

PROGRAM AND FISCAL ACCOUNTABILITY FROM AFAR: THE PROJECT RENEWAL EXPERIENCE

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As a consequence of "twinning" the relationship of a number of Diaspora leaders and community members with Israel has become more personal and more meaningful, enhancing their investment of time, energy and financial resources. Similarly, the Diaspora has become real and alive to leaders and residents in Renewal neighborhoods.

The demand for greater fiscal accountability has emerged in the 1980's as a major issue for American Jewry in its philanthropic relationships with beneficiaries both domestically in local Jewish communities and in Israel. American Jewish leadership has become increasingly articulate and forceful in calling for a new relationship with the Jewish Agency, the principal beneficiary of monies raised, to achieve a more effective and efficient expenditure of philanthropic funds.

Project Renewal, Israel's comprehensive neighborhood revitalization program, introduced an innovative model for participation of Diaspora Jewry in the solution of social welfare problems in Israel. Through the unique and novel approach of "twinning" Diaspora communities with distressed neighborhoods in Israel, Project Renewal has expanded the scope of Diaspora involvement by providing opportunities for direct, "hands-on," ongoing and informed participation of Diaspora leaders, including fundraisers, donors, and experts in the critical decision-making processes in Israeli neighborhoods. These include service planning, priorities setting, designation of budget goals, monitoring

of program implementation and expenditures, and evaluation of program performance.

As noted by Professor Daniel Elazar and his team of researchers in examining the scope and impact of Diaspora involvement in Project Renewal, "the call for Diaspora participation became a slogan for the right to be involved and make decisions affecting Renewal."¹ One of the great contributions of this ambitious neighborhood revitalization program is the new role of consultation and planning involvement afforded Diaspora Jews as well as residents. In the traditional and most typical approach the Diaspora gives donate funds and the residents are told what is good and appropriate for them and their communities. Project Renewal has dramatically changed these role stereotypes.

The "twinning" principal has been the catalyst, the vehicle to effect these significant changes and, as a result, has radically altered the nature and potential of Diaspora-Israel relations. The call for Diaspora participation in this project unleashed genuine desires and creative energies among many sophisticated leaders to become directly involved in the planning and implementation of programs and projects

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1. Daniel J. Elazar, Paul E. King, Orli HaCohen, "The Extent, Focus, and Impact of Diaspora Involvement in Project Renewal," May 31, 1983, Summary, i.

supported by their fundraising efforts.

As further noted by Prof. Elazar and his colleagues, "the oversight and review of budget matters has given an organized focus for Diaspora involvement, heightened the sense of accountability of Diaspora Renewal leaders to their donors and aroused a greater feeling of responsibility for the Israeli recipients of their contributions."² Undoubtedly, the Project Renewal program has translated Diaspora desires for greater financial clout, planning input and influence into reality in very concrete fashion—with both the accompanying frustrations and satisfactions.

As earmarked fundraising, Project Renewal has offered Diaspora leadership a mechanism to more closely "follow its investment" to ensure greater accountability at the recipient end of their fundraising efforts. Project Renewal funds are administered through a separate budget account established by the Jewish Agency. These funds are not commingled with other Agency projects and ongoing programs such as Youth Aliyah and Immigration and Absorption. Separate disbursement of funds takes place for each twinned neighborhood. The funds are released for expenditure only on approval of the joint Ministerial-Jewish Agency Committee on Project Renewal and are designated for specific targeted neighborhoods.

Diaspora community approval of neighborhood Renewal plans and budget priorities is required for the release of Project Renewal funds for expenditure in the twinned neighborhoods. Monthly expenditure reports chart the flow of Renewal funds in each neighborhood. Program reports are also produced periodically to highlight program performance, problems and successes. These various structural arrangements have enhanced the

visibility and security of Renewal expenditures, prevented any leakage and non-sanctioned transfer of funds, and facilitated more informed, personal and sophisticated participation of leaders in the entire Renewal planning and implementation process.

Drawing primarily from the Los Angeles Project Renewal experience, this presentation reviews an assortment of approaches and strategies developed by American communities to promote the effective, efficient and responsible expenditure of Renewal funds. While the level, scope and intensity of Diaspora involvement in Project Renewal varies across communities, it is remarkable and encouraging to be able to report on these new locally focused and tangible models which characterize the Renewal experience.

