

Joint submission to the trustees of The Rotary Foundation

by
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GG1525855 Teacher Training, Tatopani, Nepal
on behalf of International sponsor, the Rotary Club of Portland, D9780
and
Rtn Peter Hall, PHF, President, Quality Education Nepal Inc. (QEN)
Rotary Australia World Community Service project 43/2009-10

Date ???. References to full costs to be amended when they're available.

Recommendations:

- 1) That The Rotary Foundation initiate a review of the entire global grants process, addressing in factors and attitudes that are preventing funding of highly beneficial projects. The review to be conducted by an independent panel comprising a majority of non-Rotarians.
- 2) That the role of Facilitating Organisation be recognised in respect of global grant projects as a potential contributor to better and more effective projects. While not relevant to the majority of projects, a Facilitating Organisation can offer major benefits to the delivery of multiple projects of a similar nature. It can establish strong relationships in the host country, notably with government at local and national levels; facilitate infrastructure needed for efficient project delivery; and provide mentoring to build local skills and knowledge, thus leading to more efficient projects.
- 3) That consideration be given to options beyond global grants for partnership between Rotary and municipal councils in Nepal to financially support the extension of teacher training in that country.

This submission follows rejection of GG1876442 Teacher Training, Rakhu, Nepal. It is not an appeal against that rejection, but seeks approval for like projects in the future, as teacher training is such an important issue for the country. It is too big a challenge for Rotary to ignore.

Preambles

Stephanie Woolard's book [From a tin shed to the United Nations](#), and Mark Balla's [Toilet Warrior](#) give inspirational accounts of working to improve the circumstances of the poor and under-privileged of this world, with active support from Rotary. They have inspired me to write my own book, **LEARN – Lifting Education, Advancing Rural Nepal**.

I have already drafted Part One - six chapters on Getting to Know Nepal (1993-2009), and planned Part Two "Realising the Dream". My experiences outlined in this submission have convinced me to add Part Three - A wake-up call to Rotary.

This submission offers that wake-up call. Whether the book can conclude on a positive note with respect to Rotary will be determined by your response. I would like to be able to say that the wake-up call has been heeded, with positive action under way.

Peter Hall

In 2011 my wife Karen of RC Portland Bay returned from a trek in Nepal speaking highly of Krishna Pun whom she had met in his village of Paudwar. Krishna is a Nepali dedicated to addressing the needs of his local community, to whom she had been introduced by Peter Hall.

As years passed Karen and I were able to contribute to Peter's project supporting Krishna's initiatives.

In time I became Grant Sponsorship Manager of GG1525855. Little did I realise that it would be such a negative experience as outlined in this submission – to the extent that after 23 years

membership I have had cause to consider whether to remain a Rotarian, or to join the many thousands who have left the organisation disillusioned.

Your response to this submission will give me my answer.

Kym Stock

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1. What has prompted this submission?

More than ten years ago Krishna Pun, former Principal of Paudwar Secondary School, shared his dreams – to initiate English medium teaching at that school; failing that to establish a new school in the area to improve the quality of education available to the children of his village; and to promote activities such as home-stay tourism to enhance the local economy.

Since then, under Krishna’s local leadership, a great deal has been achieved:

- I (Peter Hall) joined the Rotary Club of Woodend, D9800.
- My club registered “Quality Education Nepal” (then called “Nepali Village Initiatives”) as project 43/2009-10 of Rotary Australia World Community Service, with the specific purpose of supporting Krishna in the service of his community.
- Training for teachers of Myagdi District, Western Nepal, was initiated in 2011 with the support of a TRF District Grant.
- LEARN was established in 2014 as an NGO in Nepal to deliver teacher training, headed by Krishna and operating since 2016 with four full-time staff.
- Global grant project 1525855 Teacher Training, Tatopani, Nepal was initiated in 2017 to train 75 teachers over three years. It was successfully completed in March 2020.
- Strong endorsement of the above initiatives was achieved within Nepal including:
 - active support for and participation in LEARN programs by education authorities at both municipal and national levels, including personal endorsement by three Municipal Council Chairs and by the Director General, Center for Education and Human Resource Development (CEHRD, previously the Department of Education)
 - LEARN programs being registered by the Social Welfare Council (SWC) and relevant Rural Municipal Councils, with personal endorsement by the Vice-Chair of the SWC
 - teachers of Myagdi District and elsewhere learning of the program and expressing eagerness to receive such training.

