Models for Funding and Coordinating Community-Level Responses to HIV/AIDS

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Disclaimer

This report does not purport to represent the views of the Global Fund to Fight AIDS, Tuberculosis and Malaria.

ACRONYMS

AFSA	AIDS Foundation of South Africa
ART	Antiretroviral Therapy
BT	Barnabas Trust
CBO	Community-based Organisation
CINDI	Children in Distress Network
CSO	Civil Society Organisation
DOH	Department of Health
EC	Eastern Cape
EMM	Ekurhuleni Metropolitan Municipality
FBO	Faith-Based Organisation
FS	Free State
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
KZN	KwaZulu-Natal
HBC	Home-based care
MRN	Mentoring Resource Network
MSAT	Multi-sectoral AIDS Team
NGO	Non-Governmental Organisation
OVC	Orphans and Vulnerable Children
PMTCT	Prevention of Mother-to-Child Transmission
VCT	Voluntary Counselling and Testing
WC	Western Cape
WC NACOSA	Western Cape Networking AIDS Community of South Africa
ZHC	Zamani Health Centre

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Executive Summary

More than two decades into the AIDS epidemic, there is a growing desire and willingness to channel more resources to community-level organisations as a way of strengthening decentralised, multi-sectoral systems of AIDS response. Community-level organisations, such as NGOs, CBOs, and FBOs, are increasingly being seen as strategic ‘on the ground’ resources for bypassing some of the obstacles to programme delivery and absorption of funds being experienced at national and sub-national levels. However, in many contexts there are no clear strategies or systems for funding and supporting community organisations working on AIDS, despite evidence that a systematisation of response is indicated.

This research has employed a case study approach to document seven different models in use in South Africa for developing the capacity of local organisations, streamlining the distribution of funding, and maximising the impact of local activity through networks and coordination mechanisms. The models reviewed include a private grant-making institution; a CBO mentoring organisation; a membership network for groups working with children affected by AIDS; a small grants scheme; a provincial health department that collaborates with NGOs; a community clearinghouse for AIDS activity; and an umbrella network for AIDS service organisations.

The models examined are quite different from one another in their form, historical evolution and scale, but each provides institutional support to community organisations through a combination of funding, capacity building or networking. They work to a large extent with organisations that are seen as too small or too unproven for mainstream donor institutions to support directly, but which play vital roles in their own communities. They do this through individualised and labour intensive approaches that recognise the significant investments of time and energy that are required to build institutional capacity.

Among the features which distinguish these models from other types of interventions are: a differentiated approach to funding and support tailored to the needs of organisations of varying types, sizes and stages of development; recognition of the importance of horizontal learning and networking; support for

individual organisations, as well as efforts to link them up with others; and multi-year investments in organisations that allow them to grow coherently over a period of time. In the absence of a systematic approach to capacity building for community institutions, these independent home grown initiatives are filling an important gap at a local and provincial level. Elements of the models potentially lend themselves to replication or scaling-up.

Although there are many challenges involved in disbursing funding for AIDS response, disproportionate attention to what is essentially a technical question runs the risk of obscuring more fundamental challenges around what it takes to make funds work effectively. Financing problems may mask more complex needs in other areas, for example basic absorptive capacity and systems. To enhance impacts at local level, community organisations need predictable levels of finance with which to work, but also need stronger organisational systems and processes to guide their activities and regular links with other institutions that work on related issues. These elements are functionally interconnected and models that address these in an integrated manner, rather than as stand-alone interventions, are likely to yield longer-term, more profound results.

It is important to glean lessons from some of the successful pilot approaches that integrate models of support for community organisations and to apply these more broadly. The availability of predictable financing, along with sufficient coordination, alignment and advocacy, and the necessary training and capacity building, can lend support to community-level service delivery in a sustained and effective manner. There are also many benefits to linkages into a broader network of AIDS response organisations, including sharing information, improving approaches, coordinating activities and advocating shared needs.

1. Introduction

Global expenditure on HIV/AIDS, comprised of both international donor assistance and domestic expenditure, is believed to have exceeded USD 8 billion in 2005.[1] While this figure represents a significant increase in spending compared to previous years, it still represents only a portion of the total estimated funds needed to provide prevention, treatment and care programmes for the world's 40 million HIV-positive individuals and the many million more who are affected by the epidemic.

A significant effort is underway to scale up both the amount of funds available for HIV/AIDS-related programmes and their distribution and use in a variety of contexts. As the AIDS epidemic has progressed, a wide and diverse range of actors has become directly involved in implementing programmes and interventions aimed at curtailing and mitigating the effects of HIV/AIDS, supported by external resources accessed through an array of channels and mechanisms. No longer the exclusive domain of government structures and large development NGOs, funding is being made available in increasing quantities to local civil society organisations and community groups, some of which may have little prior experience in managing finances, keeping records of activities, and generating reports that document the extent and impact of their work.

The intensification and continued spread of HIV/AIDS – with the exception of a few important cases where declines in prevalence have been documented – has revealed the limitations of centralised, top down programmes for addressing the epidemic. There is growing attention being paid by policymakers, funders, and government officials to 'community mobilisation' and local-level responses to HIV/AIDS as an area of priority – a trend which is both welcome and worrisome, given the limited attention that has been paid to developing specific strategies and tailored modalities for supporting community organisations at local level.

Community-level responses to HIV/AIDS have been documented in various contexts since the earliest stages of the epidemic and have been cited as important contributing factors to some of the notable successes that have been

[1] UNAIDS (2006).

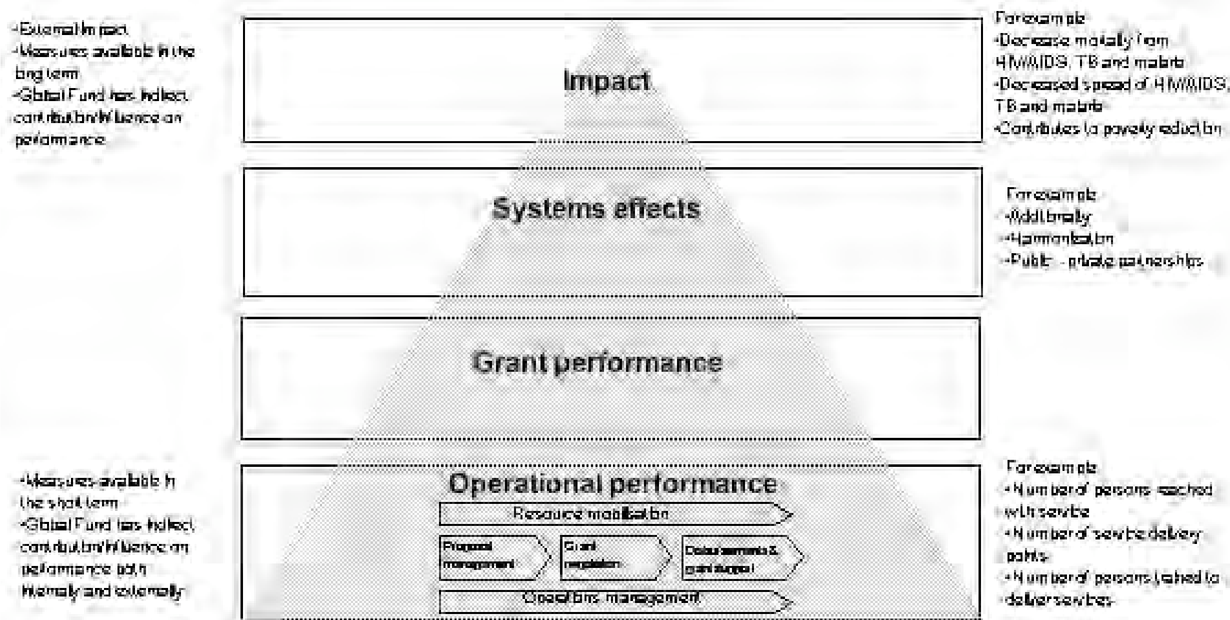
attained. These efforts have rarely, if ever, been stimulated from above – rather, they are organic expressions of care, concern and mutual support generated within communities in response to illness, suffering, death, orphaning, bereavement and loss. The extent to which community mobilisation is ‘programmable’ as a funded intervention is debatable. Nonetheless, increasing amounts of funding are being made available for work at community level – a shift which is leading to an array of effects, both intended and unintended.

