NOVEMBER 2010

International Finance Corporation
World Bank Group

SmartLessons
real experiences, real development

Watch Out for Potholes on the Exit Ramp! Experiences from the IFC Against AIDS Program

ABOUT THE AUTHOR

LOVEMORE MHURIYENGWE
(lmhuriyengwe@ifc.org)
is an Operations Analyst on the Sustainable Business Advisory business line. Prior to joining the IFC, he worked for AMREF as a program manager and at PSGSA as a regional technical advisor.

APPROVING MANAGER
Colin Shepherd, Regional Business Line Leader for the Sustainable Business Line in Africa.

No program or product can be expected to go on forever, but the timing and manner in which IFC executes an exit can make a tremendous difference to clients, staff, and the Corporation's reputation. This SmartLesson draws on the experience of the IFC Against AIDS team after IFC Advisory Services decided to exit from the HIV/AIDS space in February 2009. It shares observations—regarding what was done well and what could have been done better—and lessons learned about how to approach future program exits.

Program Context

The Human Immuno Virus (HIV) continues to be the biggest challenge ever faced. In 2008, approximately 33.4 million people were HIV infected, with about 2.7 million being new infections. An estimated 67 percent of those infected live in Sub-Saharan Africa, making it the epicenter of the epidemic.[1]

> AIDS is uniquely destructive to economies, because it kills people in the prime of their lives. Especially in its early stages, the epidemic tends to strike urban centres, the better educated, the elite in leadership, and the most productive members of society. These deaths leach profits out of businesses and economies.[2]
>
> — Kofi Annan, former UN Secretary General

HIV affects business and families through increased medical and death costs, resulting in dissaving. Where does a business, faced with infected workers, focus its efforts? On health insurance, recruitment, training? Or on all at the same time? We could infer that a company investing in reducing transmission among its employees is impacting beneficiaries beyond its immediate employees. In the long term, reduced mortality means more people are available as labor and the same individuals are potential markets, leading to enhanced private sector growth.

IFC Against AIDS Program

IFC launched the IFC Against AIDS (IFCAA) program in 2000. The program worked primarily with IFC investment clients to mitigate the risks that HIV/AIDS presents to companies. It provided guidance on the design and implementation of workplace HIV prevention and wellness programs. Since inception, the program has worked with 30 private sector clients in Sub-Saharan Africa and India, spread across such sectors as mining, manufacturing, finance, tourism, and agriculture. In India alone, the project had a portfolio of six multinational clients.

In February 2009, IFC decided to exit from the HIV/AIDS space following a product review. (See the box.) Reasons for the decision included the recognition that IFC had made its impact in workplace programs, and other players could continue with this work without IFC's involvement.

Lessons Learned

1) Formally communicate program exit decisions to staff.

Where possible, communicate to program staff when exit discussions take place, so they are aware of the exit reasons and can communicate

1 AIDS Epidemic Update 2009, page 7.
2 World Economic Forum Report on HIV/AIDS 2004–2005.

them to clients—and so they can make arrangements for their own next steps.

This consultation did not take place in the case of IFCAA. Instead, the result of the product review came to light inadvertently when colleagues from Washington who had heard about the decision were visiting the field office in Johannesburg. One of them, who was not part of the AIDS team, casually mentioned the exit, thinking that the AIDS team already knew about it. Without formal communication, operations officers began the process of getting information on this exit and how it would impact their careers. The program team had some tough decisions to make.

A better course would have been for management to communicate to the team the basis for the exit decision so that one message is communicated to clients.

2) Ensure that client needs are addressed during the transition.

One benefit that clients have cited for partnering with IFC—in addition to the financial and technical commitments—is the attention their needs receive from IFC staff. On the IFCAA program, for example, an operations officer dedicated to four clients worked with them to develop the project and all related reporting systems.

However, as a result of the exit decision, officers redistributed their projects to other officers and an analyst, and due to the staff movement, the remaining staff members were too stretched to provide dedicated technical support to each client. Out of five operations officers serving 15 clients, only two people were left to manage the same portfolio of clients. In addition, staff took over clients that they were not familiar with, which in turn compromised the quality of support provided to the clients. Also, some commitments made to clients could not be fulfilled due to reduced staff numbers.

