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Learning Agenda Mini-Case #13

Kenya

National Organization of Peer Educators (NOPE)

Introduction

“Was NOPE created specifically to be a product of USAID?” was not the first question asked of Phillip Mbugua, Executive Director of the National Organization of Peer Educators or NOPE (pronounced nōpé). It took one hour of pleasantries and background on NOPE’s history to work up to this point. It is a relevant question, however, given that NOPE was fostered by Family Health International (FHI, now FHI360), which had USAID-funding at the time; NOPE has not gone one day in its life without USAID-funding; and NOPE is participating in its second successive USAID-funded capacity building program. His response, “Today we also have funding from the European Union, the Global Fund, and our corporate partners. We have worked hard to diversify our funders.”

NOPE’s History

In July, 1999 FHI/Kenya sent a team of its staff to Harare for a Training-of-Trainers event hosted by the University of Zimbabwe that taught a participatory methodology for using peer education for HIV prevention. Philip Mbugua was part of this team and was charged with rolling out this methodology as part of FHI/Kenya’s Implementing AIDS Prevention and Care (IMPACT) Project in the Coast, Rift Valley, and Western regions of Kenya.

In the Coast region peer education proved to be especially successful. Applying what it learned in Harare, FHI trained hundreds of peer educators in rural communities, in public sector bodies like the Kenya Ports Authority, and in the private sector as well. There was seemingly inexhaustible demand. While escorting a team from another FHI project in Tamil Nadu, India on a study tour of the Coast’s peer educators, FHI/Kenya’s country director at the time, John McWilliam, encouraged Mbugua to develop a concept note that would expand FHI’s peer education work beyond the IMPACT project.

In 2001 Mbugua, together with Mary Muia and Kennedy Kibisu¹, formed a National Executive Committee to explore the formation of an organization that would focus on applying the principles and approaches of peer education to HIV/AIDS prevention and care targeting both public and private sector clients. NOPE was registered with the Government of Kenya’s NGO Board that same year as a membership organization for the peer educators trained through IMPACT.

¹ At that time Mary Muia worked for AMREF and Kennedy Kibisu worked for The Family Planning Association of Kenya, both implementing partners of FHI/Kenya on IMPACT and Phillip Mbugua’s counterparts for peer education in the other Kenyan regions.

At this stage NOPE, though operating under its own legal registration, was still hosted by FHI/Kenya in Nairobi and its leadership still employed by their respective organizations. Aside from continuing to oversee the peer education component of IMPACT, NOPE's initial projects were all with corporate clients who were feeling the effects of HIV on their workforce and client base. These first clients, which included British American Tobacco, Serena Hotels, and D.T. Dobie², wanted support to develop workplace HIV/AIDS policies and services for their staff aimed at reducing health care costs, absenteeism, and employee turnover related to HIV infection.

By 2003 demand for peer education training and services was so high that it created conflicts of interest for staff splitting their time between NOPE and the host institutions. This led NOPE to officially sever ties with FHI/Kenya, opening its own Nairobi office. Phillip Mbugua left FHI to become NOPE's first Executive Director. The transition was jointly planned between NOPE's Executive Committee and John McWilliams, with FHI committing to issuing sub-awards to NOPE for its work on IMPACT and covering a portion of their start-up costs. Importantly, they decided that FHI would cover only a portion of staff and office costs to discourage dependence. NOPE's corporate clients continued to be key to its early survival.

From 2003 to the present day NOPE has experienced steady growth, adding staff and winning increasingly large projects at a national scale. Over time the role of NOPE's corporate client base fell as a percentage of revenue, but efforts are underway to grow this side of the operation as a source of unrestricted income. During this period, NOPE experienced the following milestones:

- 2006- FHI/Kenya engaged NOPE as a Strategic Partner on its APHIA II Project with USAID/Kenya. This transition from sub-grantee to joint designer and manager of the project with FHI was challenging at first while NOPE, through its performance in this program, changed its image from a nascent, small effort to a more confident, growing institution. Project size: \$1,000,000
- 2009- NOPE wins a Prime award from CDC under the PEPFAR-funded New Partners Initiative. This program was not only NOPE's first Prime award to a U.S. Government donor, but its first to involve a significant sub-granting mechanism, requiring NOPE to develop more complex management systems. Also notably this project came with significant capacity building support provided by John Snow Inc. (JSI). Project size: \$5,600,000
- 2010- NOPE registers a for-profit consulting firm, NOPE Institute. NOPE Institute's mandate is to serve the needs of corporate clients on a fee for service basis with any profits added back to NOPE as unrestricted funds.
- 2012- NOPE is chosen as a sub-recipient for Fanikisha, a health-focused capacity building program funded by USAID/Kenya implemented by Management Sciences for Health (MSH). Under the project, NOPE will receive capacity building support during the first year and then annual grants of increasing amounts over the proceeding four years. Project size: varies from year to year depending on performance

² D.T. Dobie is a prominent national auto importer and the primary dealer for Mercedes Benz in Kenya.