- Success of GG1525855 was endorsed by a random TRF audit which concluded:

"After reviewing the audit report, The Rotary Foundation (TRF) was pleased to note the following:

- *An effective community assessment was conducted by the cooperating organization, "LEARN". In addition, they also carried out appropriate teachers training in remote areas.*
- *The beneficiary teachers were satisfied with the training/learning*
- *This project was well implemented and managed efficiently by the cooperating organization, LEARN"*

"I congratulate all the concerned for correctly assessing the need of the society and completing the project as envisaged in the grant".

- Local municipal councils have committed to support the program financially, to the extent that one council has signed an MoU to bear 50% of the costs (the balance to be provided by QEN), with others expected to follow.

With all of this achieved, the challenge was to secure funding to radically expand the program to more of the 100,000 teachers in Nepal. The TRF global grants program had obvious potential to do this.

GG1525855 had been brought to fruition by QEN acting as a Facilitating Organisation – a role not yet recognised by TRF though it deserves to be (refer recommendation 2). This entailed:

- working with local education authorities to define a cluster of schools to be targeted
- LEARN collaborating with the schools to define the project and develop a budget
- attracting sponsorships from eight Australian clubs together with DDF contributions from their three districts
- drafting the application
- securing the commitment of international and host sponsor clubs, confirmed by a signed MoU with LEARN as the service provider.

It should be noted that little of this could have been achieved by typical Rotary clubs lacking the extent of QEN's previous involvement as outlined above. In other words, without QEN acting as a Facilitating Organisation, this global grant project would never have come to pass

It was apparent that by QEN again adopting this facilitating role, more such project applications could be initiated. This was achieved with great success:

- application GG1876442 was funded by contributions from 13 Canadian clubs matched by DDF, both matched \$ per \$ by the Government of Canada
- application GG1987661 was sponsored by a further 40 clubs from 8 countries.

Together the value of the two projects amounted to US\$ 250,000.

Application 1876442 was submitted in June 2019. However, it was rejected by TRF.

This begged the question – how could projects so widely supported both by sponsor clubs internationally and within Nepal as outlined above be rejected by TRF?

Much correspondence with TRF ensued to address this question, both at Secretariat level and subsequently with Trustees. Little in the way of explanation was forthcoming. What there was came from Director of Grants Abby McNear: "I believe that one of the issues with the latest application was the appearance that QEN was running the project, not the sponsor clubs" and "The overarching point we keep making is that global grants are to fund projects initiated and

controlled by the Rotary clubs that sponsor them. Unfortunately, the application we declined gave every indication of the clubs simply seeking funding for another (Rotary) organization's work."

Regional Grants Manager Jennifer Kordell advised "we do not see a way forward for these projects and are therefore at a loss as to how to coach you or the sponsors on ways to make them eligible for funding". She threw no light on the reasons for rejection.

Escalation of the issue to five Foundation trustees including four PRIPs achieved no further explanation (more of this below).

We asked ourselves where had we gone wrong? We had made every effort to abide by global grant rules, including having Rotary clubs accept full responsibility for the roles of host and international sponsor respectively, confirmed by signed MoU.

Outstanding questions

We leave this issue with a number of outstanding questions:

- What more could we have done to secure the much-needed funding?
- Are global grants truly reserved for clubs that have initiated the application? If so, what is the justification for that?
- What is the objection to TRF supporting "another (Rotary) organization's work"?
- Does TRF reject collaboration with a RAWCS project? If so, for what reason?
- Does TRF not see the issue of teacher training in Nepal as of sufficient magnitude and importance to be worthy of special attention?
- Is Jennifer Kordell's response above the best that TRF can do?

Abby said: "*I think you are wise to continue seeking alternative forms of funding for these projects. Not every worthwhile project meets the eligibility criteria established for global grants*".

That may be a good enough response for a run-of-the-mill global grant application. Having spent a decade working to achieve the situation where global grants could be the answer to a situation of dire need, and taking every effort to comply with Foundation rules, we feel we deserve some better explanations.