An appreciation of the various accountability strategies introduced and strengthened by the Project Renewal program is enhanced by understanding the unique challenges which face efforts to achieve a genuine and substantive accountability relationship between the Jewish Agency, the operating body in Israel representing Jewish communities abroad, and these communities themselves.

Diaspora Jewish leadership have devoted considerable time and energies over the past decade to make certain that the philanthropic dollar raised is wisely and appropriately allocated and programmed, wherever its designation. This concern has given impetus to more concerted efforts at the local community level within Jewish Federations for more sophisticated program monitoring and evaluation, as well as tighter fiscal controls.

Without embarking on a lengthy discussion and critique of the program evaluation field, suffice it to say that despite significant advances in evaluation strategies and methodologies, program evaluation, particularly in the human services—our principal concern here with

2. *Ibid.*, Summary, iii.

Project Renewal—remains an elusive science at best. Typical is the case where goals and objectives of human service programs are neither neatly stated nor easily measured for success.

Many extraneous variables inevitably confound efforts to measure truly the outcomes and impact of social welfare programs. Multiple and inconclusive interpretations of data findings often characterize the evaluation process. Nevertheless, despite these and other drawbacks, lay leadership are committed now more than ever to closer scrutiny and monitoring of expenditures and evaluation of programs financed by the philanthropic dollar they work so hard to raise.

As noted earlier, these same demands have been exported in more focused and insistent terms than in the past to the Jewish Agency-Diaspora Jewish community context accompanied by all the historical and political issues and implications. Project Renewal has offered Diaspora leadership a separate setting within the Jewish Agency to address these accountability concerns and this opportunity has been eagerly embraced and seriously treated.

The normal challenges of establishing effective accountability relationships between donor and recipient are magnified and multiplied by the unique international dimension of Project Renewal. For Project Renewal, the Jewish Agency serves as the fiscal, administrative and implementation body in the field for all the programs and projects initially financed by the Diaspora.

Diaspora involvement has penetrated into the entire program planning process, with ongoing participation and substantive contacts with the Jewish Agency and the recipient twinned neighborhoods. Drawing donor and recipient together beyond purely symbolic linkages and the emerging quality of these relationships have been shaped by various factors. Prominent among these are:

1. Geographic Distance

It is complicated enough to effectively monitor expenditures and evaluate programs "at home" in local Jewish communities. Extending the accountability relationship across thousands of miles with often suspect mail service and other communication barriers as well as only infrequent and time-pressured face-to-face contacts between Diaspora leaders and Jewish Agency and neighborhood officials and residents is no easy feat. The logistical challenges are considerable.

2. Language

Effective human services planning and delivery are predicated on the creation of clear, unambiguous expectations and role functions, mutual trust and respect among the various stake-holders involved in the process. Through open discourse and ongoing dialogue, shared planning visions and expectations are more likely to emerge among the relevant parties.

Project Renewal operates under a technical handicap of Diaspora and Israeli Jews for the most part not sharing the same spoken language. Project Renewal meetings in Israel often resemble sessions of the United Nations with simultaneous translations, tedious interpretations to explain points, and misunderstandings of substance and nuance attributable to the language barrier. Enormous patience, commitment and willingness to "break one's teeth" in a foreign language has helped bridge this critical communications barrier.

3. Negative Stereotypes

Project Renewal does not operate in a vacuum nor does it represent the only or first model of direct contacts between Diaspora and Israeli Jews and their associated institutions and organizations. Memories of past experiences, both positive and negative, of joint Israeli-Diaspora ventures, inevitably influenced the quality and tone of emerging Project

Renewal relationships.

Personal and professional stereotypes, some complimentary, and some less so, inevitably influenced relationships and were either reinforced or altered by the Renewal experience. Negative stereotypes die hard—be they addressed to the quality of professional performance, personal operating styles, or organizational reputation and *modus operandi*.

The intense and complex people-to-people contacts developed under Project Renewal between Diaspora and Israeli leadership have led to greater mutual understanding and appreciation of each group's important contributions, expectations and pressures faced in the conduct of Jewish social welfare at each of its critical stages. Project Renewal has undoubtedly broken some myths and negative stereotypes and led to healthier, more open and constructive relationships between Israeli and Diaspora leadership engaged in the philanthropic-social welfare services arena.

4. Different Administrative Cultures

Professor G. E. Caiden of the University of Southern California School of Public Administration points out that every country operates within its own unique administrative culture.³ This culture is characterized by a body of formal and informal principles which define the operating philosophies and styles of organizations and institutions, the ground rules for interorganizational conduct and decision-making processes and their *modus operandi* for accomplishing their mission. Each country's history and culture shape its administrative culture, a unique blend of principles which outsiders very often find hard to understand or function under.

