

Learning Agenda Mini-Case #1

Sri Lanka

A DGP applicant: The Environmental Protection Foundation

The Environmental Protection Fund (EPF) is one of the ten finalists asked to prepare a Development Grants Program (DGP) proposal by USAID, Sri Lanka. EPF failed to pass Pre-Award Survey scrutiny and was not awarded a DGP grant in 2011/12.

Mr. Ariyawansa, the EPF Chairman reminisced that EPF began with village volunteer efforts to prevent illegal logging and other forms of environmental degradation in and around Kamburupitiya (located in the deep South of Sri Lanka). EPF has registered with several government agencies – with the Central Environmental Authority in 1997, the Ministry of Social Services in 1999 and with the Sri Lanka NGO Secretariat in 2011. EPF has pursued donor funding determinedly and strategically and has to date demonstrated success in expanding the range and scale of its operations and organizational structure. Today, EPF has 12 permanent staff, 17 temporary staff and 30 volunteers. But EPF's organizational capacity is on a downward slippery slope. Its staff strength peaked in 2005 with 30 staff during the immediate post-Tsunami period.

Responding to newspaper advertisements, EPF funded five projects with World Bank money disbursed by the Sri Lanka Ministry of Environment. These grants were small. In 1999 for example, EPF got SLR 350,000 from the Ministry of Environment. The largest Ministry grant amounted to SLR 3.3 million. For over 10 years, EPF got Global Environmental Facility (GEF) grants. These were small too, with each grant amounting to about USD 50,000. However, GEF grants have advantages. According to Mr. Ariyawansa GEF money is released within one month of submitting a proposal. GEF also provides additional funds for grantees to get the training and technical assistance they need. EPF has some experience in working with USAID since it received funds from USAID's Office of Transition Initiatives (OTI). EPF speaks with pride about its entrepreneurial activities which makes its operations sustainable to a degree, such as, "various businesses - producing Maldive fish, processing cinnamon, producing coir rope, etc."

EPF obediently and gamely jumped through all the hoops to apply for a DGP grant. EPF submitted a concept paper in March. It was not difficult. "We prepared a "Problem Tree" and a "Log Frame" at the community level. Then we wrote the concept paper in Sinhala and got it translated into English" recalled Mr. Ariyawansa. Three EPF staff members attended the USAID organized proposal writing workshops in September and October 2011. The workshops gave EPF the opportunity to work one-on-one with the consultant. They went through the Pre-Award Survey where "the American lady who visited our office went through practically every bit of paper." Finally, they submitted their proposal in November. Then "we heard nothing for a long time. We wrote several emails to India, to the USAID Country Director....we talked to the other DGP applicants we met at the workshop and they had not heard from USAID either". Eventually, a USAID staff person

got back to them and said that USAID funding may not be available during the current grants cycle and that funds may be disbursed during the 2012 grants cycle.

Mr. Karunaratne, EPF advisor and current “Working Director” commends EPF as “an honest NGO that does good work”. He encouraged EPF to apply for the DGP grant and helped them on a voluntary basis to prepare the concept paper and proposal in English. Mr. Karunaratne is fluent in English and is a knowledgeable environmentalist. He has worked for Sri Lanka’s Department of Forestry, Department of Wildlife, for IUCN and the United Nations. He has prior experience working with EPF. The DGP application process is burdensome, expensive and “frankly unfair” reflected Mr. Karunaratne. EPF estimates spending about SLR 200,000 to prepare the DGP grants proposal – a hefty sum for a small rural organization. The grant proposal preparation expenses covered travel for workshops and to proposed project sites in the North and East, payment for consulting services of an accountant and a sociologist, small scale renovation of the office in preparation for the Pre-Award Survey, meals and refreshments during the planning and preparation process, etc. “We had to make 3 trips from Kamburupitiya to Colombo”; “We even opened a special bank account”. EPF was asked to submit MOUs with staff as evidence of staff capacity. EPF mainly works with rural volunteers and paraprofessionals who don’t have technical qualifications. So in order to meet DGP proposal submission requirements, EPF temporarily recruited retired Department of Forestry officials and had to pay some of them one month’s salary when they signed MOUs. EPF cannot understand why they did not get a DGP grant since they had heard that they got a high score, i.e. 16/20 for the Pre-Audit Survey.

Ivan Rasiah, USAID’s Project Management Specialist, sees EPF differently. He regards Mr. Ariyawansa as the archetype NGO entrepreneur who operates an NGO like a business. Ivan estimates that Mr. Ariyawansa and his wife run about three NGOs. They started small, but now they own a “Pajero” (an expensive SUV). Their businesses are perceived to have been built from the proceeds of various donor funded projects.

Ivan discovered EPF in the 1980s when it was tiny and doing “small things” in the neighborhood. EPF supported USAID’s Peace Project, such as, bringing Sinhala and Muslim women together. EPF got small OTI grants. USAID could have been its first foreign donor. Ivan recalls that EPF was devoted to its cause when it first started out. Later as EPF became adept at winning large sums of money from donors, the desire for money overcame its idealism. Ivan doubts Mr. Ariyawansa’s sincerity and honesty. He recalls several EPF employees calling him to report the submission of false receipts and other fraudulent practices by Mr. Ariyawansa. Ivan thinks that EPF became a finalist because they hired a clever and knowledgeable proposal writer. Ivan says that EPF failed the Pre-Audit survey.