2. The TRF audit of GG1525855 – a miscarriage of justice

In August 2019 TRF initiated a random audit of GG1525855, to be conducted in the first week of October and report by 18 October. It did not eventuate until late February 2020, and its findings were not released until a letter from SE Asia Office to the sponsor clubs in June (the audit report itself, with any explanations of how the auditor reached his conclusions, was never released).

The audit declared the project a success, noting an effective community assessment, that it had been well implemented and managed efficiently, and the achievement of appropriate teacher training in remote areas to the satisfaction of the beneficiaries. In summary, correct assessment of the needs of the society and completion of the project as envisaged in the grant request (see quotations above).

On the other hand, the audit criticised the financial management of the project. At issue was the nature of the contract between LEARN and the sponsor clubs. Clause 7 of the MoU stated: "LEARN SHALL: A. agree to deliver the services described as Activities in the grant application at the costs defined in the Budget section of that application".

The auditor chose to interpret this as saying at the costs incurred to a maximum of the costs defined in the Budget section of that application, an interpretation that reflected the Foundation's normal practice for global grants. Either that, or he chose to simply ignore the MoU. In an audit meeting attended by Peter Hall he maintained that internal rules of TRF would over-ride the MoU, despite the latter being the only contractual document with LEARN.

Kym Stock, representing the International sponsor, had been completely excluded from the audit process. Upon receiving the outcome he immediately wrote to the Coordinator, Stewardship categorically rejecting the conclusion, while explaining the reasons for adoption of a fixed price contract¹. The Coordinator responded promptly saying: "*Thank you for your follow-up e-mail. We are in the process of reviewing the response and will revert back to you.*" No such response was ever forthcoming. Kym's objections were completely ignored.

Instead, TRF relentlessly insisted that host sponsor RC Baglung pursue LEARN for refund of purported over-payments – the difference between invoiced amounts already paid and expenditures incurred.

The attention of the auditor was drawn to the fact that the latter, as provided by LEARN, did not reflect the full costs of the project, as they did not include the costs of LEARN staff devoted to project delivery. LEARN did not have the systems needed to establish those costs, and so could not at that time provide that information.

The auditor ignored that advice. With further systems development by LEARN it has now become apparent that total costs are likely to have exceeded the budget by a small amount. **[check this]** In other words, the amount payable to LEARN was the same, whichever way the contract was interpreted. The claim for a refund thus had no foundation.

The net outcome was that LEARN, under duress, refunded NPR 553,827 (US\$ 4,615) to which it was lawfully entitled. As QEN funds the majority of LEARN's activities and under-writes its existence, the money effectively came from QEN.

Given the invalid interpretation of the contractual position, TRF was effectively demanding that RC Baglung negate the contract with LEARN and RC Portland that it had signed.

A most disappointing part of this episode was the response of the DG, D3292, when asked for his advice:

"I am not very aware of this project and do not know the details as it was not referred to me earlier.

However, from the little that I know I believe an audit was conducted by the Rotary Foundation and they have suggested that whatever remaining money needs to be returned.

As I am very occupied with my responsibilities as DG I will not be able to attend every matter on this. Please correspond with the foundation office and do the needful."

In other words, an allegation that TRF was forcing a host sponsor club to act illegally was outweighed by the routine responsibilities of a DG. Whatever the Foundation office might determine must be accepted without question.

3. The root cause of the problems - a self-righteous culture within Rotary

Upon analysis we could see no way in which we had failed to comply with Foundation directives regarding global grants, or by which we could have better established the case for Foundation support (an offer had been made of a new community assessment involving direct beneficiaries, namely prospective attendees, but this was ignored).

¹ For the audit findings and Kym's response please refer to http://nepalaid.org.au/resources/Global_Grants/TRF_Submissions/Joint%20submission%20V3.pdf

Instead we concluded that the problems in both instances above arose from a culture that pervades Rotary. That culture places the Foundation above criticism. Its rules are not to be challenged, and its Secretariat must be obeyed, always assumed to be in the right

As our experience has demonstrated, such a culture can lead to outcomes that are not in the interests of potential beneficiary communities. Opportunities for continual improvement of Rotary in general and the global grants process in particular are denied.