The increased personal contact between Israelis and Diaspora Jews, afforded by

Project Renewal, has also brought two different and often conflicting administrative cultures into the same arena. The contrasting styles and turnover among successive Renewal leadership have also affected the quality of relationships.

During one particularly frustrating budget consultation session between Jewish Agency staff and Diaspora leaders, the tension was relieved by a very astute comment made by an Israeli leader which highlights the differences: "In Israel, you (the Diaspora leaders) call this bureaucracy, whereas in America, you refer to it as 'process.'"

There are certainly no absolute right or wrong ways in the conduct of business and problem resolution—just differences in approach which have impact upon people personally and their interactions with one another. Project Renewal has demonstrated that through mutual accommodations, patience and flexibility, and through simply learning more about and appreciating one another's positions and strengths, this barrier can be overcome. Project Renewal has served as a learning laboratory in direct Diaspora-Israeli relationships from which has developed greater acceptance and tolerance of differences along with greater readiness and openness on the part of both partners to changes in standards of practice and operating styles.

5. Autonomy vs the Accountability Demand

Project Renewal has transferred part of the accountability relationship into the field in an ongoing and direct fashion. Jewish communities around the world interface with their partners in Israel in a radically new form, bringing along a different set of assumptions and expectations. As the implementation agent for Renewal projects funded by the Diaspora, the new Jewish Agency Project Renewal Department faced a more involved and active Diaspora to contend with in fulfilling its mandate. As

3. G. E. Caiden, *Israel's Administrative Culture*, Berkeley: Institute of Governmental Studies, University of California, 1970.

a new entity, it was important for the Renewal Department to establish credibility, promote its integrity and prove its value as an effective, trustworthy and professional operation, worthy of the support and trust of its Diaspora partners.

There are inherent tensions between autonomy concerns of organizations and the drive for greater accountability which require great sensitivity, good will and mutual respect to effectively mediate between them. In their new proactive role, Diaspora leadership needed to develop sensitivity around the limits of appropriate participation and intervention in Renewal activities, distinguishing those matters which are better left to resolution by internal forces and processes within Israel. To the credit of Project Renewal, an impressive maturation has evolved in the relationships between the Diaspora and Israel to achieve a workable balance between these two concerns and produce a genuine two way partnership.

6. Newness of the Project Renewal Program

Project Renewal was launched with the specific terms of the "twinning" relationship left ill-defined and ambiguous, perhaps purposely so. The forms of partnership, including the accountability relationship, were not spelled *a priori* and emerged essentially by trial and error. There was an initial period of testing participation models for Diaspora leaders in the Renewal process, out of which emerged some formalized policies and procedures, e.g. the annual budget consultation visit, monthly expenditure reports.

However, many of the misunderstandings and tensions associated with Diaspora-Israel contacts under the Renewal program can be attributed to the untested waters that Renewal was entering in the realm of joint Diaspora-Israel planning and collaboration. Project Renewal also had to find its niche within the Israeli bureaucratic setting which also took time

to develop. With the maturation of the project, the passage of time, and increased mutual understanding of roles and limits, Project Renewal has demonstrated the capacity and potential for involving Diaspora leaders, together with Israelis, in constructive partnership.

As noted earlier, Diaspora communities have adopted various postures with regard to the nature and intensity of their involvement in Project Renewal. The rather great variability is somewhat a reflection of the size of the individual Diaspora community and the resources at its disposal, both financial and personnel, to commit to the Renewal endeavor.

However, for the most part, the differences among communities reflect varying levels of commitment and interest among community leaders to invest the time, energy, personal attention and resources in forming the kind of active partnership heralded by the Renewal program and the "twinning" relationship in particular. The varied and independent models of Diaspora involvement in the overall Renewal planning process is expressed along a number of dimensions including:

1. the number and sophistication of Diaspora leaders involved;
2. the frequency of mission visits, particularly of the program monitoring and budget consultation variety;
3. the intensiveness of written communication, attention to planning detail and follow-up activities;
4. the seriousness and sophistication of local Project Renewal Committees;
5. the level of interest in the Renewal budgeting process within the neighborhood;
6. the presence of a permanent Federation staff person, with planning expertise and knowledge of Israel and its social welfare system, to guide the day-to-day Renewal operations;
7. the hiring of a community representative in Israel to facilitate communica-

tions and promote the specific interests of the Diaspora community in the field;

8. the adoption of disciplined and strategic approaches toward the review of Renewal expenditures and transfer of Renewal funds to Israel.

