Fundar

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23 YEARS IN MEXICO

This publication examines the evolution of the Hewlett Foundation's strategies, the role of donor organizations, and the Mexican socio-political context. It is an effort to learn, reflect, and analyze more than two decades of supporting civil society in Mexico.

This case study illustrates the contributions that the Hewlett Foundation made to the organizational development of its grantees.

Purpose & perspectives

We selected Fundar for an organizational development case study as it is one of the foundation's longest-standing grantees, having received Hewlett Foundation support from the time of the US–Latin American Relations (USLAR) program. Fundar has continued to receive Hewlett support through several strategic transitions and has made innovative use of Hewlett Foundation grants to strengthen its organizational development and to maintain its policy influence. The case study has been developed based on a review of Hewlett Foundation project documents and perspectives shared by the current and former Fundar directors, board members, and staff, an organizational development consultant, foundation program officers (POs), other donor program officers, and other active members of civil society in Mexico.

Key contributions to Fundar's organizational development

○ Developed practical guidelines, structures, and processes for governance and leadership that are currently shared online as public goods at +effectiveorgs.org.

○ Underwent an important strategic planning process and internal restructuring of its program areas with improved clarity of job descriptions and roles and responsibilities.

○ Formalized organizational policies and manuals to guide decision-making.

○ Underwent an important leadership transition successfully, and invested to improve its organizational processes, demonstrating leadership commitment to continuously improving organizational health.

○ Established an internal evaluation unit that provides more clarity around roles and responsibilities to match the strategic priorities and capabilities of the organization.

○ Evolved into an organization that values reflection and learning, which has transformed its organizational culture. This culture is characterized by participation from all staffing levels and an environment that promotes empowerment and voice for staff, further reinforcing its organizational values.

○ Strengthened its financial management and financial sustainability approach.

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Fundar was established to contribute towards the advancement of democracy and to generate structural changes that positively transform the power relations between society and government.

○ The honest and close relationships with the Hewlett Foundation POs have provided a safe-space for Fundar to share sensitive issues.

○ Investments in organizational strengthening within Fundar have been key contributors to Fundar's reputation and credibility and its recognition as an important civil society organization (CSO) actor with a leadership role in advocating for improved public policies and programs for Mexican citizens.

Context

Fundar Centro de Análisis e Investigación is a plural and independent CSO established in 1999 by Sergio Aguayo and Mario Bronfman. Both former academics at COLMEX, they sought to establish a rigorous research center that focused on evidence-based advocacy. Fundar was established to contribute towards the advancement of democracy and to generate structural changes that positively transform the power relations between society and government. Fundar's work aims to promote a society that is transparent, fair, and participatory, and seeks to promote and protect the human rights of individuals and communities in Mexico. Fundar is clear in its identity as an organization that brokers relations between communities and local, grassroots organizations working at the sub-national level with national level networks.[1]

Fundar's experience in the Provida case (2002) informed its initial approach to applying the transparency law to policy influence. In December 2002, the Mexican Congress approved an increase of 600 million pesos for women's health in the federal budget. The president of the Budget Committee provided detailed instructions to the Ministry of Health for the distribution of these additional resources; the Budget Committee president also gave instructions that 30 million pesos should be earmarked for 10 Centers to Assist Women. Fundar was part of a coalition of six CSOs that came together to investigate these centers. Using Mexico's new transparency law, they learned that the Centers to Assist Women were a front for Provida, a right-wing pro-life organization that campaigns against abortion and the use of condoms, running counter to the Mexican government's policies in the field of HIV/AIDS and population control. Through use of the transparency law, the coalition surfaced evidence that 90 per cent of the funds allocated to Provida had been blatantly misused and the Provida scandal became front page news.[2] This type of multi-capacity coalition focused on a particular problem became recognized as an effective approach for CSOs, which were able to use the transparency law to hold the government accountable. Although like-minded organizations working together had been common in Mexico, this

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1 llustrated by Fundar's role in Proyecto Comunidades (IFAI) that aimed to train grassroots organizations on the use of the ATI laws.

2 https://www.internationalbudget.org/wp-content/uploads/READING-6.1.pdf

coalition was unique as it was characterized by different types of organizations working on different aspects of an issue.

Where, why, and how did the Hewlett Foundation come in?

