Responsible donor exiting during tough economic times

Exiting social investment programmes can be a highly sensitive and difficult process for donors, grantees and beneficiaries. It often occurs with little advance notice, communication and consultation with programme partner
This makes the need for responsible exiting necessary.

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It also ensures the sustainability of programme impact as well as continuity of organisations dependent on donor funding a
support. This was the consensus reached by attendees of the latest CSI that Works breakfast, a FirstRand Foundation Initiative. In May, Beth van Heerden, CSI executive for FirstRand, hosted the eighth event in the series on donor exiting strategies and practices.

Need to plan

"Corporate donors rarely plan the exit at the onset of the programme. Despite grant contracts that stipulate the funding period, there is still need to plan for the exit phase," says Tracey Henry, CEO of Tshikululu Investments.

"To be effective, an exit strategy must have clear criteria for exiting, measurable benchmarks of progress in meeting the criteria, a timeline for the exit process, action steps and assigned responsibilities, and a monitoring mechanism to assess and report on progress," says Henry.

The rationale for designing an exit strategy hinges on the need to ensure that when donors eventually exit programmes, accumulated benefits are not lost. Thus exit strategies provide an opportunity to involve stakeholders in the project plannin
process, strengthening their capacity to plan and manage the programme in future, says van Heerden.

According to Van Heerden, there are three primary approaches to implementing exit strategies:

Phase down: a gradual reduction of support of programme activities by the donor while ensuring the building of local institutional capacity to sustain programme benefits is built into the process.

Phase out: exiting a programme without passing it over to another institution for continued implementation. This approach
often adopted when the donor is satisfied that programme objectives have been achieved and that the benefits can be sustained further without the need for further external support.

Phase over: the donor handing over programme activities to local institutions or networks for continued implementation. T donor provides capacity building to local institutions to gradually build the relevant skills to continue with the programme af the donor has exited.

Although the nature and delivery of exit strategies are generally context specific, there are several key lessons that are applicable to programmes in different contexts which were discussed at the breakfast. These include the following:

- Plan for exit at the beginning;
- Communicate often and in advance with all key stakeholders;
- Identify the right timeframe for exit;
- Responsible exits need the vision and support of senior management; and
- Provide capacity building of partners being exited.

Changing priorities and leadership, dwindling resources or, as in many instances, social investment funds being redirecte to other social challenges, are the main reasons why programmes are exited.

FirstRand will host its next CSI That Works event in September/October 2016.