Viewed in the aggregate, these factors depict the intensity level of an individual Diaspora community's input and emphasis on the accountability component of Project Renewal. Let us examine more closely some of these dimensions of Diaspora involvement.

PROJECT RENEWAL COMMITTEES

Separate Project Renewal Committees have been established in practically all American Jewish communities. They have attracted individuals with strong commitment and devotion to Israel and its societal betterment. Leaders with particular strengths and areas of expertise—planning, finance, social services, building contracting and real estate development, education—have found Renewal an exciting arena for their volunteer efforts on behalf of Israel.

For example, the Project Renewal Committee in Los Angeles is recognized as a board level committee within the Federation structure, responsible for overall policy-making, for fundraising and program design, monitoring and oversight of the Project Renewal program. It is an active and well-informed body with strong leadership meeting regularly on a wide range of policy and substantive program issues. It safeguards its prerogative to review and modify proposed Renewal budgets, participate in the formulation of program and funding priorities, and issue Renewal expenditure guidelines based on a cash-flow analysis of available income from Renewal fundraising.

In a few instances, the Los Angeles committee has made strategic use of its

direct "power of the purse" to expedite progress toward resolution of implementation problems in its Renewal neighborhoods and to stimulate cooperation among various parties to design and deliver a Renewal program successfully. Thus, the Los Angeles Renewal Committee, like others in the United States, has adopted a proactive and assertive orientation vis-à-vis its overall mission and planning and oversight responsibilities.

MISSIONS AND PRIVATE VISITS

The emergence of focussed mission visits to Project Renewal neighborhoods has served important fundraising, educational and on-site monitoring functions for Diaspora communities and their Renewal programs. These fairly regular visitations create individual linkages and personal friendships and strengthen the sense of partnership between the Diaspora and the Israeli neighborhoods. On-site visits have been enthusiastically welcomed by neighborhood leaders and residents as well.

The mission visits have also prompted ongoing attention among Renewal officials to program performance and to showcasing genuine success stories in the field. The visits clearly represent an important vehicle for communicating the Renewal message and for enhancing program accountability in a tangible and visible fashion, on behalf of the broader donor community back home. The special care and attention invested in Renewal missions by the Jewish Agency and neighborhood officials attest to the importance and seriousness with which these face-to-face contacts with Diaspora leaders are regarded.

BUDGET CONSULTATIONS

The most intense contact between the Diaspora and Israel in Project Renewal centers around the annual budget consultation. The Los Angeles Project

Renewal experience in this regard is comparable to some other communities in its high level of intensive interaction and consultation with neighborhood, government and Jewish Agency officials and close review of program proposals and specific item-by-item budget projections.

The budget consultation sessions have not been without their tensions and disagreements although they undoubtedly have been valuable learning and sensitizing experiences for all participants. Overall, the participation of Diaspora leaders helped strengthen the planning and budgeting processes and instilled the importance of managing and rationalizing resource projections and flows for projects supported by Diaspora funds.

Diaspora leadership (in the Los Angeles Renewal case, a relatively small delegation) have had direct encounters with the social, administrative, ethnic, political and economic realities and intricacies of Israel and its social welfare system.

The well briefed and prepared Los Angeles Renewal leadership group has achieved a high level of understanding and sophistication in its participation in the annual budget consultation. It emerges with a remarkably firm grasp of the status of multi-year programs, the interplay of government and Jewish Agency Renewal budgets, and the specific details of proposed Renewal programs, funding patterns, and budget projections.

COMMUNITY REPRESENTATIVES AND SPECIAL CONSULTANTS

The expanded role of the Diaspora in planning and decision-making activities in Project Renewal neighborhoods generated a deep sense of personal involvement and commitment among Diaspora leaders to the fate of Renewal programs and the ultimate revitalization of their twinned neighborhoods. Strong bonds of support and friendship were developed with neighborhood residents and leaders. The

partnership took root. This more personal and direct investment in neighborhood revitalization stimulated strong interest among many Diaspora leaders, including those of Los Angeles, to stay on top of all developments relating to their Renewal neighborhoods.

