COLOMBIA – Case 2

Issue: Change in Leadership

This site started off strong, under the direction of Sister Fanny. When she explained the underlying philosophy of her loan program at a 2012 meeting of all Colombia Project loan administrators, The Colombia Project team members were amazed to hear her speak from her heart about all the concepts we had hoped to pass on to site administrators. She totally GOT IT. The program started in July 2011 and by the end of 2013, they had issued 59 loans and used earnings to build that community’s first latrine with access for the physically disabled.

After Sister Fanny was transferred, only five loans were issued in 2014 and none in 2015. Her replacement was reluctant to take risks. Repayments were not coming in as before, which could be partially attributed to a downturn in the economy, although, with the exception of PT, programs in other parts of Colombia were continuing as before. Although The Colombia Project urges administrators to create citizen boards to assist with loan administration and provide continuity during leadership changes, that had not been done in this site, which now carried a large balance of funds that were not invested in helping impoverished entrepreneurs and the number of delinquent loans kept rising. They engaged the services of an attorney to write letters to the loan recipients demanding repayment, with few results.

WHAT WOULD YOU DO? WHY?
This is what TCP Global did.

We worked with the administrator throughout 2014 and early 2015, asking about visits to loan recipients, suggesting incentives for repayments, asking strategic questions to help the new nun identify ways to revive the program. There was no change. In September of 2015, at the request of TCP Global, the site transferred over $2,000 from its permanent loan pool to another loan site in Cartago, Colombia. The nuns were grateful to be relieved of management of a program for which they were not cut out.

Some people know how to empower others. Some are risk takers. Others are very cautious and even fearful. TCP Global could have counseled her to take more risks, but that judgment call needs to come from the people directly responsible for the program. We could tell her to take more risks but were hardly in a position to help her distinguish the good risks from the bad risks. It is difficult to implement someone else's vision if it is vastly different from one's own. Sister Fanny totally got it. Her replacement did not.

*Lesson Learned:* A committee is essential in order to provide assistance to the loan administrator and a consistent operating philosophy through changes in leadership.