



Project Advice and Training Centre (PATC)  
- Danish Platform for popular development co-operation

## **Report from Learning visit to Rwanda and Kenya, 2012**

### **Poverty Oriented Growth and the role of Civil Society**



## **1. Background**

In 2010 the Danish Foreign Ministry presented a new strategy for the Danish Development assistance, Freedom from Poverty – Freedom to Change. The strategy was the result of different processes related to development assistance. Among other input were those from the African Commission.

The strategy presented a strengthened focus on the private sector as a central actor in Danish Development Assistance. The focus on private sector development was especially highlighted in the first of five political focus areas that were the cornerstone of the strategy – Growth and Employment.

As a follow up to the strategy presented by Danida, PATC decided to launch a prioritized initiative to work constructively with this theme. We defined the area of priority as “Poverty oriented growth and the role of civil society”.

The learning visit was part of PATCs priority area – “poverty oriented growth and the role of Civil Society”. The learning visit follows up on the different inputs from Denmark, and brings a “South Perspective” on the preliminary conclusions based upon the experiences from members of PATC and Danish CSO’s.

## 2. Objective

The objective with this learning trip was to broaden up, verify and discuss some of the Danish perspectives on poverty oriented growth and the role of Civil Society with stakeholders in South.

The findings will be presented and discussed with PATC members in Denmark, and different ideas and models for strengthening PATC members input to and constructive involvement in poverty oriented growth formulated based upon the findings.

## 3. Observations on thematic issues

The learning visit focused on poverty oriented growth and the role of Civil Society. There were two overall focuses:

### **Civil Society's role and added value in relation to promoting poverty oriented growth**

- What are the roles of CSO's?
- What strategies seem to be working?
- How can programs/projects within poverty oriented growth be strengthened?

This has particularly been analysed in relation to CS programs focusing on:

- Entrepreneurship and development (Youth Employment Systems, Rwanda)
- Organization of farmers, market in- and output and production (ADRA Rwanda)
- Young people and their access to training for jobs (Africa Youth Trust, Nairobi, Kenya)

### **Civil Society's role and added value in relation to promoting poverty oriented growth**

It is clear from this learning visit that CS does promote and contribute to economic growth that is poverty oriented and that CS has a number of added values and a number of challenges or potentials that can be explored when discussing poverty oriented growth.

Added value from CSO's:

- **Reach.** CSO's reach people that would otherwise not be reached by PS initiatives. In some cases there can be an overlap to government intentions, but in general CSO's work with at group of people whom would not otherwise enjoy the possibilities that CSO's offer. This goes for YES Rwanda's work with representatives from cooperatives in Kigali. They expressed need for and learning from the training that they have received through the workshops, seminars and exchange of ideas, and also that this was the best opportunity that they had to move on and build a more stable income. The same was the case with the cooperatives that ADRA work with. They had not any possibilities of training in livelihood like the one provided by ADRA. Neither from government, PS or other CSO's in the area.
- **Mutual investment in training.** Much of the training being provided by CSO's now more and more look into an investment from the beneficiaries beyond their mere time. Time is in many cases itself a large investment because poor people whom do not work do not eat, and the times spend learning has to pay off in better results in order to be a worthwhile investment. Both ADRA and YES Rwanda is working with strategies to move beyond the mere investment of time – for example focusing on shared efforts among the cooperatives in order to pay for transport to the trainings. This mutual investment assures that both the deliverers of the training and the participants have high expectations and might be an issue that it is worth exploring further where possible.