This desire to maintain ongoing and direct communication linkages with the Renewal program in the field was translated into a new phenomenon—the direct appointment by the Diaspora community of a community representative, solely accountable to that community. This practice spread to a considerable number of Renewal neighborhoods.

The community representatives were never intended to replace or to substitute for the Project Renewal Department and its functions. Rather, as pointed out by Professor Elazar and his colleagues, “the presence of a community representative increases the likelihood that contacts and exchange will take place between the community and the neighborhood; it supplements the role of the Renewal Department which officially represents the Diaspora in the neighborhoods by providing a more intimate and detailed account of Renewal developments of interest to the Kehillah (community); at the same time, a direct appointment assures the Diaspora that its interests are guarded.”⁴

Serving multiple functions, including communicator, troubleshooter and linker, the presence of the community representative has promoted a more informed and educated Diaspora leadership and enhanced the program monitoring and accounting function on behalf of the community. Other consultants, principally those with building and architectural expertise, have been retained on occasion by Diaspora communities to review specific building plans and cost estimates for physical projects envisioned for the

4. *Ibid.*, Summary, V.

twinned neighborhood as well as to monitor progress on the actual construction.

PAYMENT MODE FOR PROJECT RENEWAL EXPENDITURES

The Los Angeles Project Renewal leadership determined at the outset of the program to link cash payments for Renewal expenditures to the review and validation of current expenditure reports produced by the Jewish Agency Finance Department in Israel and transmitted to the Diaspora community via the United Jewish Appeal/United Israel Appeal offices in New York.

This approach was adopted as a means for the Los Angeles community to monitor on an ongoing basis the expenditure of Renewal funds within the Renewal neighborhoods and to compare actual expenditures against budget projections. The current cash payment practice for Los Angeles Project Renewal is based on quarterly reimbursements covering all direct programmatic expenditures, reported to specific line items, for its two Renewal neighborhoods. In only rare cases has Los Angeles Project Renewal disallowed a specific Renewal expenditure.

Given the independent nature of Project Renewal relationships and practices, a variety of payment models have evolved among American Jewish communities. A few communities advance funds to cover projected expenditures for a specified time period and typically run considerable credit balances. A greater number reimburse UJA on a monthly basis upon receipt and review of the monthly expenditure report. Los Angeles Renewal leadership believes that its particular cash payment approach, coupled with its insistence on periodic written program updates from the neighborhoods, provide the community with the strategic tools necessary to effectively monitor and evaluate the progress of Renewal programs and projects.

FORMAL PROJECT RENEWAL EVALUATIONS

Project Renewal has been a highly visible and well-researched social welfare program since its early years of implementation. Formal evaluation studies, many of which sponsored by the International Committee for the Evaluation of Project Renewal, have been conducted on various aspects of this dynamic and evolving program.

Utilizing various research approaches, including case studies, process and outcome evaluations, valuable information has been gathered to "clarify what was done by Project Renewal, how it was done, what seemed to work or not work, and what immediate changes took place."⁵

Through timely dissemination of reports and paper presentations at Jewish Agency and Council of Jewish Federations General Assembly gatherings and Project Renewal forums, the specific findings of various studies have provided feedback on the efficacy of various approaches and program initiatives along with valuable guidance and direction for Diaspora communities in their ongoing Renewal planning endeavors.

In summary, the "twinning" notion of Project Renewal has demonstrated the benefits of involving Diaspora leaders, in partnership with their Israeli counterparts, in substantive decision-making around different phases of the program planning process at the local neighborhood level in Israel. Professor Arnold Gurin, Chairman of the International Committee for the Evaluation of Project Renewal, and his colleagues report that "as a consequence of 'twinning' the relationship of a number of Diaspora leaders and community members with Israel has become more personal and more meaningful, enhancing their invest-

5. The International Committee for the Evaluation of Project Renewal, *Summary of Findings and Recommendations*, p. 2.

ment of time, energy and financial resources. Similarly, the Diaspora has become real and alive to leaders and residents in Renewal neighborhoods.”⁶

The “twinning” relationship and the participation and accountability models which have evolved as a result are widely regarded as positive achievements of Project Renewal which certainly have signifi-

cant implications for future relationships, philanthropic and other forms, between Israel and Diaspora Jewry. “Twinning” of Diaspora and Israeli communities has been the marvelous and magical element of Project Renewal. It has closed the geographical and psychological distance between them and has been the catalyst for greater mutual trust and understanding as well as appreciation of and commitment to Klal Yisrael.

6. *Ibid.*, p. 15.