The Provida case became the backdrop for early conversations between Fundar's founding director and the Hewlett Foundation PO, as the foundation was interested in strengthening efforts on transparency and accountability. The newly created Instituto Federal de Acceso a la Información and the Access to Information (ATI) law created a plethora of opportunities. While Fundar was committed to advancing work on transparency, accountability, right to information and access to information, and public budgets, Fundar's director identified an opportunity to form a coalition dedicated to implementation of the transparency law. The first project proposal that Fundar shared with the Hewlett Foundation had two main workstreams: (1) develop an assessment of budget transparency in the Mexican states and (2) create the Colectivo por la Transparencia to collectively test the law, get evidence, raise awareness with smaller organizations, journalists, and CSOs, and advocate and engage on the transparency law. ATI was used as a tool to access other rights, including re-granting to other organizations who were testing the ATI law. From 2004 until today, the Hewlett Foundation has provided to Fundar: four program support grants (USD 2,570,000), five general operating support (GOS) grants (USD 7,200,000) and one project grant for the Open Government Partnership Action Plan for (USD 120,000), totaling USD 9,890,000.

Fundar gained organizational development support from the Hewlett Foundation through its pool of expert consultants who supported the establishment of a structured leadership transition process and formalized governance practices, including: written board statutes, guidelines for board terms, renewals, clear expectations on roles and responsibilities for decision-making, communications, calendars of events, and more. Leadership transition and board renewal processes now involve participatory practices whereby staff input into the job description, roles, and responsibilities and participate in interviews, thus improving the transparency of organizational transition processes.

While the consultant pool provided flexibility for Fundar to engage consultants directly and maintain flexibility in the support received, the Hewlett Foundation shifted its organizational development support in 2004 to a more formalized process whereby grantees apply for organizational effectiveness grants. This shifted the dynamic by putting grantees in the driver's seat and giving them the responsibility for managing the relationships directly with consultants. Since this shift, Fundar has received three organizational effectiveness (OE) grants dedicated to strengthening internal organizational and managerial processes, strategic planning, and improving its diversity, equity and inclusion practices – all important organizational dimensions where many human rights organizations like Fundar face opportunities for improvement.

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The Hewlett Foundation has not been the sole funder of organizational development support to Fundar. The Open Society Foundations provided organizational strengthening support through Martha Farmelo, the same consultant who later provided Fundar with support funded by the Hewlett Foundation. Fundar had already undergone an organizational assessment process whereby the consultant, with the active participation of Fundar staff, identified areas for organizational strengthening and mapped out the key priorities.

Funding

The Hewlett Foundation has a long history of providing program support and general operating support to Fundar, as there has and continues to be a strong alignment between Fundar's and the foundation's strategies. In the early years, Fundar received program support funding, structured as a bundle of project grants combined into one. This granting modality provided Fundar with more flexibility than a traditional project grant. It allowed the foundation to fund a variety of projects under the same program, with fungibility of budget lines, so long as the program aligned with the Hewlett Foundation strategy. Hewlett continued to provide program support throughout the leadership transition in 2007–2008. Although the foundation would have considered a GOS grant sooner, the managing country director delayed this to assess Fundar's effectiveness weathering a challenging period of organizational vulnerability. This internal crisis came about due to a combination of a poorly managed leadership transition and capacity issues responding to funder requirements and timelines, all of which adversely impacted the confidence of the Hewlett foundation. Once Fundar re-established trust with the Hewlett Foundation managing director, the foundation began to provide GOS, which is much more flexible, enabling Fundar to shift budget allocations to respond to organizational priorities, as well as using funds for salaries, communications, and overhead costs like utilities and rent.

Sustainability & alternative business models

With encouragement and support from Hewlett Foundation-funded consultants, Fundar developed a financing strategy that paved the way for an endowment to strengthen its financial sustainability and resilience. Initially, an institutional reserve fund was created to help weather periods of low project support and unforeseen emergencies. The contingency fund was formalized with technical expertise that enabled them to establish formal operating guidelines and procedures. In 2018, Fundar received a special grant from the Hewlett Foundation for Fundar's 20th anniversary, which enabled the endowment to grow significantly. This required Fundar to change the way resources were managed, moving from a traditional bank to seeking advice from an investment management firm. As well as developing guidelines for the use of the recently created funds, Fundar developed a more efficient financial management system to strengthen the financial health and sustainability of the organization. While these funds provide stability, Hewlett has encouraged Fundar to explore other sources of income.