- **100% business and 100% social network.** So is this business or is it a social network? I raised that question whenever confronted with a group that also explained how their shared efforts and investments went beyond mere individual economic growth. The answers all pointed in the same direction, as stated by one of the CBG's that ADRA work with livelihood with – we are 100% business and 100% social. In this way it is clear that the people in the CBG's, Cooperatives or youth groups that ADRA Rwanda, YES Rwanda and Africa Youth Trust work with combine economic development at a grassroots level with a strong social responsibility towards each other and their community.
- **Combining growth with rights.** The different programs and projects that I had the pleasure to visit and work with all combined a rights and a growth oriented approach. They did it in very different ways though – depending on the context in which they were operating. ADRA Rwanda combines their livelihood training with a focus on gender rights. It was confirmed by the women's groups that the rights approach combined with income generating so that they are contributing to the income in the family is effective. ADRA Rwanda also combined the internal capacity building and rights approach with a discussion of the state and local authorities as duty bearers, promoting engagement and dialogue with them. YES Rwanda combined the training with advocacy work at different levels and towards both government and PS actors. This in order to secure both an understanding and interest from government side, and knowledge and attention from PS. All with the intention of supporting the possibilities for young entrepreneurs and their organizations and promote a conducive environment for the groups. AYT worked directly with both local authorities and KEPSA in order to promote ties and collaboration that would ensure better possibilities both for entrepreneurs and young people seeking a job.
- **Starts with a "change of mind".** One thing that struck me particular about CSO's efforts to promote poverty oriented growth and employment were the focus on mind and attitude changing. AYT described how the trainings not only focus on the practical skills related to finding employment or starting up business, but also involved a "mind chancing" element to let young people know that they are the primary drivers of their own change and their possibilities. They should not wait for anyone else to do anything for them, but make sure that they take responsibility and take action in order to move forward. The same strategy is used by ADRA who describes how their program is designed to let the CBG's make their own decisions which they will also be able to once ADRA is no longer supporting them. YES Rwanda as a natural part of their training work with similar strategies.
- **Promotes growth that is distributed.** CSO's do not need to build their intervention strategies on a trickledown effect. The target groups are the people at the grassroots and they are very close to working with the poorest target groups. The trickledown effect is there though. As stated by members in the Community Based Group Dukanguke (Lets wake up) in western Rwanda who explain how the whole community is benefitting from their increased knowledge and production because they share their learning, and the rest of the community is benefitting from their improved "seeds" for the Irish Potato.
- **Small but secure steps towards further influence in the value chain.** Both the CBG's supported by ADRA and the Cooperatives supported by YES Rwanda were starting to look for further engagement with and contribution to the value chain. They were very knowledgeable about their own weaknesses in this respect and also had plans and ideas of how to take further control over and play a larger part in the respective value chain that they were working within. This would include ideas about how to bring products to markets themselves, and how to go from selling non-finished

products into producing end products that would allow them to increase their profits from selling.

- **Contributing to economic development at national level.** Especially among the CBG's in the beautiful Rwanda countryside there was an understanding that they are contributing, not only to their own, but also the community's, the regions and the national economy. This consciousness bears witness of a strong understanding of the market and their place in the economic development of the country.
- **Context knowledge and respect.** CS has a number of possible strategies to work with poverty oriented growth. CSO's does not try to promote a one shoe fits all attitude, but rather takes departure point in the groups with whom they work. This is the case when ADRA Rwanda strengthens a groups skills, building on what they already know, and helping them to improve on their skills, production and market access. Or when Africa Youth Trust trains in "employability" and "entrepreneurship" with two distinct target groups – one to get a job and the other to start business by themselves.

Challenges and potential improvement in CSO's contribution to poverty oriented growth:

- **CS is not good at measuring increased income and results.** Even though there are measures and baselines to support the increases and the changes that CSO are contributing to there is a tendency to stick with the soft indicators – such as storytelling and following single families whom have benefitted. We rarely try to put any numbers to the increase or contribution that has occurred. This could be strengthened. Not only would it make more visible the contribution of CSO's it would also give a strengthened voice for advocacy both at a local, regional and national level when CS is engaging with PS and government at different levels if we were better at drawing and showing numbers that support our change stories.
- **Difficulties in engaging with markets.** In some cases it is still rather difficult for CSO's to relate to and engage with the market on equal terms. CSO's is still considered a rather limited economical entity and there should be put efforts into advocating for the visibility and contribution of CSO's in order for PS and government alike to go into serious cooperation with and supporting the economic efforts of the CS. Often it is practical measures such as distance and transportation difficulties that creates the barriers in engagement with markets. When these parts of the value chain are taken up by private companies it is also often here that a large part of the value is added, and the end user sees the PS selling goods, not CSO's that are engaged in contributing and creating benefits for themselves.
- **CSO's reduced to service deliverers.** It was not the case with any of the CS stakeholders that I had the opportunity to visit on this learning trip. On the other hand it was a reflection that came into my mind while working on how CS contributes to poverty oriented growth. We have to be very careful not to be reduced to service deliverers that just give courses. The link to advocacy and rights, and contributing to a change of mindset is some of the attributes that make CS contribution so important but also distinct from a mere market oriented approach to creating jobs or advancing entrepreneurs which we sadly enough know all too well in Denmark.
- **Experience with and knowledge of market.** I did not experience this when visiting the three organizations which were in focus on this trip. Still it cannot be emphasized enough that this is a potential weakness for CSO's and it is one place that we need to increase our knowledge further and come up with easy measures for people to be able to calculate and reflect upon their own businesses and how to make the most of it.