To mitigate these challenges, instead of having a single officer dedicated to a project, the whole team needs to be familiar with the different clients so that, in the event of staff movements, the clients do not suffer. (The proxy system in iDesk should be implemented, and not just be used during reporting cycles.) This has the added advantage that the whole team becomes one, and transitioning to another project will not be difficult. Regular team calls—where each person reports on the status of his or her client—helps manage the client relationship better and ensures a seamless transition between officers, because the person who takes over the project has an idea of what is happening on the project.

The IFCAA program had a very effective proxy system, as evidenced by officers visiting each other's projects and providing advisory services as if they were serving their own clients. But the success of the system depended on the right staffing levels, and the system seemed to fail in the end as staff left the program.

3) Have contingency plans for managing staff departures.

After the decision to exit the product, staff understandably begin to look for other opportunities. Contingency plans should be in place to make up for the reduced numbers of staff and the increased workload. Some suggestions:

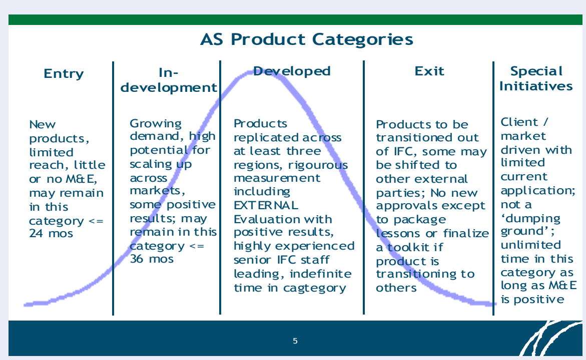
- *If possible, mobilize other resources within the Corporation so the program legacy is not lost due to staff leaving at unpredictable times—and sometimes on very short notice.*
- *Managers could implement a performance plan for exiting staff where key milestones need to be delivered—and maybe pay a bonus as an incentive to stay until program commitments are met.*
- *Continued consulting opportunities could be offered to staff who are leaving, so they could close off projects even when they are employed elsewhere.*

Advisory Services Product Reviews

Since the fourth quarter of FY07, product reviews are performed annually on Advisory Services product offerings. The product review has four main objectives:

1. identifying key products where IFC will invest in appropriate staffing, replication, knowledge management, and mesaurement;
2. identifying and implementing product exits;
3. endorsing research and development efforts necessary to keep the offering relevant to the changing needs of our clients; and
4. establishing a set of financial limits regarding approval values and expenditure across product categories aligned with the research and development, growth, and exit targets.

During the review process, Advisory Services products are placed in one of five categories, as shown in the table below. Products may move from one category to another, according to specified criteria.[3] For project managers or implementors, exit decisions are perhaps the most dreaded of all product-review decisions, since they have serious implications for staff, clients, and processes for the program. Given the impact of such decisions, they deserve careful consideration, to avoid posing reputational risk to both the Corporation and the client.



Source: AS_Product_Review_Presentation.pptx, February 2009.

3 20081204T172959_Review Plan and Instructions.doc

- *Advisory Services could develop a core group of staff who can move between projects, thus ensuring that staff in exiting projects can be absorbed into new ones as they are developed—instead of the time-consuming practice of recruiting new people for new projects.*

In the case of the IFC Against AIDS program, by June 30, 2010, the official exit date, 11 Project Completion Reports (PCRs) remained to be completed, with some already overdue. All officers had left the program except for one analyst, who was left to complete all PCRs for the Africa region despite the fact he had been with the organization for less than a year and was now the task team leader for all the IFCAA projects. Had opportunities been offered for exiting staff to be involved in the write-up of the PCRs, better PCRs could have been written, thereby enhancing IFC's development effectiveness ratings regionally and globally.

On the plus side, the recently launched project management competency—added to the core competencies of advisory staff—ensures that all advisory staff have a core set of skills that they can apply regardless of the program. The Corporation could invest in coaching this core group of project managers to be more generalists than specialists, to enable officers from closing projects to be deployed to manage new ones.

4) Plan for project exit at project start-up.

The ideal time to develop a project exit plan is at the project approval stage. That way, everyone knows what to expect and how to plan for it.

Because no exit plan had been put in place at the time the decision was made to exit IFC Against AIDS, it was difficult to explain to clients why the Corporation was exiting. This situation improved, however, when officers sat with their clients and designed exit plans for each client. If an exit plan had been agreed upon with the client at project design, the client would have been prepared for such an eventuality, and implementing the plan would not have been difficult.