Organizational development processes have been designed in a manner that creates buy-in and ownership of staff by involving them in organizational development processes, from board and leadership transitions to strategic planning and organizational restructuring.

Partly because of Hewlett's encouragement, in 2019 Fundar carried out its first crowdfunding campaign. Hewlett also supported Fundar to explore alternative business lines such as developing the procedures and legal structure to receive consultancy contracts as an alternative income stream.

Board composition & guidelines

The original Fundar board was primarily composed of its six founding members; there were no renewal processes, board terms, or board statutes to guide governance practices. It wasn't until after the challenging leadership transition and the appointment of Fundar's fourth director in 2009 that Fundar initiated a board renewal process and expanded its board to attract more international members. In 2011–2012, with Hewlett Foundation and Open Society Foundations support, Fundar was accompanied by a consultant who helped it to develop policies, practices, and statutes that outlined expectations, roles and responsibilities, board member terms, and more. Fundar has demonstrated its focus on continual improvement by recently identifying that reforms to the board were necessary to ensure that the governing system responds to the organization's current needs. Recent adjustments relate to board member terms and rules about the board's presidency role.

Diversity, equity & inclusion

Fundar has created a culture of transparency and participation within its organization. Organizational development processes have been designed in a manner that creates buy-in and ownership of staff by involving them in organizational development processes, from board and leadership transitions to strategic planning and organizational restructuring.

Peer exchange spaces on diversity, equity, and inclusion (DEI) issues facilitated by COMETA have also played a formative role in creating space for reflection about DEI practices among peer organizations. For example, in 2019, after participating in a COMETA-led peer-to-peer workshop on developing sexual harassment protocols, Fundar and seven other human rights organizations began a collective process of critical reflection and participatory action research, which resulted in a model protocol that is recognized as a model of good practice being adopted by other organizations in the sector. The grant was used for Fundar staff to collectively develop a prevention protocol and plan for action in cases of discrimination and gender violence as well as targeted and untargeted sexual harassment incidents. The principles of the protocol have been incorporated into Fundar's internal evaluation process. This came during a period of active participation from Mexican CSOs in the global #MeToo movement where many CSOs faced discriminatory accusations. Aside from the formal product development, the organization engaged in a process of reflection and raising awareness among the entire team to make progress towards a diverse and inclusive organization, free of violence, where all staff feel safe.

The Hewlett Foundation
later provided Fundar
with organizational
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transition guide, strategic
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and institutional policy
manuals such as human
resource guidelines. Many
of these resources were
later made open source
as a contribution to help
strengthen the CSO field in
Latin America.

Succession planning & leadership transition

Fundar was part of the young and emerging civil society community in Mexico and the organization's leadership did not have experience in planning for or executing succession planning or leadership transition processes. When the founding director decided to move on from Fundar at the end of 2006, the transition plan was nothing more than a conceptual plan. When she announced her departure to the board, the board did not have a transition process planned. They therefore invited the outgoing director to propose her successor. In the absence of any formal competitive, open process, she shared her proposal. The proposed candidate was a Fundar researcher with strong technical and operational experience, and the board agreed. There was no overlap for transitioning; the founding director departed in December 2006 and the incoming director started in mid-January 2007. The appointed director was asked to resign after the first eight months did not go smoothly. A third director was appointed but was let go after a few months based on poor performance. It wasn't until the fourth director was appointed in 2009 that stability slowly returned to Fundar after two years of turmoil. The founding director had maintained a position as board member after her leadership transition, but eventually resigned in 2009.

The Hewlett Foundation later provided Fundar with organizational development support to develop a leadership transition guide, strategic planning, and governance and institutional policy manuals such as human resource guidelines. Many of these resources were later made open source as a contribution to help strengthen the CSO field in Latin America.[3] When time came for the leadership transition from the fourth director, who held the position for seven years, Fundar was in a much better position and well prepared to execute its leadership transition plan. With consultant support, funded by the Hewlett Foundation, Fundar received expert advice that included developing a plan with the board, managing the competitive selection process, ensuring staff participation in the selection, and an effective communication strategy. Based on learning from experience and setting appropriate processes and guidelines in place, Fundar had become a model for other CSOs in Mexico on what a successful transition should look like.