So how is this defensive and self-righteous culture expressed? We have observed evidence at all levels of Rotary involving:

1. Not admitting to any deficiencies of TRF or the way it operates
2. Strict adherence to TRF rules despite circumstances that may justify exceptions
3. Ignoring communications involving requests for clarification, criticism or suggestions for change, hoping they'll go away.
4. If forced to respond, avoiding the issues raised. If unavoidable, responding with irrelevancies.
5. Accepting that TRF has rules that must be obeyed, not countenancing legal interpretations that suggest otherwise. In other words, behave as if TRF is above the law.
6. On no account let consideration of impacts on beneficiaries enter the debate.

Let us take each of these in turn;

Never admit to deficiencies in TRF

This is an over-riding characteristic of attitudes to TRF within Rotary. The Foundation is *piece de resistance* of Rotary. It has earned respect by achieving the highest ratings on Charity Navigator. Having done so it is not to be challenged

This was exemplified by the response of the DG of D3292 quoted above, simply referring us back to TRF for resolution.

Likewise, when the previous issue of global grant rejection was drawn to the attention of trustees, resort was taken selectively to Foundation rules to deny consideration of the submission.

Adherence to TRF rules

As one would expect, there are explicit rules for global grants. The consequence of not following the rules are serious, as clubs and their districts are likely to be debarred from further global grants. This was used as a powerful lever in persuading RC Baglung that it must secure the refund of monies from LEARN.

Compliance with the rules is not necessarily easy, especially for inexperienced clubs in developing countries where the need for global grant projects is greatest. Mentoring the host sponsor, identifying how to comply more effectively, can be a valuable role for a Facilitating Organisation. However, it can only do so if it is welcomed as part of the process, not excluded from communications as has been our experience.

TRF uses its status within Rotary to enforce its interpretation of its rules. Accordingly when the co-signatories to the MoU (the international sponsor and the service provider) and QEN all endeavoured to persuade the project manager for the host sponsor, their arguments were ignored under persuasion by TRF.

The rules provide for recognition of Cooperating Organisations, defined as "*reputable non-Rotary organizations or academic institutions that provide expertise, infrastructure, advocacy, training, education, or other support for the grant*". LEARN meets that definition, but QEN does not – its

role has been entirely different, as outlined above. It is for that reason that we have described it as a Facilitating Organisation.

Labelling QEN as a Cooperating Organisation and expecting us to comply with rules for Cooperating Organisations has been common in our communications with TRF at all levels including trustees, with detrimental consequences. It has led to a conclusion that QEN has a conflict of interest. Grants Officer Laura Bradley stated that *“your involvement in the global grant for an application aiming to benefit your organization is a conflict of interest”*.

In fact our involvement has been exclusively for the benefit of the project beneficiaries, not for our organisation – we gain no benefit whatever. Yet this interpretation has considerably hampered our facilitating role, excluding us from many relevant communications. Our task of facilitation would have been a great deal easier without that exclusion.

Avoid issues by responding with irrelevancies

When GG1876442 was rejected, Grants Officer Laura Bradley gave three reasons:

- *“the application was not planned based on a community assessment. Clubs or districts that apply for a global grant to support a humanitarian project or a vocational training team must conduct a community assessment first and include the results in their grant application.*
- *“Global grants cannot fund activities primarily carried out by an organization other Rotary.*
- *“Additionally, it is concerning that a previous project with LEARN has had difficulty in providing the financial documentation necessary to meet the Foundation’s reporting requirements.”*

These were clearly not the full story:

- with another three years’ experience collaborating with relevant authorities in Nepal, the evidence of community support for GG1876442 was far stronger than it had been for GG1525855, yet the auditor of the latter concluded that *“the need of the society had been correctly assessed”* (refer earlier quotations)
- the Foundation expends considerable amounts on scholarships to universities that are not Rotary organisations. The question “How do they differ from training provided by LEARN?” was never answered.
- we assumed the third point related to reporting deficiencies by the host sponsor, rendered irrelevant by GG1876442 having a different host sponsor. As the subsequent audit of GG1525855 now suggests, it may have referred to reporting of LEARN expenditures as would be required for a cost reimbursement contract but not by a fixed price contract. Once again, attempts to get explanations yielded nothing.

It was not until more than three months later that Abby McNear attributed the rejection to the appearance that QEN was running the project, whereas global grants are reserved for Rotary clubs and their districts.