1.1 Background to the study

In 2005, the Performance Evaluation and Policy Unit (previously Strategic Information and Evaluation) of the Global Fund commissioned the Centre for AIDS Development, Research and Evaluation (CADRE) to undertake research on community-level ‘systems effects’ of HIV/AIDS funding for HIV/AIDS. This piece of work forms part of the Global Fund’s broader efforts to understand, measure, and evaluate its performance and impact and, critically, focused attention at community level, in addition to the global level where most of the key concepts had been defined and operationalised (see box).

The Global Fund performance measurement system

The Global Fund's measurement framework identifies four levels of management focus to assess internal performance and external impact.



Three key dimensions are of interest in relation to the system effects of Global Fund financing: additionality, partnerships and sustainability (Table 1). *Additionality* looks at the augmentation of existing activities through a net addition of external financing. *Partnerships* reviews alliances formed between organisations at different levels – within the local community and beyond – describing how these working relationships are shaped by HIV/AIDS funding. Lastly, *sustainability* of financing encourages the continuation of programmatic components beyond the scope of the funding itself.

The study, whose findings were presented in *Community Perspectives on the Systems Effects of HIV/AIDS Funding in South Africa*,[2] explored issues around funding of HIV/AIDS activities at community level in three different types of settings (urban, rural and small town), identifying elements of community-level systems effects related to the formation of partnerships, access to resources, organisational sustainability, and local-level coordination.

The research found that the availability of HIV/AIDS funding is contributing to significant levels of community-level activity around the epidemic in communities, but also identified a number of challenges related to the ability of communities to absorb and manage this funding. Some of these challenges are linked to limitations in organisational capacity among NGOs and CBOs that

[2] Kelly, K., Birdsall, K., Tshose, P., Banati, P. and Low-Beer, D. (2005).

struggle to access external funding and then to manage its implications in terms of their organisational sustainability. Other challenges are more systemic in nature and relate to the weakness, or absence, of community-level systems for allocating and dispersing funding and coordinating activities, therefore exacerbating competition for limited funds and undermining partnerships at the local level.

1.1.1 Opportunities and challenges at community level

Community-based organisations have been at the forefront of AIDS responses in many countries and have been noted for their role in providing basic services related to HIV/AIDS prevention, care and treatment. In some cases they are doing so as officially outsourced service providers for government, while in other cases they provide services on a purely volunteer basis or with the support of resources mobilised in the community or from donor institutions. Many ‘organisations’ are in fact relatively informal groupings of concerned individuals who come together initially without a specific plan or strategy and do what they can to address both health-related and non-health related aspects of the epidemic, as well as related elements of poverty and underdevelopment.

Community-based organisations appear to be playing a particularly strong role in impact mitigation activities, including care and support to orphans and vulnerable children, home-based care, support groups, and individual and family counselling. In some settings, they are becoming involved in eligibility assessments for ART, treatment adherence activities, and nutrition education in support of ART. As organisations with direct and on-going contact with HIV-positive clients, they also play an important role in making the social and health service systems work in contexts of inadequate local implementation systems and infrastructure development. They effectively extend AIDS responses into communities and areas that cannot readily be reached by basic public sector services and interventions – sometimes compensating for the limitations of these systems, and in other cases substituting for them altogether. They are also important referral agents, directing individuals towards available services and forms of support, where such exist.

Given their location 'on the ground' in the most varied of communities, grassroots organisations have come to be seen as potential assets in optimising systems of AIDS response. Many donor organisations have begun to look to the local level for solutions to implementation problems that have been observed at national and sub-national levels. The result of this is an acceleration of funding being channelled to community-level organisations, either directly or through conduit bodies. This is an important development in the sense that community organisations have historically faced great challenges in accessing resources for their work; yet at the same time it presents risks and dangers. Parallel, unconnected streams of funding can undercut efforts at coordination and potentially weaken the capacity of important public sector institutions.

Despite this upsurge in activity and overall improvements in the funding environment, community organisations involved with HIV/AIDS response continue to face many challenges that affect both their daily operations and their longer term growth and sustainability. These include:

- *Challenges in securing funding.* Many community organisations have little or no success in accessing funding in support of their work, and carry out activities using volunteer labour and donated goods. Funding is difficult to access for groups that are newly established, lack a programmatic and financial track record, and are not networked into structures that might alert them to opportunities for accessing small-scale start-up funding. For the most part, donor requirements are not tailored to different types of organisations and a 'one size fits all' model tends to prevail.
- *Inadequate human resource capacity and skills base.* Many organisations providing services in the community rely heavily upon volunteers who are unpaid, or receive only small stipends. Turnover rates among volunteers tend to be high, as they may be lured away by the opportunity to undertake paid work or to receive a larger stipend at a different organisation. In most local organisations there are inadequate human resource systems and insufficient attention to the professional development and career pathways of volunteers and staff. Management systems are often underdeveloped and little support is available for organisational development to overcome this vulnerability.

- *Limited familiarity with monitoring and evaluation processes*. Monitoring and evaluation is seen as a funder-driven requirement, rather than a practical tool for improving organisational performance. Within organisations that are over-committed and under-resourced, monitoring and evaluation is not seen as a priority, and understandings and capacities in relation to it are limited.
- *Insufficient linkages between organisations and other actors involved with AIDS response*. Although there is evidence of increasing networking between AIDS service organisations, this does not yet appear to have reached the level of systematic co-ordination in many places. Competition at local level – for resources, territory, and clients – may be impeding the emergence of partnerships, but so too is the absence of community-based forums where such partnerships might be forged.

Alongside examples of dynamic and innovative community work, the first phase of the research identified significant tensions within local-level AIDS response environments. There are signs that the relatively greater availability of funds for HIV/AIDS is increasingly leading organisations to orient around HIV/AIDS, providing a much needed response to the HIV/AIDS challenge. However, this re-orientation may be leading to a shifting of attention away from other social needs and to high coverage by low-grade and inexpert programmes that are oriented around short-term funding and one-off interventions. There is evidence to suggest that new organisations may be emerging partly in response to the perceived availability of resources, which contributes to a 'crowding' of the field. All of this has pointed to a need to think about how financing can be better used at community level, and how to build synergies that enhance the effectiveness of activities being undertaken.

1.1.2 The challenge of coordination and coordinated funding

There is much work to be done in laying the foundations for more systematic, efficient and sustained local responses. In South Africa, and in many other contexts as well, there is almost no policy or strategy related to the development of local responses to HIV/AIDS. To the extent that coordination of activities exists it has evolved organically, rather than by design.

Although local and district-level municipalities are encouraged to form AIDS councils, in most cases these are not currently of much practical value. Success requires the development of capacity within local government for forming and managing partnerships with local organisations, and development of systems for monitoring the use of funds and systematically developing integrated systems of response at the district and municipal level. There has been no systematic effort to address this, apart from certain localised attempts, and perhaps more importantly it remains unclear whose responsibility it should be to lead such a process.

