

Nonprofits & NGOs

How to Create a Checklist for Nonprofit Exit

When designing and implementing exit strategies, nonprofits need to put the focus on impact and sustainability, rather than timelines and money spent.

By **Kimberly Lemme & Kelly Latham** | Jun. 13, 2018

Nonprofit leaders talk a lot about creating exit strategies for programs, but few organizations have been able to phase out their work in a way that provides quality, sustainable services for the communities they're leaving. Too often, exits are dictated by inadequate funding streams or arbitrary timelines, rather than results.

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 It's time to radically rethink how we design and implement exit strategies, putting the focus on impact and sustainability, rather than timelines and money spent. We have found through our own experience in the water, sanitation, and hygiene (WASH) sector that a simple and flexible checklist can greatly increase the feasibility of a graceful exit.

The WASH sector is littered with examples of exits gone wrong. A **2012 audit of European Union investments**

(http://www.europarl.europa.eu/meetdocs/2009_2014/documents/droi/dv/1405_specialreport_/1405_specialreport_en.pdf) in sub-Saharan WASH projects over the past decade—\$1 billion worth of investments—showed that half of the projects had failed to have impact, largely because they were not well managed over the long term. And a **2017** (<http://washdev.iwaponline.com/content/early/2017/10/19/washdev.2017.022>) paper published in the *Journal of Water Sanitation and Hygiene for Development* examined more than 40,000 water points in developing countries, and noted that, despite the explosion of geospatial data that has improved organizations' capabilities to monitor the operations and conditions of these points, technical breakdowns were still alarmingly frequent.

Exiting a program is no easy task, particularly in a sector like WASH that requires the installation and upkeep of equipment, designation of authorities to do this upkeep, and ongoing funding to make it possible. Our organization, **Water For People** (<http://www.waterforpeople.org/>), which promotes the development of water and sanitation service delivery systems, faces the exit conundrum on a daily basis, and we are now making

concrete steps toward our first exit. Our program model, which we refer to as Everyone Forever, is built on the idea that we will work in a district until local water authorities have the infrastructure, funding, and oversight in place to ensure that everyone will have access to clean water for generations to come. Once we achieve that, it's time for us to go.



Celia, Ariel, and Rimber are members of a local water cooperative in the town of San Jose del Norte in San Pedro. Their cooperative's work contributes to the sustainability of water services, which will eventually allow Water For People to exit. (Photo courtesy of Water For People)

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Subscribe To help ensure that our work is sustainable, we have developed a simple but comprehensive checklist. The idea behind our checklist is similar to the concepts laid out by Dr. Atul Gawande in his famous book *Checklist Manifesto* (<http://atulgawande.com/book/the-checklist-manifesto/>), which details how simple checklists can bring order to complex processes and dramatically decrease the chances of costly errors and oversights. Nonprofits dealing with complex issues—in our case, devising exit strategies—need to make expectations and requirements explicit and transparent. This increases consistency, reliability, and chances of success, while dramatically decreasing errors and miscalculations.

While Dr. Gawande's originally devised his checklist for surgeons, we believe it can be useful to people working in a range of sectors. In devising our own checklist for the WASH sector, we learned three important lessons that apply to any nonprofit devising an exit strategy.

First of all, flexibility is critical. Many nonprofits work in different parts of the world that have very disparate financing, infrastructure, and government realities. A cookie-cutter checklist and scoring system will not provide accurate insights on impact sustainability in these diverse settings.

We aimed to create a tool that people could use across the 30 districts where we run water programs in sub-Saharan Africa, Latin America, and South Asia. Ideally, water authorities anywhere could use the checklist to gauge the effectiveness and sustainability of their services. Therefore, it was important that the checklist indicators measure “must-haves” consistently across diverse global geographies while allowing flexibility for the unique issues of each district.

We boiled our checklist down to eight indicators core to evaluating the sustainability of a system, including financing, structure, and management of both the district government authority that oversees the water system and the entity that provides water services. We also included the management of local water resources as an indicator.

While these indicators are standardized across geographies, there is flexibility in how they are scored. Some indicator metrics involve a sliding scale of scoring, and others have a black-and-white determination of whether a metric has or has not been met. In addition, while each district needs to meet the indicators, exactly *how* they meet them depends on the local realities, opportunities, and challenges.

Second, checklist scores alone do not constitute an exit plan. Scores should prompt conversations, and provide a clear roadmap for action and investment. Nonprofit team members must be able to sit among a spectrum of local stakeholders to determine next steps.

For discussions about our checklist, we always include district WASH officers, and representatives from the Ministries of Health and Education, who oversee water systems in schools and health clinics. We hold dozens of conversations like this each year across the districts where we work. All stakeholders enter these conversations with data and documentation to prove they are ready to run sustainable water systems, and they all leave with clear next steps to make Water For People’s exit a reality.

Finally, the word “exit” is really a misnomer. The deeper we looked at the checklist indicators and the feasibility of districts maintaining their scores over time, the more we realized that it is not realistic to fully engage with programs one day and leave the next without looking back.

The only way to know if services are sustainable is to monitor whether service levels and sustainability metrics drop after our interventions have ended. To provide a bridge during this important testing phase, Water For People decided to implement an “oversight” period of 2-5 years to monitor progress and during which we would be ready to troubleshoot if needed.

Here's how the checklist works in practice: San Pedro, Bolivia, will likely be the first district we will exit, and we expect to pull back our involvement in the next few months. We have used the checklist to determine the sustainability of the district's water system and to inspire a series of helpful, interesting, and sometimes difficult conversations with local authorities about our planned departure. Exit inevitably means a reduction in budget, human resources, and technical assistance, so it's important for these conversations to start as early as possible so that local authorities can build more local capacity. Through this process in San Pedro, we have been able to determine a clear action plan involving a modification of the tariff structure and ongoing monitoring of water quality.

Just like Dr. Gawande's *Checklist Manifesto*, our checklist could easily apply across sectors—anywhere nonprofits are working to change and improve systems. Educational, agricultural, or other systems would just need to adapt the checklist to the “must-have” indicators they need to operate effectively and efficiently, and then clarify, fund, and operationalize the roles and responsibilities around their system.

The era of favoring time- or money-bound development projects over long-term, sustainable solutions can be a thing of the past. Using solid checklists in consistent and transparent ways, nonprofits can exit projects with minimal missteps and maximum impact.

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