5) Indicators should remain constant when programs are exiting.

Monitoring and evaluation (M&E) is essential to the project. Since indicators are used to assess project impact, changing them alters the project scope. Project exit is not the time to change indicators, because at that point there is not sufficient attention and time to absorb and implement the new indicators.

On the HIV/AIDS program, indicators were changed approximately 15 months before the exit date, despite the fact that the program had designed systems and instruments to measure the old set of indicators. In the end, the project reported in the PCR was not the one that had been envisaged by the project team. This resulted in most projects being rated as unsuccessful under the new indicators, even though the original set of indicators pointed to a successful project.

Presentation of MTN Program's program outline during an IFCAA Client Conference, 2006.

To avoid such pitfalls, the project team should consult with the regional and global M&E teams regarding the correct set of indicators, to ensure that they are all in agreement. The indicators dropped by the regional M&E team (as not being part of the Corporate set of indicators) had been recommended by the M&E team in Washington. In addition, the M&E team should familiarize themselves with the project, so that recommendations they make are relevant to the program.

6) Plan for and allocate resources for documenting knowledge and lessons.

When exiting a program, knowledge management and dissemination are important activities to ensure that the operational experience, know-how, and skills are passed on, and to establish a legacy for the program and IFC. Management and staff must keep in mind that, to get the maximum return on IFC's investment in a product, they must develop, implement, and support a strategic plan of activities and concordant budget. Effective and professional knowledge management enables IFC to gracefully exit a particular space while ensuring that the experience and lessons learned on the program continue to inform other players in the field. Ways to capture and perpetuate such knowledge include, among others, partnerships, internal sharing, and use of the Intranet.

Partnerships. Partners established during the life of the program, as well as new partners, can be effective actors in the program's exit strategy—and can ensure that the catalytic efforts of IFC continue and become mainstreamed into other organizations. For example, partnerships with umbrella organizations such as business coalitions allow partners to familiarize themselves with the program's approaches and tools as it is being implemented. Then they can disseminate that knowledge to their member organizations.

After the HIV/AIDS program exit, some partners continued to work with the clients that IFC was working with, so the program's tools and approaches were not lost. This effective transition was possible because the partners had been involved in the implementation of the program with IFC and were familiar with IFC's approaches. Furthermore, since partners were there when the tools were designed, there was little need to train them in the use of tools, manuals, and program methodology.

Internal sharing. Investments should be made to capture and disseminate what has been learned on every IFC program, irrespective of whether it was successful or not. Brown bag lunches and SmartLessons, for example, should be encouraged for both successful and unsuccessful programs. Lessons from unsuccessful programs can alert us to things to avoid, or do better, when designing new programs. In addition, program evaluations should document program and client perceptions of the intervention, as well as what the program achieved.

No program evaluation was conducted for the HIV/AIDS program, due to the reduced staff levels to oversee the process. As a result, valuable lessons on the project's achievements and failures were missed. In future, these evaluations efforts could be done under the results measurement unit so that IFC can draw lessons from its projects.

However, plans are in place for a brown bag lunch to disseminate the key lessons that IFC learned from implementing the program. The lunch will present highlights from all the programs that were implemented in Africa and India, as well as presenting some of the key lessons from how the HIV/AIDS program exited—lessons that other programs that have been exited from the recent product review may want to consider before they wind down in June 2011.

Intranet. To ensure a program's legacy, it is important that its Intranet site be kept for future reference within the Corporation. During the winding-down phases of IFCAA, we suggested that the communication team in Washington keep the Intranet site (IFC Against AIDS) running for at least a year after the program exit—to ensure that partners and interested parties not be cut off from IFC's knowledge after the exit. This strategy has been effective, since partners are still able to access the site for reference documents on the program. In addition, since the site contains background information on the rationale for the program, clients and service providers can find reference material and guides that they can use to replicate the program, thereby ensuring that IFC's knowledge continues to influence program development.

Conclusion

IFC's ultimate exit from any program is a given. However, exits that come through product review should be properly managed so as not to affect clients and staff negatively. With adequate preparation, a program should be able to exit gracefully, capture all its achievements, and preserve its program legacy.