Ideally, the services that are available at community level should be interlinked, at least at the level of referrals and potentially at the level of integrated case management. The availability and expansion of key services should occur in some type of harmony, as certain services are needed to support others. One of the effects of a haphazard funding environment, coupled with limited local coordination, is that this balance may be elusive. The growth areas are likely to be those for which funding has been secured, regardless of whether this function is already fulfilled or oversubscribed within the community.

There is a strong need to develop strategies around co-ordination of local-level funding. There has been remarkably little work in this area and an inconsistent approach prevails. In South Africa and many other countries, despite a general trend towards harmonisation of development assistance, the AIDS funding environment is highly diversified and a myriad of 'off budget' resource flows co-exist alongside more centralised ones. Churches, private foundations, and international NGOs are all active in supporting AIDS-related activities, but the nature and extent of their involvement is extremely difficult to map. For community organisations, particularly those without a track record in managing previous funding, the resourcing environment can be bewildering. Accessing small-scale 'start-up' funding is a particular challenge.

Thus, at the same time that community-level organisations are being turned to as a vehicle for providing needed services, there are also significant challenges in developing and managing partnerships with them. Donors and government departments are not geared to take on the direct, labour intensive management

that is required to fund small organisations directly. It appears that a closer-to-the ground approach is required that draws upon existing coalitions, capacity building organisations and coordinating bodies that can act in an intermediary role.

1.1.3 Strengthening community systems

To understand how these challenges might be overcome, in 2006 the Global Fund commissioned a follow-on piece of research to explore the 'building blocks' for effective use of HIV/AIDS funding at community level and to identify optimum models for financing community-level initiatives which minimise bottlenecks and enhance absorptive capacity.

This current research informs the Global Fund's emphasis on 'community systems strengthening' as part of health systems strengthening. Although national health systems have traditionally been the backbone of HIV/AIDS interventions, it is increasingly recognised that a broad range of complementary community-level services are required for the implementation of many interventions ranging from prevention to treatment and care. These community-level services require investments in systematisation and coordination to ensure effectiveness. In response to some of the challenges identified in the initial work on systems effects, the present research set out to identify and assess a sample of coordination and funding models in use in South Africa that are attempting to develop the capacity of local organisations, to streamline the distribution of funding, and to maximise the impact of local activity through networks and other fora.

2. Scope of research

2.1 Objectives

The overall aim of the research was to explore and document a select number of models for channelling, allocating and administering HIV/AIDS funding at community-level in South Africa. Specific objectives included:

- To identify the fundamental structures, mechanisms and/or conditions required at community level for the effective absorption and use of HIV/AIDS funding
- To develop recommendations for policymakers, provincial and local government officials, and donors to inform their strategies around local-level funding for HIV/AIDS

Key questions that guided the research were:

- What successful and/or innovative models exist for coordinating HIV/AIDS resource flows at community-level?
- What community-level mechanisms or structures do these models rely on?
- What are the strengths of these models and what best practices do they point to?
- What are the common features (if any) across these models that suggest community-level 'building blocks' for absorbing and utilising funding?

2.2 Methods

A case study approach was employed to investigate and document seven models for funding and coordinating community-level activity around HIV/AIDS. The models were chosen purposively to obtain a diverse sample of approaches operating at different levels (local, provincial and regional) and in different contexts, with varying histories, goals and objectives. The selection was therefore guided by the principle of maximum variation – that is, to identify a small number of cases that differ significantly from one another so as to gather the broadest possible insights into the features and characteristics that make their work successful and innovative.[3] This method allowed for the development of detailed case descriptions, as well as identification of common patterns that cut across cases.

[3] Patton, M. Q. (1990). *Qualitative Evaluation and Research Methods* (2nd ed.). Newbury Park, CA: Sage Publications, Inc. The strategy of maximum variation 'aims at capturing and describing the central themes or principal outcomes that cut across a great deal of participant or program variation. For small samples a great deal of heterogeneity can be a problem because individual cases are so different from each other. The maximum variation sampling strategy turns that apparent weakness into a strength by applying the following logic: Any common patterns that emerge from great variation are of particular interest and value in capturing the core experiences and central, shared aspects or impacts of a program.' (Patton, 1990, p. 172).

The eighth case study, which is oriented differently from the other seven, focuses on a single community organisation that has succeeded in growing into a viable local NGO in a context characterised by an absence of local support and coordination bodies and with exposure to a range of contrasting funding opportunities and models. This case documents the evolution of the organisation, focusing upon its key stages of development and the critical inputs that allowed the organisation to consolidate, while also highlighting important setbacks, challenges and pitfalls that it experienced in the process. Attention is paid to the role of funding influences in shaping the organisation's growth and activities, including the types of choices it made – or felt it could not make – and the implications of these for its development.

2.2.1 Data collection

The researchers used a range of data collection techniques in investigating and preparing the cases. Site visits were made to the projects during June and July 2006.[4] [5] The data collection process included:

- *Collection of published information* about the organisation, its work, history, mission and accomplishments (e.g. annual reports, programme reports, background information on websites, publications etc.)
- *In-depth interviews with managers and key staff* of the organisation to learn about its structure, operations, accomplishments and challenges
- *Interviews with stakeholders* familiar with the work of the organisation (e.g. member organisations, partners, beneficiaries, local government representatives, funders etc.) to better understand its role and position within the community

[4] The NGO funding model employed by the Department of Health in the Free State was previously researched as part of a detailed evaluation carried out by the researchers for Development Cooperation Ireland (see Magongo et al, 2005). The case has been developed on the basis of original research and interviews undertaken as part of that process in October 2005.

[5] It should be noted that the authors have had various formal and informal contacts with Zamani Health Centre (ZHC) over a number of years, and one of the authors is on ZHC's Management Committee. As such we have been privy to many internal communications over a number of years. Because these experiences with the Centre are an indelible part of our understanding of the Centre we have not sought to confine ourselves to those insights gained in the formal research activities associated with this report. Although ZHC has agreed to this research being conducted, in fairness to other agencies involved in the development of ZHC identifying details of both ZHC and its funders have been changed. The themes that emerged from the research are not affected.

- *Participatory observation* at any events or activities undertaken by the organisation, including meetings or coordination sessions, to record observations which may assist in answering the research questions.

Interviews with respondents were tape-recorded and detailed notes were written-up following each visit.

2.3 Description of the models

Efforts to fund and support CBOs and NGOs working on HIV/AIDS in South Africa have taken on a range of forms. This paper uses the term 'model' to describe some of the specific approaches that have been employed. It attempts to sketch out their configurations, identify their underlying principles, and assess the extent to which they could or should be emulated more broadly.

The seven cases which form the basis of this research operate at different scales in a range of settings: some focus their activities in a particular community or area, while others work over a larger territory. Some have an exclusively urban orientation, while others work with both urban and rural groups. They also represent fundamentally different types of organisations, ranging from membership-based networks to small grants and mentoring schemes. The table below summarises some of their key features.

Table 1 Summary of Key Features

Case	Province Where Based	Scope of Operations			Type of Organisation
		One community	Province-wide	More than one province	
AIDS Foundation of South Africa	Kwa-Zulu Natal			√	Grant-making institution
Barnabas Trust	Eastern Cape		√		Mentoring organisation
Children in Distress Network	KwaZulu-Natal		√		Membership-based network
Ekurhuleni Grant-in-Aid	Gauteng Province	√			Small grants scheme
Free State Department of Health	Free State		√		Provincial department that works with NGOs

MSAT Khayelitsha	Western Cape	√			Community-level clearing house
WC-NACOSA	Western Cape		√		Umbrella network

The Woza Moya Project, Ixopo, KwaZulu-Natal. Supported by AFSA.

