rejection letters now provide substantive explanations, which hopefully serve an educational purpose. We also have started providing more substantive feedback on the interim and final reports. All of the communication is done or saved in Foundation Connect.
* ***Tried to influence other players.*** We were asked by the Norwegian Ministry of Foreign Affairs to provide input regarding their funding for civil society. We shared our guidelines with them and participated in some of their events, but we quickly realized that our advice got lost in their headquarters while their money was already with intermediaries in the countries. Instead of using our staff time to advise their intermediaries, we agreed with the Ministry that we would give them strategy-level input for the financial period that starts from next year.

The Council of Europe asked us for advice on their new Roma mediator project. We succeeded in shifting their concept from service-provision only to a combination of service provision and empowering Roma communities. Also, we were actively involved in designing new curricula for training and succeeded to include community-organizing elements that we use in our own work.

We are becoming more active in funders’ groups such as Ariadne and the European Foundation Centre (EFC). At Ariadne’s Annual Meeting in early March, we held a session on Roma civil society with the aim of presenting a progressive picture of the field—most of the funders either have scant knowledge about it or are pessimistic about it. We support the EFC’s Forum for Roma Inclusion, which is active in EU advocacy.

* ***Introduced surveys of our grantees’ views about our work.*** This new practice is aimed at gathering feedback from applicants and grantees about our application processes, and ultimately at improving how we work. It already has helped us in building more trust with grantees.

**Impact of these developments on the organizations**

It is still early to assess the impact of these developments, but we are seeing some signals of progress already. We have now come to a stage where each grant within the portfolio is tied to specific institutional development goals. These were previously neither asked for by OSF nor formulated by grantees. In most of the cases, institutional development goals were originally unarticulated or mixed in with programmatic objectives. Therefore, most of the communication during the review process was focused on identifying clear and measurable institutional development goals for the next 12 months. Governance was not identified as an area for development, although this is an area that appears most problematic for the organizations. The same can be said for strategy development and diversification of funding. All of the organizations in the current portfolio are addressing governance issues related to structure and practice. Considering this as a starting point, it represents significant progress after one year of more intensive work. As yet, we have received only a few reports for the grants currently in the portfolio, but the overall quality of reporting has improved. The organizations report on progress toward achieving their institutional development objectives rather than continuing the previous practice of describing, often in a cut-and-paste format, all their activities and projects over the last year. (For details about the progress they have made until now, see Annex 2, “Progress made to date” column.)

Without better monitoring and more time to understand changes in culture and practices, however, we do not yet really know how much they have changed in terms of form and function.

**Our learning in the last year and a half**

***About RIO –*** With our own transition followed closely by the OSF transition, we have not done enough field work to achieve better mutual understanding with our grantees. We have not optimized our efforts to understand their concerns, nor have we sufficiently helped them to understand our role and strategic priorities in a way that does not seem like donor-driven conditionality. Until recently, what we knew about the organizations we support was mostly based on paper and occasional conversations, giving us an inadequate sense of the people in the NGOs, their organizational culture, and the conditions in which they work. Our ultimate goal is to support Roma NGOs through a transformative process of learning, change, and growth, and we still have not found the most appropriate tools, methods, and communication strategies for the type of transitions we are seeking to support. Even though we introduced more frequent Skype calls, we feel that face-to-face communication would have helped us in better understanding the management capacities of the organizations’ leadership and would have helped them better understand our expectations.

One of the major reasons is that last year we did not do any monitoring visits due to staff work overload and the loss of a key staff member during the strategy process. Yet we probably could have organized our time allocation better. The need to visit the organizations has also been confirmed by our recent grantee perception survey, in which 64% of respondents said that the site visits are “very important” and 36% said they are “somewhat important” (see Annex 3, Figure 11). The reasons given in support of monitoring trips were that these will enable RIO to better understand the political and social contexts in which the organizations work, to gain a firsthand understanding of the grantees’ impact in their communities, and provide a chance to discuss follow-up opportunities for institutional development. We started this year with monitoring visits during the first two months, and have so far been to Macedonia and Romania.

As most time is put into managing the current grant-making portfolios and accompanying activities, RIO does not yet look beyond its own grantees and systematically collect information about those who we do not support. Looking at other Roma NGOs and significant pro-Roma NGOs would deepen our understanding of the field, how the organizations we support are situated within it, and ultimately how our work can influence Roma rights and integration.

More work with other philanthropies is needed. Until the last three months, we did not begin locating and contacting other philanthropic organizations to try to influence their funding.

We need to have a better approach to variation among grantees. Until now we have had the same approach to all the organizations we support despite differences in their capacities, their levels of understanding, and their years of experience. For example, we usually require an interim report and a final report for grants, which are usually for 12 months, and we did this in the case of the start-ups as well. Because we had minimal communication with them during the first six months, we only learned from the interim reports that there were serious problems within the organizations.