PRIP Ravi Ravindran’s offer *“in addition to all the other previous explanations offered, let me try and explain one more last time in a very simple, short and direct manner”* was another instance. If he truly believes that previous explanations had been offered, we would be glad if he would direct us to them. All of the explanations that we have received have been quoted in full in this submission. They amount to less than 150 words!

Ravi followed this by stating that *“you do not have the locus standi to appeal the decision”* – irrelevant, as the submission did not relate to a specific project with an identified Sponsor. Rather it was a request to change the rules to recognise the role of Facilitating Organisations. Abby McNear had indicated that *“Individual trustees can add agenda items with the Chair’s permission”*, which was what we had been hoping Ravi would do.

Ravi's co-trustees endorsed his evasive response:

PRIP John Germ: "*Ravi: Thank you for responding to Peter Hall. It is always best to have one response that is well thought out. Yours certainly was excellently done.*"

PRIP Gary Huang: "*Good works ! I agreed with your response. Thank you !*"

Ignoring communications

Failure to reply to emails seeking explanations was experienced repeatedly, involving:

- host sponsor Project Manager KB Shahi
- Grants Officer Laura Bradley and her superiors
- Trustees Ravi Ravindran and Kenneth Schuppert
- Auditor Anilkumar Shah

A further example already mentioned was the Coordinator, Stewardship, SE Asia Office promising to respond to objections lodged by Kym Stock representing the International sponsor yet failing to do so.

Accepting that TRF rules must be obeyed even if this involves placing TRF above the law

This was the crux of the problem encountered with the GG1525855 audit. The recognition of the MoU as legal contract for service delivery by LEARN at nominated fixed prices was ignored, instead adopting common practice for global grants as the relevant reference.

On no account let consideration of impacts on beneficiaries enter the debate

This has been true of all communications with TRF regarding these global grant applications. At no stage have the training needs of teachers in Nepal, or how Rotary might help to meet them, ever been addressed. All focus has been on Foundation rules and whether they are being met.

No real acknowledgement was given of progress achieved, as summarised earlier in this paper. Nor was any guidance given as to how Rotary support for extension of the programs might be engaged.

The preoccupation with internal rules over actual outcomes does not befit an organisation supposedly dedicated to helping people.

Nor should convenience for the organisation be a priority, yet the GG1525855 audit concluded: "*While the effort to benefit needy schools by training teachers is commended, for future projects, we recommend, more geographically feasible projects*". In other words, go not where the need is greatest, but where it is most convenient for TRF! Similar sentiments have been expressed by members of Pokhara clubs invited to act as host sponsors, maintain that Myagdi just a few hours away was too far to travel.

Clubs that do become interested in sponsorship invariably express interest in sponsoring training teachers in their own district. We explain the logistical difficulties of doing this – especially the need to develop intimate relationships with local education authorities – and that progressive expansion of the Myagdi program is a better strategy. They tend to lose interest at that point.

As a Rotarian prepared to travel regularly from Australia at my own expense for the specific purpose of the ongoing program, I do not see myself as part of that culture.

4. Further funding of teacher training in Nepal – beyond global grants

This submission has outlined our strategy for expanding teacher training in Nepal through global grant funding.

In our account we have described how municipal councils in Nepal are prepared to support the program financially, offering to share costs on a 50 / 50 basis.