2.3.1 The AIDS Foundation of South Africa

The AIDS Foundation of South Africa (AFSA) is a Durban-based private grant-making institution that functions as an intermediary funding body, channelling funds from 18 different donor agencies to CBOs and young NGOs in six provinces. It utilises a developmental approach, providing financial and technical support to community-level organisations and focusing on vulnerable communities that are not reached by 'mainstream AIDS interventions.'

The success of AFSA's model relies upon two main pillars – a highly professional and efficient administrative centre (anchored by powerful fundraising and financial management systems) capable of managing complex financial arrangements with multiple funders, and a core group programme officers and staff who engage directly and intensively with recipient organisations through training, mentoring and site visits.

2.3.2 Barnabas Trust

The Barnabas Trust is a non-profit organisation that provides training and mentoring to emerging community and faith-based organisations working in the field of HIV/AIDS in the Eastern Cape. The BT model combines direct mentoring and guidance with small amounts of 'seed funding' that allow organisations to gain practical experience managing finances in a controlled manner.

Barnabas Trust continues to work with the organisations it has supported after the formal completion of the mentoring programme. It acts as a 'broker' between other donors and the community organisations that have progressed through its programmes, helping to ensure that CBOs continue to evolve through relationships with other sources of funding.

2.3.3 Children in Distress (CINDI)

Children in Distress is a network of more than 100 member organisations (NGO, CBOs, FBOs, & government agencies) and individuals that work with children and families affected by HIV/AIDS in KwaZulu-Natal. The role of the network is to provide its members with a space for sharing information, collaboration and collective access to resources. CINDI celebrated its tenth anniversary in 2006.

The CINDI model is an innovative example of how an accomplished local HIV/AIDS network has cautiously, but deliberately integrated a resourcing role into its operations. For the first six years of its existence, CINDI was not involved in supporting its members financially. It first introduced a funding component to its work in 2002 and now acts as a funding conduit for a small number of donor institutions that wish to support CINDI member organisations. Under one such arrangement, NGOs receiving funds via CINDI must commit themselves to mentoring and working with a CBO that is involved with similar issues. CINDI moved into funding work after thorough consultations with its membership and has developed a detailed set of procedures and guidelines that regulate its role as a funding conduit.

2.3.4 Grant-in-Aid Scheme

The Grant-in-Aid programme administered by the Ekurhuleni Metropolitan Municipality (the former East Rand of Johannesburg) is a discretionary funding scheme that provides grants to local organisations working in the field of education, social development, arts and culture, sports, and local economic development. Funding for Grants-in-Aid comes from the municipal budget and is allocated on an annual basis. Many of the organisations that apply for support under the social development division are working on issues of HIV/AIDS, although the grants are not specifically targeted at HIV/AIDS.

Caregivers, Botshabelo, Free State Province

Although the Grant-in-Aid scheme is not framed as such, it is essentially a ‘seed funding’ mechanism. The scheme is a relatively accessible and unbureaucratic means by which local organisations that may not be eligible for funding from other sources can access small amounts of funding to build or sustain their operations. Although applicant organisations are required to show proof of registration and financial statements, they do not require an extensive ‘track record’ in managing funds to be awarded support, and the application forms themselves are straightforward. Local ward councillors are involved in promoting access to the funds and must sign all applications coming from their ward.

2.3.5 Department of Health in the Free State

The Free State Department of Health has developed a multi-pronged approach to funding and supporting NGOs that deliver services to people affected by HIV/AIDS in the province. This involves financial and material support for NGOs, distributed through a network of umbrella consortia; capacity building activities to enable NGOs to work effectively and accountably with project funding provided by the Department; and a system for paying stipends to volunteers through selected NGOs in the province. The elements of this approach have been codified in an NGO Policy that outlines expectations and guides the relationship.

This case is an interesting example of an effort on the part of government to both fund and support the NGOs it works with in delivering HIV/AIDS-related services. The approach adopted by the Department extends to NGOs throughout the province working and, as such, is one of the larger models under consideration in this study. It was developed in response to a perceived need to bring order and systematisation to the relationship between the Department and service delivery NGOs, including improving the quality of NGO/CBO proposal writing, reporting, and monitoring. The policy of funding only those organisations that are part of ‘clusters’ or ‘consortia’ is of particular interest, as this is an approach that is often mooted as a possible strategy for funding community-level organisations on a large scale.

2.3.6 Multi-sectoral Action Team, Khayelitsha

The Multi-sectoral Action Team (MSAT) in Khayelitsha is one of eight such entities in the City of Cape Town, established by the City Health Directorate. MSATs' functions include coordinating local HIV/AIDS activities, providing funding to community organisations, and arranging training and capacity building for them. They bring together local groups including churches, businesses, NGOs, CBOs, and local officials to develop and implement a local plan for combating HIV/AIDS and TB. Local MSATs endorse project proposals that originate from groups in their sub-districts and that are submitted to the City Health Directorate for funding.[6] MSATs have a close relationship with WC-NACOSA (see below), which provides much of the training and mentoring for organisations in the MSAT districts.

The MSAT model is of interest as an example of a community-level focal point or 'clearing house' for HIV/AIDS activities that has important vertical and horizontal links with other structures in area – i.e. the City Health Directorate (with its access to resources and its important policy role) and WC-NACOSA, a training and networking body for AIDS service organisations in the province.

2.3.7 Western Cape Networking AIDS Community of South Africa

The Western Cape Networking AIDS Community of South Africa (WC-NACOSA) is a non-profit organisation that provides support to AIDS service organisations in the Western Cape in the form of training, mentoring and small grants. It is also an advocacy and lobbying body for the development and implementation of policies and programs that effectively challenge the HIV/AIDS pandemic.

WC-NACOSA is the only of the original provincial 'NACOSAs,' formed in the early 1990s, which has survived to the present day. In the course of its history it has re-invented itself to provide a particular hybrid form of support involving networking, advocacy, capacity building/training and funding. It has an extensive reach within the province – active in both urban and non-urban areas – and has become the main umbrella body for AIDS service organisations in the Western Cape. It acts as both a supporter of CBOs and NGOs and a voice for their

[6] The City receives significant Global Fund support from the Western Cape provincial government for its Community-Based Response (CBR) programme.

concerns through its role in a variety of provincial-level networks and policy forums.

2.3.8 Zamani Health Centre[7]

Zamani Health Centre (ZHC) is a registered non-profit organisation located in a medium-sized town in a predominantly rural province. The Centre has evolved into a leading service provider of voluntary counselling and testing (VCT) and educational services for HIV-positive people in its community, having begun in 1999 as a volunteer-driven initiative to support PLWHAs.

The Centre has grown and developed as a response to various internal and internal pressures, many of which are directly related to the availability and conditions of funding. In 2002 the Centre acquired funding from a private international HIV/AIDS charity, which enabled it to grow and expand its activities to a number of projects, while also leading to significant internal challenges and conflicts. The Centre's encounters with funding agencies have profoundly shaped the organisation and the development choices it faces cannot be separated from its particular funding history.