***About the field –*** While some Roma NGOs have organizational strategies, we do not have a sense that organizations are truly becoming driven by advocacy strategies. We have received feedback from grantees and others that strategies are difficult to carry out given the donor- and project-driven environment and the dependency of NGOs. These are difficult questions not peculiar to Roma NGOs, and they reflect a much wider problem for NGOs in general.

The introduction of new concepts and practices concerning leadership development and membership engagement in the field has been met with resistance and opposition from some Roma NGOs. In Macedonia, for example, some Roma NGOs feel threatened by the organizing groups we supported and disparage their work or sanction staff members who participate in their campaigns. Consequently, some young people become fearful and lose their motivation to remain involved.

We have observed a gulf between young, educated Roma and the Roma organizations owing to prejudice on both sides. Young Roma see the Roma organizations as corrupt family businesses rather than places for professional development. As Roma NGOs become weaker, Roma youth are less inclined to get involved and provide new ideas that could change the culture within Roma NGOs. Roma organizations, in turn, see capable young Roma as detached from the community and a threat to their leadership. They do not see each other as resources. There is a need for dialogue between them through which they could realize that working together would be beneficial not only for them but also for the Roma community.

Over the last year, we have also gained a more nuanced understanding about service provision by NGOs. We understand that Roma organizations might still use funding for service provision to grow in capacity, try out new staff members, and gain small additional funding to cover running costs. It also might be useful for NGOs to provide some services that are not offered to Roma by public administration (i.e. after-school programs). However, it is critical that these organizations implement structural safeguards for their strategic and financial independence, and come to treat Roma as constituencies rather than clients.

***About our grantees –*** Although there has been a degree of defensiveness, we have found that many organizations are interested and willing to transform or set-up governance bodies. At the same time, few organizations are exposed to healthy thinking about leadership challenges and capacities for developing leadership transition strategies.

The fundamental challenge for all leaders is to align their organizations’ strategic objectives and everyday operations with their mission and vision. At the organizations we have visited so far this year, there seems to be serious mission drift. Organizations are adapting to government and donor strategies and administrative requirements rather than pursuing their original ideas and the interests of Roma communities.

Although RIO provides modest support, this funding is a critical contribution to the budgets of some small and medium-sized organizations. It will be challenging for them to operate with a maximum one-third overall annual contribution from all OSF entities.

***About OSF and conflicts among our approaches –*** RIO has been working to develop criteria and standards for developing good governance, financial health, and stronger public recognition within Roma NGOs, and we follow these standards when assessing applications and grants. There have been times when we have felt that our work was diminished by the conflicting approaches of different programs in the network. For example, at the end of 2013, the Roma Health Project supported two organizations in Romania to which we had also provided institutional development grants. The RHP grants were made without any prior discussion to set benchmarks around institutional development goals. The RHP funding is 3 times higher than our institutional development support, so there is no incentive for the organizations to undergo the necessary changes. There are contradictions among other grant schemes: MtM, for example, provides support to increase the capacities of Roma NGOs to access EU funding for service provision, while at the same time we are supporting the same organizations to become independent advocacy organizations.

**Based on this learning, how should we adjust?**

**Support organizations in being accountable for their own training and learning**

We lack knowledge of innovative training in governance, leadership, and organizational strategy design. The training opportunities we know of in the region are actually part of the problem; they are mostly “one size fits all” and do not support organizations adequately. We need to support organizations to find, hire, and evaluate their own trainers. Perhaps we should facilitate a process in which a few grantees come together and do this; this might be a more efficient approach than one-on-one consultations. The idea should be tested in our forthcoming conversations with grantees.

**Consolidate multiple grants over time**

Currently, we have some cases where we provide one grant for institutional development (still quite small at USD 20,000-25,000) and another grant for advocacy or voter empowerment to the same organization. As organizations develop multi-year strategies and grow stronger, and as we build greater mutual trust, RIO should be able to adopt grant-making practices that include more annual organizational grants supporting institutional development, including work to attract highly-educated young Roma and to develop a core advocacy strategy.

**Convene conversations**

We should convene conversations with significant players—both those we support and those we do not support—and try to reach a greater strategic alignment of vision and strategy. If we have them on board, others might follow their lead.

We should also convene conversations with the European Commission, the Norway Grants, the Council of Europe, and other philanthropic organizations in order to share our ambition, our major assumptions, and our assessment of conflicting approaches in the field.

**Intensify field presence and communications**

We should intensify our field presence and communications with Roma NGO leaders, chairs of boards, and key staff to improve mutual understanding of strategies and expectations.

**Tensions to be discussed and acted upon**

Grantees are driven to EU funds because the EU offers more money; we, however, want to support those organizations in maintaining an independent critical voice and doing policy-advocacy work, for which there is significantly less money available. How do we react to this considering the one-third rule?

Roma NGO leaders are being asked to do the increasingly painful job of transforming their organizations while at the same time fewer resources are available than in the past.

There is still a degree of mistrust regarding our work and our credibility, because nobody else in the field insists on addressing institutional development. This has led to resistance to change.

We still need to understand how much time is necessary for the transformation process that needs to take place among the Roma NGOs we support. We need to decide how long we can afford to finance the process.