Knowledge sharing on this aspect of contribution to poverty oriented growth must be one priority for CS in working with poverty oriented growth.

- **Several other roles for CSO's within poverty oriented growth.** Unfortunately I have been limited to look at a few examples of how CSO's contribute to poverty oriented growth. It is important to say that there are many more ways of doing this. By organizing workers, by strengthening peoples organizations and advocating for their rights. By working with the overall distribution of wealth and distribution of taxes. By holding governments and PS alike accountable and making sure that these are not stepping over the line. These are all equally good and important as the approaches I have had the opportunity to look into here.
- **Poverty oriented growth is only one role out of many for CSO's.** Lastly but not least it is important to stress that CS's engagement with and work with poverty oriented growth is only one of a multitude of different roles for CSO's. It is just as important that there are CSO's that work entirely with a rights oriented approach, an organizational approach, a gender approach, a solidarity approach etc. The work of and contribution from these organizations often support the work done by organizations that have a more direct focus on poverty oriented growth, and they play just as important a role in advancing the rights, opportunities and possibilities of poor people.

### **Connection and collaboration between CS - PS (and State)**

- Concrete experiences with collaboration between CS and PS?
- What do these experiences point towards?
- Is it feasible to strengthen the coordination between CS and PS in general and in specific areas? What areas would be relevant?
- How could this be done? And how could we better use the inherent strengths and weaknesses in CS-PS to support poverty oriented growth?
- What could be a potential role of a Danish CS partner in promoting this?
- How does the Danida framework promote CS-PS collaboration or coordination?

This will be analyzed in relation to CS actors, but also includes input from:

- Representatives from PS in Rwanda (Rwanda Private Sector Federation (PSF))
- Representatives from PS in Kenya (Kenya Association of Manufactures (KAM) and Kenya Private Sector Alliance (KEPSA))
- Representatives from the Royal Danish Embassy – Nairobi, Kenya

### **Connection and collaboration between CS - PS (and State)**

It is clear from my experience in Rwanda and Kenya that there are several examples of collaboration and shared interests among the PS and CS. I will first describe some of the shared interests and then move on to briefly point out some of the difficulties that a possible collaboration entails.

I should make clear that the relation to this and the perception of shared interests were very different when talking to PS representatives in Kenya and Rwanda.

Shared interest among CS and PS actors:

- **Building on synergies.** From all actors, PS, CS and government there is an understanding of the need for further collaboration and coordination so that the shared interests are further enhanced and we draw on each others strengths.
- **Openness towards collaboration.** Both in Rwanda and in Kenya PS and CS and the Royal Danish Embassy think that they can benefit from further collaboration around issues of mutual concern and interest.
- **Macro and micro shared interests.** Both at a macro level and at a micro level PS and CS has an understanding of the shared interests and sees possibilities for collaboration. Micro could be access to market, training for employment, internships at companies etc. Macro could be advocacy for shared interests – such as peace and a conducive environment for MSME's. In Kenya KEPSA gave an example of how they have had a rewarding collaboration with different CSO's in relation to a campaign that promotes peace and seeks to hinder any violence in relation to elections. The campaign is a good example of a shared advocacy effort.
- **Distribution of wealth, stability and democratic development.** Both PS and CS actors share an interest in distribution of wealth, stability and democratic development. From a PS perspective these qualities in society makes it possible to do business and they form one of the cornerstones in creating wealth and progress in a society.
- **Youth unemployment and dealing with lack of opportunity for youth.** It is a strong interest for everyone to get as many people involved in the contribution of economic growth in the country as possible. Both in Kenya and Rwanda the majority of jobs are created in micro businesses – in Kenya approximately 60% of all new job opportunities are created here. KEPSA sees it as a major challenge that so many young people are not having employment.
- **Value in innovation and creativity.** Both CS and PS is strongly looking for new ways and new inspiration regarding start up of MSME's and innovation within existing organizations within PS and CS.
- **Lots of meeting places.** Already now there exists an incredible number of meeting places for CS and PS. This happens when the cooperative sells things at the market, when a company hires someone who have been trained by a CSO, when a young entrepreneur sets up business according to principles from training given by a CSO, when companies negotiate salaries and rights of workers with union and labour organizations, when CSO's uncover and public how large international companies are involved in tax exemption. Some of these meeting places are positive and could be strengthened, others will of course still be sources of conflict and discussion.
- **Local growth and trade and multinationals.** It is important to keep in mind the differing interest that are among CS and PS on its own, and to acknowledge that it is not all organizations or companies for whom it will be relevant and rewarding to coordinate with CS.