Strategic planning & organizational restructuring

In 2016, Fundar underwent a strategic planning process and used OE funds for institutional strengthening, supplementing the support provided by the Ford BUILD program for this effort. After having had Hewlett-supported consultants facilitate past strategic planning processes, Fundar decided this time around to manage the process internally. Since institutional strengthening support from the BUILD program could be used to pay salaries for staff to lead this process, Fundar pursued this route. This process included a strategic review of its programming priorities and an expansion from three thematic program areas to four: fiscal

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3   http://effectiveorgs.org/resources/.

justice, human rights, land and territory, and anticorruption. This involved phasing out some of its work, including work with Global Partnership for Social Accountability and the extractives sector in the North. This shows that Fundar is making strategic decisions meant to focus on their strengths and niche, and avoiding the common "mission creep".

As part of this broader strategic planning and restructuring effort, Fundar received an OE grant from the Hewlett Foundation to review and update its labor policy and organizational structure. With consultant support, Fundar improved its organizational decision-making processes and internal communications, as well as revising its labor policies to ensure occupational security for its staff. The reorganization involved redefining roles and responsibilities, hiring an institutional manager, a coordinator for donor relations, and a human resources manager, and the creation of an internal evaluation unit that monitors programmatic and staff performance appraisal processes. Having a dedicated unit focused on improving organizational performance facilitated links between assessing staff performance and understanding contributions to programmatic results. This process enabled Fundar to provide more clarity around roles and responsibilities to match the strategic priorities and capabilities of the organization. Improving its labor policy, including contractual terms, to be in line with current labor laws and ensure that job descriptions and salaries were commensurate with competitive market rates was particularly important, as Fundar had faced some legal issues due to the lack of clear labor policies in the past. The new policies and processes included terms on parental leave, teleworking arrangements, duty of care, and bereavement, all of which improved management and decision-making. The entire process of strategic planning and restructuring was undertaken in a highly participatory way, giving staff at all levels within Fundar the opportunity to contribute. Two external consultants helped with the restructuring and the labor policies: Hugo Maqueda supported the labor policy review and Human Resources Human Equation provided support for the reorganization. These processes worked in synergy with the broader strategic planning process funded by Ford's BUILD program.

Role of Hewlett Foundation Program Officers

Fundar informants, from board members to past and current directors and previous staff members all echoed appreciation for the Hewlett Foundation's long-standing commitment to and staying power with Fundar. This has been a unique model not replicated by other funders, and has provided stability and continuity that enabled Fundar to innovate, experiment, expand its agenda into new areas, and strengthen its reputation and credibility. The foundation was open to learning and exploring new ideas with Fundar, after the early years of preferring to fund well-established academic centers in Mexico. In some instances, Fundar has played an intermediary role, identifying local organizations that are well-positioned to advance the transparency and accountability agenda at a sub-national level, and has channeled funding and capacity strengthening into them. This has enabled the Hewlett Foundation to engage and support local, grassroots practitioners via Fundar, and Fundar has facilitated channels for these practitioners

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to engage national policy actors. This was a role that Hewlett was happy to support, since it allowed the foundation to pursue the theory of change that emphasized participation of citizens as central to improved Transparency, Participation and Accountability (TPA) practices. Program officers were committed to providing multi-year grants through institutional support, not project support, due to the alignment of Fundar's strategic objectives and the flexibility that GOS support provided in enabling Fundar to take advantage of emerging opportunities. After the leadership and governance challenges in 2007–2008, Fundar demonstrated its ability to turn itself around and pull out of a vulnerable period, emerging stronger and healthier organizationally. Despite some set-backs in funding during this period, Fundar was rewarded by the Hewlett Foundation for its organizational resilience rather than being pushed by the foundation to strengthen. While the foundation had its office in Mexico, the relationship with POs was more focused on the substantive issues, and POs stayed abreast of the current social and political landscape, providing relevant input into Fundar initiatives. However, after the Mexico office closed, POs were less engaged in the Mexican context; they relied more on Fundar for insights and were less able to facilitate connections. Despite these limitations, POs have stayed closely engaged with grantees, likely a result of their deep knowledge and experience of the Mexican context. In fact, it has been as a result of the honest and close relationships with the POs that Fundar has felt comfortable discussing the sensitive challenges the organization faced, such as the need to develop the sexual harassment protocol or to re-assign director responsibilities and transition to having someone in charge of donor relations. These open exchanges often led to the PO suggesting an OE grant and recommending a consultant that could provide support on these issues. The current PO has played an important role in encouraging Fundar to reflect upon its organizational culture and how it has worked and can continue to foster a more inclusive and diverse environment.