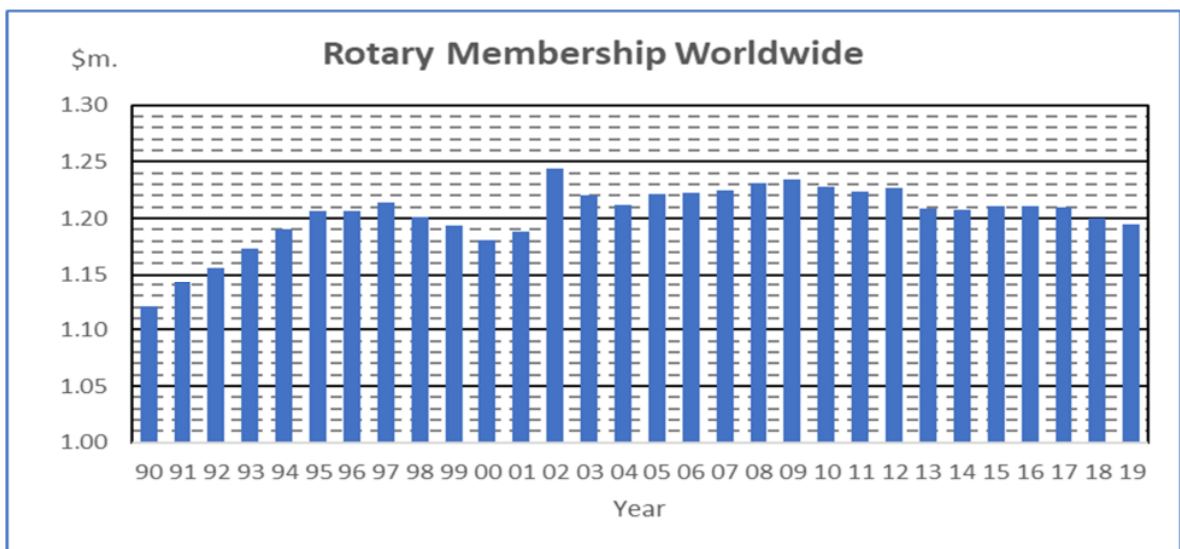
It is hard to see how this could be achieved within the global grants process, as neither Rotary nor the councils are likely to cede control to the other. Instead, some form of partnership would need to be negotiated.

We ask the trustees to consider options for addressing this opportunity, and offer to collaborate in a facilitating role.

5. A Broader perspective of the issue within Rotary

Having recognised the issue as a systemic problem within Rotary, our thoughts turned to the broader implications for Rotary. Clearly it could be having an impact on Rotary membership. This brought our attention to a graph of worldwide membership, 1990 – 2014.:

It was a depressing picture – stagnation over two decades, with steady decline over the last five years. Had that decline continued? We contacted the authors of the article for an update.



They were Tony Thomas, Secretary, RC Central Melbourne-Sunrise and Chris Egger, D9800 Membership Director. Chris noted that Lions outperform Rotary, reaching a peak of 1.45 m. in 2018. Moreover, they provide far better, accurate and comprehensive membership data. He can no longer access Rotary membership data directly and has to scour the net for links to Facebook and elsewhere.

Chris found data for me that shows that the decline has continued. Whether the Rotary culture has contributed to that decline we cannot say.

In his response Chris said: *“I am no longer in Rotary as I resigned in disgust last December after my club board went behind my back to terminate my son’s membership because he has a disability and didn’t meet their expectation of perfection required to be a Rotarian.”*

What stronger evidence could be found of disturbing cultural issues within Rotary?

Others outside our project have also drawn attention to problems with the global grants process:

- PRID Saowalak Rattanavich: *“There are more and more complaints about Global Grant application and the approval process and regulations”*.
- RAWCS PP Michael Perkins: *“The GG grant process is very bureaucratic”*
- Executive Director RNZWCS Stuart Batty: *“There needs to be an independent inquiry into TRF”*.

6. Where next for teacher training in Nepal?

While a commitment by the Foundation to supporting teacher training in Nepal as initiated by QEN and LEARN would be most welcome, that has not been the primary goal of this submission. Rather it is intended to be a wake-up call to Rotary. As Rotarians of twenty-three and eleven years respectively, we want to see Rotary overcome its weaknesses and do even better at doing good in the world. We hope the trustees will take heed.

With the prospect of no further funding from the Foundation, we must address the way forward for teacher training in Nepal.

We sought the advice of Mark Balla, author of [Toilet Warrior](#). As readers no doubt know, Mark has achieved much success in gaining Rotary support for the provision of toilets in developing countries. However, he was at a loss to suggest how to secure similar support for our project. Instead he recommended that I look elsewhere, starting by writing a book as he had done.

As my friend Stephanie Woolard had done likewise with [From a tin shed to the United Nations](#), I decided to have a go. I have drafted [Part One](#) - six chapters on [Getting to Know Nepal \(1993-2009\)](#). More challenging will be [Part Two "Realising the Dream"](#). As a result of the experiences summarised in this email I have decided to add [Part Three - A wake-up call to Rotary](#).

LEARN has the option, with QEN support, to take legal action against RC Baglung to recover monies due. We do not wish to do that. By publishing our account, we will leave the matter to the court of public opinion.

It would give me great satisfaction if I could record in my book not only that we gave the wake-up call, but that it has been received and acted upon.