2.4 Structure of the report

Section Three of the report presents the main findings of the research in an integrated manner, working across the seven models, and is structured thematically. Attention is paid to six particular issues: 1) the core elements or building blocks of the models (What functions do these models perform? Do these functions stand in isolation or do they sometimes work in combination?); 2) the evolution of these models (their histories, rationales and changes over time); 3) the effects of these models, both intended and unintended; 4) the limits of these models, both intended and unintended; 5) the contextual and other factors which contribute to the successes and limitations of these models; and 6) prospects for replicating or scaling up these models

Material from the eighth case – the organisational evolution of Zamani Health Centre – is used throughout Section Three as a 'foil' to highlight key issues from

[7] The name of this organisation and all identifying details related to it have been withheld or changed lest the findings have implications for its development in the future.

the perspective of an organisation working at community level. While the experiences of this one organisation are obviously unique in their specific details, they also contain important generic lessons pertaining to the developmental challenges and conflicts experienced by most of the community groups that are the intended beneficiaries of the models being discussed. We use learnings from the case of the Zamani Health Centre as an analytical lens for examining and assessing the approaches taken in the seven models.

Section Four offers a discussion of the implications of the research findings for thinking about the absorption and effective use of funding at community level.

Individual case study write-ups can be found in the Appendices to the report.

3. Findings

3.1 Taxonomy of the models

3.1.1 Overview: typology of the cases

Models for funding and supporting CBOs and NGOs working on HIV/AIDS in South Africa take a range of forms. Both government and private initiatives exist, with the former oriented largely on building the capacity of community organisations to contribute to official multi-sectoral HIV/AIDS response frameworks, and the latter pursuing similar goals, but often driven more by a belief in the principle of strong civil society responses to HIV/AIDS. Private initiatives vary in form, but are often structured along the lines of NGOs or Section 21 companies working in the public interest. Some are organised as networks of member organisations.

Multi-sectoralism is an important principle underpinning many of these initiatives, especially those with an explicit emphasis on coordination. This approach is premised on the belief that it is necessary to bring together state and non-state actors into a common response framework.

Many of these initiatives are relatively young, having emerged in response to a particular set of challenges and needs related to the growth of HIV/AIDS in South Africa and the availability of funding to combat the epidemic

programmatically. Half of the models examined in this research were founded within the past five years, although two are between 15 and 20 years old.

Financial support for their work comes from a mix of domestic and international sources. All of the non-governmental models are heavily dependent upon grant funding (primarily international), while some of the governmental models rely on both budget funds and external funding. Only one model appears to operate solely on the basis of domestic revenue.[8]

The primary beneficiaries of these models are organisations themselves, although modes of support may be structured in such a way that individuals or groups of individuals within beneficiary organisations become the focal points for training and capacity building activities. Nonetheless, the emphasis is on *institutional* support and development, as opposed to individual-level, and on the strengthening of systems, procedures and approaches that can be applied to HIV/AIDS projects and activities at community level. The secondary beneficiaries of these models are the community members who are, in turn, reached by projects and activities carried out by the supported organisations.

The number of primary beneficiaries reached depends on various factors, including the size, budget and staffing structure of the model itself, the type of relationship it seeks to have with its primary beneficiaries, as well as its mission and objectives. These factors co-vary: a model oriented at provincial or sub-regional level may work with a relatively large number of organisations over a sizable territory, but the intensity of contact will likely decease in inverse relation. The greater the intensity of contact, the larger the human resource required to administer the model itself. In this study, the number of primary beneficiaries ranged from 30 to 200 organisations, with a number of models clustering in the area of 35-60 organisations.

Although each of these models is concerned with the same broad challenge – how best to support and enable community-level activity on HIV/AIDS – the mix of activities that constitutes the approach differs from case to case. The various models do not particularly resemble one another at the level of form or structure,

[8] The Grant-in-Aid programme of the Ekurhuleni Metropolitan Municipality is also the least complex, least human-resource intensive model of those examined.

yet it is possible to speak of a cluster of three core functions that are present in one way or another in many of the different cases: funding and financial support; capacity building; and coordination and networking. In some cases, all three elements are present in some combination, while in others the focus is placed squarely on one or two of them (see Table 2, p.28).

The following sections look at each of these functions in turn.

3.1.2 Element One: Funding

The first core element is the provision of funding. The recognition that AIDS response activities need to be intensified at all levels of society has resulted in efforts to get resources into the hands of local organisations, which are seen as well-placed to reach populations considered vulnerable or in need of assistance. Specific funding schemes have therefore been developed to channel resources to groups at the grassroots to cover costs such as transportation, basic supplies, food, office space, community events and workshops, service provision and, in some instances, salaries and/or stipends for staff and volunteers.

Organisations being supported through these schemes include CBOs, FBOs and NGOs at varying stages of development. With few exceptions, these would all be classified as 'young' or 'emerging' CSOs that have limited experience operating as organisations and with little or no track record in attracting and managing outside finances. Some models restrict their support to particular types of organisations – for example, those who are members of the network, those based in particular communities, or those delivering particular kinds of services – while others identify partner organisations through open calls for applications or referrals from government or other partners.

The way the funding is awarded and disbursed is tailored to the needs and realities of CBOs and small NGOs who would otherwise be ineligible for support through more mainstream funding channels. The amounts of

CBO Office Space, Free State

funding provided are modest: from less than USD 1000 up to about USD 30,000 per annum.

One of the major features that sets these schemes apart from other funding mechanisms is that decisions around the allocation of funding are generally sensitive to the level of experience of the recipient organisation. New or emerging groups typically receive smaller amounts of funding than those that are more experienced; in many cases funds are transferred to them on a monthly, rather than quarterly basis; and for the initial period they are required to report on the use of the funding more frequently than those groups with a funding history.

Box 1: The Funding Needs of Young Voluntary Organisations

The Zamani Health Centre started out as purely a volunteer-run organisation and the scale of activity in the early days was minimal. Activities were not strongly focused and tended to centre around community support needs, such as helping individuals in crisis and public education on the basics of living with HIV/AIDS. Although there was a desire to provide services to PLWHAs on a larger scale, the organisation generally operated in a reactive manner and there was no long-term planning.

Neither the founder nor the volunteers were paid for their services, even at the level of stipends. Donations were sought from local individuals and businesses to cover the most basic direct costs associated with their work, such as transportation and hosting workshops. Limited amounts of funds were acquired for specific events from the local health department and municipality, and some indirect support was provided by another local NGO to which the founder was affiliated. The organisation was not formally registered and did not have a bank account.

The greatest funding need at this early stage was for basic running costs to allow the organisation to carry out its activities more regularly. This proved difficult to obtain and was covered in a patchwork fashion. It became clear that unless it registered as a legal entity, identified premises from which to work, and secured some level of funding to run its planned activities, the Centre would not be able to improve its services or scale up its activities to meet the evident need in the community. The organisation in this early state remained vulnerable and heavily dependent upon the talents and contributions of its founder, and the commitment of its largely untrained volunteers.

While actual expenditure of the funds is usually guided by an agreed business plan, workplan or project document, these funding models generally impose few of the conditions that are commonly encountered in larger-scale funding arrangements. For example, funds can be used to pay stipends or modest salaries to staff and volunteers, to cover rent, water, electricity and telephone calls, as well as supplies and other direct programme costs. This is important, as many of the forms of funding available for CSOs more generally tend to restrict allowable expenses to project costs only, assuming that general operating costs are somehow funded through alternative sources. This often proves to be problematic, as organisations starting out do not have access to

alternative sources of support, yet have a very real need for certain general costs to be covered (see Box 1).