Poor Millionaires

Today NOPE is a highly respected Kenyan NGO. It has broadened its expertise in the health field beyond peer education to include initiatives in youth leadership and mentoring, using art and talent competitions to raise awareness about HIV, and several other approaches in response to the requirements of the projects they have won. NOPE is a highly sought after local partner, receiving sub-awards under several USAID-funded projects alone. Phillip Mbugua, Mary Muia, and several other founding members of NOPE are still in senior management positions. Overall, NOPE's growth curve has been steadily rising with no interruptions or hiccups along the way. NOPE has hopes of expanding regionally having sought or completed assignments in Sudan, Rwanda, and Uganda. Still, there is one challenge that is mentioned consistently among senior management staff: lack of access to unrestricted funds.

NOPE has little financial independence. All of its costs must be directly charged to a specific project leaving no funds available for core institutional costs or unanticipated costs of any kind. Despite having a diverse portfolio of projects and an annual budget greater than \$2 million, "We end up being poor millionaires," states Mbugua. NOPE raised this issue publicly at USAID/East Africa's Regional Local Capacity Development Workshop held in Nairobi in January, 2013. At that meeting USAID's Director of Regional Financial Management Services, Nimalka "Nimi" Wijesooriya, addressed their question and has been informally advising the organization ever since. Specifically, Nimi has been guiding NOPE through the process of requesting a Negotiated Indirect Cost Rate Agreement (NICRA), which, if granted, will allow them to recoup their indirect costs on all future USG-funded projects. As of June, 2013, NOPE is still in the process of assembling its financial records in support of their request.

NOPE's Experience with Capacity Building

John McWilliams was an early mentor to NOPE. As the country director of FHI/Kenya he oversaw NOPE's establishment, ensured they received funding and technical assistance in its early days and remains a trusted advisor even after his retirement from FHI. Several staff members at NOPE credit NOPE's survival in its first years to FHI's support. NOPE has also received a similar type of informal support through its partnership with Pathfinder International, a US-based non-profit organization devoted to sexual and reproductive health.

NOPE has been a participating organization in two major USG-funded capacity building programs as well. As a prime award winner under the New Partners Initiative, NOPE was eligible to receive capacity building assistance from John Snow Inc. (JSI) under a program called Technical Assistance to the New Partners Initiative (TANPI). JSI and NOPE had no financial relationship, but JSI helped NOPE complete its first internal capacity assessment, which identified a number of needs. JSI then helped NOPE address those needs over a three year period.

USAID's current flagship capacity building program is called Fanikisha and is implemented by MSH who issues sub-awards to the local participating organizations including NOPE. NOPE joined Fanikisha just as its relationship with TANPI was ending. In fact, TANPI's final capacity assessment and Fanikisha's baseline capacity assessment occurred within one month of one another. Unlike under TANPI, NOPE and MSH have a financial relationship making NOPE

accountable to MSH for the performance of its project. Aside from this issue, the style and nature of the support received is quite similar.

Utilizing support from TANPI and now Fanikisha NOPE has built systems for human resources, procurement, administration, and grants management. “The capacity building support that we have received has been based in best practices. We have developed systems that are compliant with USAID and CDC requirements, but not narrowly so,” says Mbugua when asked again if the support received makes NOPE a product of USAID.

Discussion: Has NOPE Arrived?

NOPE has been labeled a successful, sustainable local organization result of USAID’s capacity building efforts by the Mission itself, John Snow Inc, and several others. Over the past decade it has evolved from a local start-up non-profit into a large, well-capitalized national NGO eyeing a regional expansion. While this journey has certainly been challenging, NOPE has yet to face a transition in leadership at the executive level or a funding gap—both issues that many local organizations do not manage to survive. As NOPE takes on more and more large prime USG awards it will be in greater control over major development activities in its home country, but at the same time it will assume greater legal liability, a larger management burden, and confront a different set of market risks.

Discussion Questions:

1. Would you say that NOPE has managed over time to develop into a sustainable local organization? Why or why not?
2. What role, if any, do you think USAID or other international organizations have played in NOPE’s evolution? Does that role appear to have been net negative or positive?
3. Some have criticized NOPE for becoming what is seen as a mini “beltway bandit”, adept at the donor game, but not offering a distinctly local voice or perspective on development issues. If NOPE can implement programs with sufficient quality and transparency, does this matter? What does that mean for future capacity building programs?
4. A difference in the design of TANPI and Fanikisha is the presence of a financial relationship (sub-agreement) between the provider and the recipient of capacity building support. Do you think this feature would impact that dynamic between the two groups? If so, how and to what effect?