#### Challenges for strengthened PS – CS collaboration

- **Weak and unstructured civil society is hard to engage.** In Rwanda the Rwanda Private Sector Federation argued that it is hard for them to engage with a civil society that they believe to be: not very active, lacking capacity, lacking confidence, working with organization and criticism of government, lacking legitimacy. They have collaborated with labour organizations i.e. workers union. Rwanda PSF run their own

skills development program that link unemployed to internships – 600 participated in 2011 and 60% of those turned their internship into a permanent position.

- **Lack of common understanding and language.** Both CS and PS have a tendency to be stuck with common ideals about one another. PS sees CS as the constant watchdog – without any teeth – barking in the corner without ever getting in the ring. CS is not contributing in the eyes of PS and it can be hard to find the justification for all the efforts and resources that go into the CS. CS sees PS as the evil twin, whom is only in the game to benefit themselves. CS believes that PS will do anything in the pursuit for quick gains and wins, and that PS don't mind who and how many people it will have to run over to get there.
- **Not shared interest all over.** There are still and will continue to be a lot of areas where CS and PS do not have the same interests. This will be a challenge, and there should be an understanding from both sides that there are a "shared space" where we cooperate and try to make the best of understanding each other, but also that PS and CS are working based on different paradigms – though they are sometimes overlapping.
- **Establishing and supporting common grounds costs resources.** In order to strengthen the CS – PS collaboration and build a better understanding among the two and explore the opportunity that lies in cooperation there needs to be an investment of money and time from various stakeholders.
- **Starting from within.** In order to build stronger relations among CS and PS in South it is essential that the process is led by and engages legitimate national stakeholders and that it is not a donor and international driven agenda. Collaboration should only take place where it makes sense and there is synergies that can be explored to mutual benefit for CS and PS.
- **Slow CS.** There seem to be a notion that CS discusses and analyses and that PS acts. This difference in perspective and orientation seem to be a factor that has to be overcome in order to make room for collaboration between the two parties that draws on the best of the two worlds and is able to act based upon discussions and analysis.
- **Historically differences.** Historically there are a number of skeletons in the closet which needs to be addressed and put up openly in order for PS and CS to be able to discuss common grounds, understanding and interests.
- **Need for mutual education.** Both CS and PS needs to be "educated" on how to engage with one another, so that a future collaboration could be rewarding and adding value beyond what CS and PS can do by themselves.

### **Outline actionplan**

When engaging with and discussing these issues the following plan for how to bring the collaboration to the next level was mentioned.

First there should be round table discussions on mutual interests among CS and PS. Thereafter there should be training of both CS and PS on how to understand each other and engage with one another. Then there should be a process of identifying shared interests at both a macro and a micro level and defining specific points of actions that support the shared interests.

Of course it is entirely up to other stakeholders to consider if this is worth exploring and engaging in, in a more structured way that what is already happening.

#### **4. Outputs and Dissemination**

Based upon the input from the different stakeholders it will be analyzed how PATC can play a role in promoting learning and exchange of experiences among Danish CSO's in order for them to better plan and implement programs that contribute to poverty oriented growth.

This will be discussed on PATC members meetings in Copenhagen and Aarhus in March 2012.

Already now it can be foreseen that PATC will have to make a workshop in fall 2012 that focuses on some of the weaknesses or opportunities that lies within CS work with poverty oriented growth. This will probably focus on something very practical – such as the design of and work with a business plan and different models for measuring the growth that CS contributes to.

Based upon the results of this learning trip and an analysis of the data from an investigation made among PATC Danish member organizations there will be publicised a report that draws on these results and knowledge.

Also PATC is planning to revise a guide to income generating activities as an outcome of the work with poverty oriented growth and the role of civil society.

PATC will continue a dialogue with Danish organizations that represent PS actors, especially Danish Industry and the Danish Federation for Small and Medium-sized Enterprises on how to best coordinate and collaborate where there is synergi and it adds to the results of mutual interests.

Also PATC will participate in a meeting with coordinators from Danida Business Partnerships where learning and results of the investigation of shared interests will be discussed and it will be looked at how DBP can contribute to strengthening and make use of the shared interests of CS and PS.

#### **Possible Annexes:**

- ToR – can be forwarded upon request
- People met and itinerary – see ToR
- Background documentation – see Poverty oriented growth and the role of CS when report is finish – due beginning of March 2012
- Project information where relevant – can be forwarded upon request.