The need to get funding into the hands of community organisations is seen as so acute that financing is sometimes provided as an end unto itself.[9] However, in almost all cases examined in this research, funding is linked to a larger programme of training and capacity building in which the recipient organisations are supported in learning how to manage and account for funds. This accompanying support is packaged in a variety of forms, from centralised trainings (e.g. representatives of funded organisations attend joint workshops where they are taught basic financial management principles and techniques) to one-on-one mentoring sessions that look at practical ways to develop project budgets and keep sound financial records. The degree of emphasis on capacity building differs: in some cases, the link between funding and capacity building is almost indistinguishable, to the extent that the funding provided seems to be less about covering the cost of programmes and services than about building up the organisation's capacity to plan activities, make decisions about budgets, and oversee the use of funds.[10]

'That R10,000 helped us so much, we could even get some income. We serviced our machines, and bought material for school uniforms. We got R6000 in the following year and sent three people for a business management course.' - Member of a CBO that received Grant-in-Aid support from Ekurhuleni Municipality.

The Grant-in-Aid scheme is relatively unprescriptive in the way recipient organisations can use the funding received.

As this suggests, funding is provided to organisations for a variety of reasons. In some cases it approximates a business relationship – a 'fee for service' arrangement where CSOs are essentially contracted to undertake certain types of activities (see Box 2)[11] – while in other cases the financial support is aimed at building up the organisation itself. In such cases, greater space is usually granted for the organisation, in conjunction with the funding agent, to define what it does with that support. The degree of flexibility allowed in this respect differs from case to case in relation to the funder's relative

[9] See, for example, the Grant-in-Aid scheme of the Ekurhuleni Metro.
[10] This is particularly notable in the model employed by the Barnabas Trust, which works with new or previously unfunded CBOs and 'drip feeds' them funding of approximately USD 400 to 700 per month as part of an intensive several-year process of building up organisational systems and structures.
[11] An example of this is the Free State Department of Health which sees CSOs as partners in providing certain types of support at community level.

emphasis on issues of accountability as opposed to organisational learning and development.

Box 2: Funding Service Delivery

After a number of years operating on a purely volunteer basis, the Zamani Health Centre secured a fairly substantial grant from a private overseas funder through a chance encounter at a conference. The funder had a particular interest in supporting VCT services and the grant was earmarked for building up this function within ZHC. Funds were to be used for costs directly related to the provision of VCT, including supplies, promotion of the service in the community, and salaries/incentives for staff and volunteers working on VCT. The funder also agreed to partially fund organisational management costs (so that the VCT programme would be properly administered), but did not want its funding to go towards general operating expenses – recurrent costs such as transportation, equipment, training, staff development and conferences.

This posed a major challenge for ZHC as an emerging NGO. While the funder was willing to finance the development of a particular service, it was not interested in investing in the Centre as a whole. The organisation was suddenly faced with starkly uneven development: while a particular area of activity was being adequately funded, there was a serious gap in terms of several core organisational functions and no resources were being directed to building up organisation-wide systems.

The Centre attempted to cobble together its ‘total costs’ through a variety of sources and ‘hid’ the costs of other salaries and operating costs within the project funding provided by the funder. It was also forced to commit additional time to courting new and other sources of funding, to compensate for the un-funded components. This brought it into conflict with the main funder, which saw this as a diversion from the primary objective of building up VCT services. The conflict became more severe when the funder began to push for the Centre to implement a PMTCT programme – something the staff thought was inappropriate in light of the fact that the Centre did not provide antenatal services.

One of the effects of this period was a growing emphasis on VCT, to the exclusion of other activities, such as an education and support programme, that staff believed were equally important. Another consequence was a weak management team and organisational core that became overly led by the expectations and conditions of the primary funder. Some staff expressed discontent that the Centre’s work was being dictated by the outside agency.

The importance placed upon ‘funding for development’ as opposed to ‘funding for programme implementation’ is also reflected in the approach taken to ending financial support: many of the cases surveyed employ a developmental approach to funding, seeing it as a time-bound input that can – if all goes well – result in a strengthened organisation that is positioned to graduate on to other, potentially larger sources of funding. In such instances, there is wariness about cutting off funding to organisations that are not yet ready to stand on their own. In other cases, where funding flows are less embedded in ‘relationships’ or ‘partnerships,’ a more depersonalised approach tends to prevail: funding may not be renewed for a variety of reasons and it is not seen as the funding agent’s responsibility, per se, to protect an organisation from collapse.

3.1.2 Element Two: Capacity building

The second element is capacity building – broadly understood as efforts to strengthen the skills and competencies of organisations so that they work more efficiently and effectively towards their objectives. Capacity building has emerged as something of a development buzzword as expectations around civil society's contribution to AIDS response have grown and concern has been expressed about the ability of CSOs to manage and account for funding and other resources in the manner expected by those providing it.

Capacity building is a catch-all term that encompasses a range of methods and approaches. In the context of this research, the most common are training and mentoring. Training often takes the form of workshops, seminars and sessions, often held in a central venue, that bring together one or more representatives from organisations with the purpose of conveying information, techniques or skills in a particular area. Mentoring tends to involve one-on-one sessions between a 'mentor' and one or more members of an organisation, conducted regularly over a period of time, and aimed at ensuring that skills and competencies are applied in a particular context or setting. Training and mentoring are sometimes paired together, with the mentoring sessions used to reinforce lessons imparted during the training.

The types of issues that are commonly addressed in capacity building schemes for CSOs include project planning, proposal writing, principles of organisational management and governance, financial management and bookkeeping, conflict resolution, strategic planning and monitoring and evaluation. Training and mentoring are provided by these models through a range of configurations, including in-house training units, networks of mentors who work as consultants, outsourcing the role to a service provider, developing and using 'master trainers' from other NGOs, or pairing up young CBOs with other more established groups working in the same field.

Capacity building activities fall along a continuum from relatively un-intensive (once-off, short term training sessions) to highly

'I think we are working much better than the way we were two years back or three years back. In 2000 when we started, our idea was just helping people who were infected – getting the money and doing the job. We did not go to the nitty gritties in terms of how to fund a structure as an NGO, the reporting mechanisms and even how to handle ourselves. We did not care much, but now we are taking everything serious.'

-Member of the executive committee of an NGO Consortium in Bloemfontein that provides IEC services, reflecting on the impact of a capacity building programme run by the Department of Health

intensive (regular hands-on mentoring visits), and the choice of approach – as well as its duration, location, language(s) used, and the individuals targeted as participants – varies in relation to the particular objective in any given instance. For example, a three-day workshop in a provincial capital might be appropriate for training bookkeepers in a new reporting format, but it is unlikely to be the best vehicle for addressing deeper issues of organisational change and growth, which are better pursued incrementally over a longer period of time. It is now conventional wisdom that training without follow-up runs the risk of being ineffective (i.e. not being applied in practice), and that on-site training and mentoring is generally preferable to off-site sessions for organisational-level processes.

Like funding, capacity building can be targeted at organisations for a variety of reasons. In some cases, the primary motivation is to ensure that supported organisations comply with prescribed financial and accountability requirements and the focus is placed on elements of technical compliance such as report writing, monitoring and evaluation formats, and preparation of financial reports. In other cases, capacity building may include some of these elements, but is more broadly geared at building organisational systems and processes – in other words, strengthening the core processes of the organisation to position it to be able to grow and successfully adapt to changing circumstances over time relatively independently.

Where a capacity building approach falls on this spectrum inevitably affects its shape and character in relation to two other dimensions: ownership over the content of the capacity building activities and attitudes towards learning, taking risks and making mistakes. When capacity building is aimed first and foremost at ensuring that organisations are able to comply with an externally determined set of requirements, it is more likely to be a one-way process where a set of procedures are taught and competence is measured in relation to trainees' ability to fulfil pre-set expectations. This is quite different from a more individualised capacity building process which seeks to determine an organisation's particular needs, rather than following a standardised programme, and to focus on these in a dynamic fashion. While providing guidance and acting as a resource, these more learning-oriented approaches

allow an organisation the ability to make its own choices, including making mistakes, as it finds its own way towards the goals it has identified.