Role of other funders

In the difficult period after the first leadership transition, Fundar was financially dependent on a few key funders including the Hewlett Foundation. While Fundar has received funding from the Ford Foundation, Open Society Foundations, McArthur Foundation, and International Budget Partnership since its early days, organizational turmoil from 2007 to 2009 triggered a renewed effort for Fundar to diversify its funding base. Fundar has solidified diversity in its sources of funding, with 15 foundations, bilateral donors, and individual donors currently listed on their website.[4] While most funders have provided project funding, Fundar has received institutional strengthening support from the Ford Foundation's BUILD initiative from 2015 to 2020. This demonstrates Fundar's ability to manage long-term relationships with donors (its founding director is currently a director at the Ford Foundation) as well as leverage the Hewlett Foundation support to attract

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4   https://fundar.org.mx/somos/#financiamiento.

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Fundar continues its institutional strengthening by focusing on its monitoring and evaluation system, consolidating a communication model for advocacy, and developing a funding strategy to strengthen the organization's sustainability.

other sources of not only project funding but organizational development support. The BUILD program has provided organizational strengthening support to Fundar over the past five years, but Fundar will have to explore other sources of funding to sustain the organizational improvements that BUILD support enabled.

Conclusions

Over the 16 years of Hewlett Foundation support, Fundar has undergone organizational transformation in several aspects of its organizational health. Prior to 2007, Fundar had a flat organizational structure with very 'artisanal style' processes and practices. Fundar was a young organization, with no human resource policies, no formal planning process, and without a learning strategy, but it always had a culture of learning by doing. After many years of growing pains, through an extremely difficult initial leadership transition in 2007 and informal governance arrangements, today Fundar's leadership understands the importance of healthy organizational practices. It has demonstrated commitment to reflection, learning, and a culture of continuous improvement to organizational processes that reflect Fundar's values. With Hewlett Foundation support, Fundar continues its institutional strengthening by focusing on its monitoring and evaluation system, consolidating a communication model for advocacy, and developing a funding strategy to strengthen the organization's sustainability.

Building on this organizational strengthening foundation, Hewlett contributions to programmatic support have led to the following social change outcomes:

1 Expanded work at the sub-national level in Mexico, identifying and training state-level partners to conduct public budget monitoring and analysis, and developing a state-level government transparency index.[5]

2 Promoting the implementation of the ATI constitutional reform, and advocacy for improved public budget accounting practices.

3 Fundar's leadership role in the 13-organization Transparency Collective.

4 Fundar's leadership of the civil society group in the Open Government Partnership, documenting best practices and developing a methodology to increase the number of participating civil society groups in the action plan.

5 Improved extractive industries policies that are participatory and transparent, to redistribute spending in order to provide services to affected communities.

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5 For example, strengthening the capacity of local organizations to undertake budget analysis to monitor public sector performance has been a key area of capacity building, or the work with rural health clinics using right to information as a tool to hold governments accountable in Guerrero: https://accountabilityresearch.org/publication/citizen-experiences-and-challenges-in-bringing-transparency-and-accountability-to-local-governments-in-southern-mexico/#resources2b58-7d46.

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6   Improved the transparency of the public budget for service delivery at the state level and maternal health care provision at the local level in order to ensure their quality.

7   Improved access and distribution of Procampo, a farm subsidies cash transfer program for smallholder farmers.

8   Improved public policies for fighting corruption, considering the different effects of corruption on people's lives.

9   Strengthened justice system with an impact on the causes and consequences of violence and impunity.

10 Reduced discretion in the allocation of tax privileges by increasing the levels of transparency surrounding tax policy.

Through each of these areas of programmatic work, Fundar has made valuable contributions to improving citizens' human rights, access to justice, access to services, and efforts to hold governments accountable. Sustained Hewlett Foundation investments in organizational strengthening within Fundar has been key to securing its reputation and credibility, and its recognition as an important CSO actor with a leadership role in advocating for improved public policies and programs for Mexican citizens.