Colombia – CASE 7 – Importance of a TCP Global-site partner relationship

S. (name changed in order to protect identity) helped her counterpart complete the process to open a TCP Global micro-loan program in the summer of 2019, towards the end of her Peace Corps Service. By the time the funds arrived in early October, she had already gone home and was replaced by J. This scenario was not unusual as the first, and very highly successful program established with the assistance of a Peace Corps Volunteer received funds and issued the first loans after the PCV had left. In that case, there was no replacement, but there was already good communication between TCP Global and the site administrator.

There were no apparent issues in Plato. There was a registered NGO with a bank account and leadership interested in implementing a loan program. The leader had spoken to other TCP Global administrators to learn first-hand how the program works. Since the goal is for administrators to network and learn from each other rather than look to TCP Global for guidance, the lack of an email connection between TCP Global and the site administrator did not seem cause for alarm. TCP Global requested the site administrator’s email address as early as July of 2019 but did not aggressively pursue that information.

When the funds were sent on August 15th, TCP Global suggested that the NGO should be identifying the first borrowers so the loans could be issued as soon as the funds arrived but as of late October, they were still working on the loan program procedures and there was no list of approved borrowers. TCP Global finally got T’s email address and assurance that the first loan would be issued by the end of November.
J. outlined an appropriate plan for supporting the loan program in a way that PC Colombia would condone and also urged TCP Global to contact T.

Emails sent to T in late October and late December brought no response from T but in December, J. indicated T had been out of town all month. J. said that as of the end of November, they were finalizing the procedures and J. had tasked T with identifying 10 loan candidates and also suggested she check her email more regularly. At the end of January, J. indicated they had identified ten potential loan candidates and anticipated issuing loans in early February.

Two TCP Global team members asked about visiting Plato during their trip to Colombia in February and J. said she was available but T would not be able to meet with them due to other obligations. In reviewing the overall history, red flags are apparent. Most sites appear enthused and make an effort to accommodate visits from the TCP Global team. Most sites loan out 100% of the funds within the first month and have a list of potential borrowers waiting. Most site administrators eventually respond to emails and are apologetic about delays.

In February, the first report was received, submitted by the PCV rather than T and with only 4 loans, issued. More than $1250 of the $1500 allocation remained uninvested. And that is where matters stood when the PCVs were evacuated in mid-March.

J wrote “I am still in contact with my counterpart … and will continue to motivate her to get more loans set up but fear that without me there to physically go to her house and check up on her in person that her TCP program may be neglected.“ Since most PCVs speak glowingly of their counterpart’s vision for the loan program, this email was troubling.
Funds destined for another PCV site had been returned by the bank and that community was ready to issue loans immediately. When TCP Global contacted T about possibly sending her unused funds ‘temporarily’ to Guachaca so they could start their loan program, T responded immediately that she would not be able to do that because the quarantine prevented her from going to the bank. A subsequent email inquiring if she would be willing to transfer the funds once the restrictions were eased, received no response.

TCP Global consulted with S. and J. and the consensus was that due to changes in T’s home and work situation, she would likely welcome being relieved of responsibility for TCP Global. Since TCP Global had never established any kind of relationship with T, the question was how to go about working out the details with T.
WHAT WOULD YOU DO? WHY?

THIS IS WHAT TCP GLOBAL DID.

TCP Global reached out to S. and J. to get their input. The consensus was that S. had the stronger relationship and so S. agreed to call T. WhatsApp was the preferred method of communication for T.

Before calling T, S. spoke to TCP Global by phone and asked “What happens if she spent the money?” In twenty years, no loan administrator had ever taken loan funds for their personal use, but it was looking increasingly likely that this would be a first. T had taken out a loan for a moto for her business and the then an illness and other misfortunes deprived her of the funds needed to repay that loan. It is unclear if the loan was from a daily lender, but if that was her creditor, they can be vicious in their collection actions. S. feared she may have used the loan funds to repay that loan. Any prospects of replacing the funds before being discovered were destroyed when COVID19 closed down all commercial activity.

TCP Global has no leverage once the funds enter the non-profit’s bank account. Relationships are the only leverage we have. When Viana confessed to S. that she had used the funds, she was crying, remorseful, embarrassed and saddened at the prospect of destroying her relationship with S. She promised she would repay the funds and agreed to turn over all payments as they were received on the existing loans.

S. agreed to call T weekly until the debt is repaid. Stay tuned.