3.1.3 Element Three: Networking

The third element – which is oriented at a collective rather than individual organisational level – has to do with networking and coordination among community organisations. In a context where responses to AIDS are proliferating, often in the absence of an overarching framework or system for drawing them together in a strategic way, the need to coordinate activities at local and sub-regional level is felt acutely. Coordination can help to reduce duplication of efforts, to close gaps, to ensure that limited resources are put to best and most efficient use, and to enable horizontal learning and sharing of successes.

When coordination occurs, through local (ideally multisectoral) networks of groups, one of the outcomes is a strengthened local community of actors with shared interests who are organised around a particular set of needs and concerns. Networks of organisations are in a position to advocate around issues and to use their collective voice to push for certain types of change.

> *The benefit of WC-NACOSA to local NGOs is invaluable, there are no other structures in the WC that are as capable of networking and running 'visible' capacity building programs at grassroots level, where the need is the greatest. NGOs have an opportunity to become active in NACOSA networking activities, so we're not just involved as benefactors, but are partners as well.*
>
> *- Western Cape CBO*

They can also move into policy-making structures and forums, bringing to the table the perspectives and concerns of organisations and individuals working at the grassroots.

Networking, coordination and advocacy functions seem to be the least easy of these three elements to 'engineer,' as it takes time, trust, and belief in the benefits of networking for such models to succeed. Where they have evolved organically over time they have come to play very important and powerful roles,[12] but as the failure (or weakness) of many Local AIDS Councils shows, it takes more than just the idea of a multi-sectoral forum for such a structure become embedded and credible. When coordination models are introduced

[12] WC-NACOSA and CINDI are the two leading examples from this study. It is interesting to note that these are also among the oldest models, founded in 1991 and 1996 respectively.

'from above' and enabled with resources,[13] and/or are linked functionally to other existing networks and structures, their chances of success may be greater, although there is a risk that groups are attracted more by the availability of resources than by the other functions. Ultimately, the value of a network lies as much if not more in the non-financial aspects of its role than in the provision of resources: information, access to training and other opportunities, mutual support, and a platform for advocacy are critically important resources for civil society organisations as they grow, mature and professionalise.

Table 2 Main Areas of Focus

The table below indicates the relative importance of funding, capacity building and networking within each of the models. XXX = Main focus or activity; XX = Some focus or activity; X = Little activity; blank = No activity.

Case	Funding	Capacity Building	Networking
AIDS Foundation of South Africa	**xxx**	**xxx**	**x**
Barnabas Trust	**xx**	**xxx**	
Children in Distress Network	**x**	**xx**	**xxx**
Ekurhuleni Grant-in-Aid	**xxx**		
Free State Department of Health	**xx**	**xx**	**x**
MSAT Khayelitsha	**x**	**x**	**xxx**
WC-NACOSA	**x**	**xxx**	**xxx**

3.2 History and evolution

Each of the models considered in this study was developed in response to a particular challenge or set of needs. Some were 'home grown' initiatives that emerged more or less organically, while others were created as deliberate interventions. Certain of the models have remained true to their original design, while others have evolved over time.

All of the models emerged with an explicit agenda of fostering and promoting community-level action on HIV/AIDS or related social challenges. The driving forces behind the evolution of these models included:

[13] Eg. MSAT

- A desire to mobilise and channel assistance to individuals infected and affected by HIV/AIDS (AFSA);
- Desire to shape national and provincial strategy around HIV/AIDS response during the early stages of the epidemic (WC-NACOSA);
- A belief in the need for collective action to respond to the impacts of the HIV/AIDS epidemic on children (CINDI);
- Recognition of the need to extend resources and channels for coordinating activity down to community level among heavily affected and/or underserved populations (MSAT, EMM, FS DOH); and
- Concern that there is inadequate capacity among small organisations in communities most affected by HIV/AIDS to attract and manage resources, and to become sustainable entities over time (BT, FS DOH);

Two of the models – the CINDI Network and the AIDS Foundation – can be described as 'bottom-up' models that have their origins within the communities they serve. CINDI was formed in the mid-1990s by NGOs and concerned individuals in the Pietermaritzburg area that were already working on issues affecting children, while the AIDS Foundation emerged in the late 1980s as an effort by gay men to raise money for project supporting gay men's health issues.

The remaining models were initiated by outside groups: four were launched by government or with strong government backing – the National Department of Health (Barnabas Trust), the provincial Department of Health (Free State), the City Health Department in Cape Town (MSAT), and the local municipality (Ekurhuleni) – and one (Western Cape NACOSA) emerged as one of nine provincial-level networks aimed at advocacy around the government's HIV/AIDS policies.

While it is arguably too soon to talk about changes in priorities and strategy among the initiatives that were founded within the past five years, the three oldest models in this study – CINDI, AFSA and WC-NACOSA – have all undergone significant changes in their roles and approaches over time. It is instructive to describe these briefly and to discuss the factors behind these shifts.

The AIDS Foundation of South Africa has gone through at least two major shifts in its history: first, in the mid- 1990s, moving away from an exclusive focus on gay men's health issues to a broader orientation on South Africa's generalised epidemic and its effects on women, children and people in rural areas; and second, a much greater institutional emphasis on capacity building and training as a counterpart to funding.

The first shift appears to have been linked to internal institutional processes (changes in leadership and structure, shift in the centre of gravity from Cape Town to Durban, the skills and experiences of key staff who joined the Foundation in the 1990s) as well as a reassessment of the epidemic itself.[14] The second can be attributed to the growth and professionalisation of AFSA's work, which led it to appraise more critically the way funds were targeted and utilised. As it shifted from a 'community chest' model to a formal conduit for donor funding, it needed to be able to report on and measure impact, and not just disburse support. As the Executive Director put it, they gradually moved away from their early 'spray and pray' approach (meaning that they disseminated resources fairly indiscriminately and hoped for positive impact) towards a more strategic model.

WC-NACOSA began in 1991 as part of a national network of provincial-level advocacy bodies that sought to shape government policy on HIV/AIDS. The initiative did not survive at a national scale, but NACOSA in the Western Cape refashioned itself into an independent organisation at a time when other provincial NACOSAs were closing down. Moving away from an exclusive emphasis on advocacy, WC-NACOSA began to provide training, capacity building and other forms of support to AIDS service organisations in the province, while still retaining its involvement in provincial-level policy processes. It was well-positioned to receive government funding at a time when provincial government in the Western Cape was looking for vehicles to disburse funding to community organisations. The organisation's transition was assisted by a strong and committed Board of Directors.

[14] As it became increasingly clear that South Africa was facing a generalised AIDS epidemic, with particularly strong impacts among black Africans, the original focus on gay (predominantly white) men came to seem much too narrow.

CINDI was created as a network and to this day the networking function remains its top priority, although there have been some important shifts in its auxiliary functions. Only in its seventh year did CINDI take the significant step of first piloting and then institutionalising a funding conduit role into its operations. This was done partly in response to a need among its membership for greater access to resources, and partly in response to a specific request by a donor institution to act as an intermediary in channelling support to community organisations within the network. CINDI perceived that its credibility and reputation as a network could position it to access external funding on behalf of its members without coming into direct competition for funding with its larger members. The introduction of a funding role has been done cautiously and deliberately, with the result that it has become incorporated into CINDI's mandate without it overshadowing the core functions of networking and information sharing.

In all three cases, changes in strategy and function have occurred gradually over time, largely – but not exclusively – in response to changing needs in the external environment in which the organisations work and to specific events in the form of changes, opportunities and crises. Strong leadership on the part of core staff, managers or boards of directors has been a common feature in these successful shifts. In at least one case – CINDI – change has been accompanied by deliberate internal and external consultation processes and a strong culture of documenting lessons learned.

