SOUTHEAST ASIA

Issue: Independent outside funding undermines TCP Global mentoring

Issue: Too much money upfront with no chance to learn from small mistakes

A TCP Global team member, Kiki Mutis, suggested a partnership with a Southeast Asia NGO, whose leader she had met at a Smithsonian workshop ten years prior. She had followed his work in helping poor farmers. One of his typical models was to provide some type of farm animal that would boost the farmer’s income. If there were offspring, the farmer would pay back with an animal to be donated to another farmer. They also provided assistance for water and irrigation projects, for raising crops and whatever would help people to rebuild their lives.

Best of all, they did their own fundraising through Global Giving. Since TCP Global donors were already supporting loans in Colombia, Guatemala, Peru, and Niger, this appeared to be a wonderful opportunity. Our vision for the future had long included a reduction in TCP Global’s fundraising activities, gradually changing from full funding by TCP Global to matching funding and then a transition to solely mentoring. This looked like a milestone.

Our standard AGREEMENT spells out how the TCP Global model works to build sustainable loan programs – start a loan program with $1,500 in seed funds and as the payments come in and the monthly reports verify that funds have been invested twice, additional funds are sent to expand the program until it reaches capacity.

We assisted in drafting a modified Global Giving request that matched this model. Instead of funds for a cow or an ox or a water pump, it referenced loan amounts for
various revenue-producing activities. The understanding was that if Global Giving funds were not adequate, TCP Global would assist with program expansion. The program opened in August of 2016. Then at Christmas there was a Global Giving Challenge, which promised matching funds for projects that reached a minimum donation level. We enlisted our donors to help since the prospect of $2,500 in matching funds seemed too good to pass up. At that time, reporting was sporadic which is not unusual but payments were coming in more slowly than usual for a new program.

The Southeast Asia partner qualified for the matching funds and $5,000 additional dollars became available for loans in April of 2017. The March report had included twenty payments. The April report included no payments but thirty new loans bringing the total number of open loans to an unprecedented fifty-five. Thirteen months after the program started they had issued $8,700 in loans and collected only $950. The average loan size is $157. There is no question that they are helping the working poor in an underserved, war-torn region. Because of the leader’s international reputation, they are likely to continue benefitting from the kindness of strangers who will donate through Global Giving, but they are not building a self-sustaining loan program.

WHAT WOULD YOU DO? WHY
THIS IS WHAT TCP GLOBAL DID:

With no question of sending additional funds there was no urgent need to make changes. The organization continued to help people in the way that worked best in the past. Kiki reached out to request reports, suggested that he establish a committee to help with the collection of repayments, reminded him of the benefits to be derived from establishing a permanent loan pool, and offered to assist in any way.

Eventually, in early 2019, we decided to officially end the program as it seemed we were misleading our donors by identifying this as an open program. This experience reminded us that without the incentive of additional funds, it is difficult to get partners to focus on the details of the TCP Global model and understand the importance of collecting and reporting. This partner had a successful track record of helping people in the present and it was difficult to convince him to try something different to ensure that there are financial resources available for next year. TCP Global sends relatively little money overseas. The real value of our contribution is the multiplier effect of our model that turned the $13,500 sent to Genova into $135,000 in loans in ten years.

We should always be careful what we ask for. In this case, removing TCP Global from the funding stream, which initially seemed a blessing, turned out to be a curse as it frustrated rather than supported achievement of our goals.