3.3 Accomplishments

3.3.1 Provision of support to the 'bottom end of the market'

A respondent from one of the larger, more established initiatives described their work as targeting the 'bottom end of the market' where most donors 'will not go.' In effect, all of the models studied in this research fall into this category: they have stepped up to a challenge that many would describe as impossible within the prevailing development environment that simultaneously demands rapid disbursement of funds, low administrative overheads, and accurate and timely reporting on use of funds. Doing this requires direct and often labour intensive contact with dozens of organisations simultaneously, sometimes spread over a

large territory and without access to (or capacity to use) technologies such as email that could make engagement easier.

These funding, training and networking organisations are helping to fill a large and important niche in the AIDS response environment by working directly with groups that are often seen as too small, too young, too volatile, or too inexperienced for many donor institutions to support – yet which are also widely acknowledged as a critical element of successful AIDS response programming. To address this conundrum – how to channel effective support to the grassroots – a patchwork of different models has evolved: disbursing small amounts of funds; linking the allocation of funds to intensive mentoring; funding clusters of CSOs through local consortia; drawing small organisations into multi-year training and capacity building cycles; and helping to broker longer-term funding relationships between CBOs and other donors once organisations attain a certain degree of proficiency.

Among the accomplishments of these models:

- Successfully channelling small amounts of funds to a large number of community organisations either directly or through consortia
- Taking recipient organisations through a capacity building process that sees them ‘graduate’ on to support from new donors
- Working intensively with organisations as they develop work plans, organisational strategies, indicators for measuring the success of their work, budgets, and skills in tracking finances
- Pairing up more and less experienced CSOs within a broader framework of support and mentoring
- Making training opportunities available to CSOs that are actively involved with sub-district level coordinating bodies, simultaneously building their skills and drawing them further into a network structure
- Establishing themselves and the approaches they use as credible and worthy of support in the eyes of outside donor institutions

In each of these models, a tenuous balance has to be struck between a developmental agenda (wanting to do more than simply disburse funds) and institutional imperatives to keep the model itself solvent and funded – this involves coming up with a staffing arrangement that can deliver on core functions and acting as a bridge between the external providers of support (donors/government) and the beneficiary organisations on the ground. This is far from straightforward and demands a high level of leadership and competence,

Box 3: Funding without capacity building

When the Zamani Health Centre received funding from the overseas donor to develop its VCT programme, it had never before managed external financing at any real scale. What at the beginning seemed to be a stroke of great luck gradually became a source of division and conflict within the organisation. A sense emerged that the work of the Centre was being dictated from abroad and that communications with the funding agency became the defining moments in the life of the Centre.

The Centre's management remained weak and was not in a position to guide the development of the organisation or to encourage the emergence of its own identity and interests. Although an external evaluation report was commissioned, its results were not used to drive forward a strategic planning process and the organisation's destiny was largely driven by funding requirements. The very investments in institutional strengthening that were most needed could not be supported using funds from the main donor.

Access to a local mentor, or to a structured series of trainings on organisational development issues, might have forestalled the worsening of the institutional relationship between the Centre and the funder by providing the Centre with strategic guidance about how to manage some of the tensions in the relationship and by helping ZHC to visualise other directions for growth. As it happened, the Centre responded to the demands of the donor by effectively working around them, tweaking the Centre's own work and organisational model to fit within programme costs and quietly cross-subsidising work that it *wanted* to do using funds earmarked for other purposes.

The funder eventually withdrew its support, leaving an organisation that was quite weak internally, but which now had financial obligations to its permanent staff and a public reputation as a recognised service provider. In the face of these pressures, the Centre entered a phase of haphazard development, responding to whatever programme and financial opportunities came its way, regardless of whether these new activities fit with its core mission.

as well as an ability to find and nurture the common ground between very different types of institutions. In many of the cases studied, those driving the models are in the position of continuously 'translating' upwards and downwards the needs of its members or beneficiaries and the expectations of its funders. It is a significant achievement that a number of these models have succeeded in attaining a balance that satisfies both sets of partners.

3.3.2 The strength of an individualised approach

There are trade-offs that must be made between the intensity and quality of direct contact and the scale of support being provided by any given model. The models with the most direct and hands-on support to CSOs – Barnabas Trust

and AFSA – support approximately 50-60 organisations at a time and would probably not be in a position to increase this number without receiving additional core funding that could enable them to expand their organisational structures, operations and human resource bases.[15] Models which support a greater number of organisations generally place less emphasis on capacity building and do not have individualised relationships with the organisations they support.

With this qualification in mind, and recognising that smaller scale, more intensive models are not inherently better in all situations, there appear to be great strengths in individualised approaches to funding and capacity building.[16] Assessments of need and determination of priorities can be made at an organisational level; attention can be paid to issues and dynamics within the local context in which an organisation is located; learning and growth occurs in an applied (not abstract) form and is directly relevant to the organisation's current position; and there is room for experimentation and innovation, rather than holding every organisation to the same criteria and the same benchmarks of success. An individualised approach recognises that organisations can take different paths towards similar goals and that progression through key stages of organisational development does not happen the same way in all organisations. Where some groups are naturally strong, others may struggle and a one-size-fits-all approach is likely to miss the mark for many of the groups to which it is applied.

Individualised approaches are extremely labour intensive to administer, however, which has consequences for the scope of operations and for the institutional arrangement that is used for implementation. Some models that have adopted an individualised approach to funding and mentoring rely upon an in-house cohort of programme officers who are in regular contact with the partner organisations; some utilise networks of consultants who are centrally trained in the model and then tasked with managing capacity building processes in a small number of organisations; and some contract outside service providers

[15] One of AFSA's major challenges is covering its operational and staffing costs, a proportion of which is taken out of each donor's budget following individual negotiations on overhead rate with the donor.
[16] For example, none of the organisations that have graduated through the Barnabas Trust programme have collapsed, even if in some cases they may have stalled at the level of development at which they left the scheme. In an evaluation of the training provided to NGOs in the Free State via the Department of Health, it was consistently reported that the on-site mentoring visits which followed the centralised training sessions were by far the most useful component of the programme.

deliver certain programmes. The CINDI network has linked larger NGOs with smaller CBOs working in the same field and encouraged the pairs to identify areas where the more experienced organisation can share knowledge and skills with the younger organisation.

There is reason to believe that hands-on approaches are likely to yield higher rates of success than purely technical relationships which involve only the provision of funding, or where the provision of additional support begins and ends with training sessions on financial and reporting compliance, for example. This is likely because individualised models focus more upon learning and longer-term organisational development than on 'quick fixes.' They have a higher threshold for mistakes, poor judgements, and experimentation, believing that these are all learning opportunities that present chances to reflect and draw insights that will strengthen the organisation in the longer term.

3.3.3 Linking funding and capacity building

One of the challenges that often confronts community organisations that receive funding for the first time is a lack of systems around the management of funds. This can lead to fraud or mismanagement in certain cases, or to ill-considered use of funding in others as a result of inadequate internal controls, poor budgeting skills, and weak bookkeeping systems.

One solution to this dilemma is to tightly link the provision of financial support to training or mentoring programmes that include elements such as budgeting, internal controls, approvals over use of funds, and basic recordkeeping, as well as more intangible skills around decision-making around funding. In such a scenario, money is 'drip fed' in small quantities to organisations as part of a hands-on learning process around financial management. The idea is that if organisations learn to manage even small amounts of funds rigorously and systematically, they will be better equipped later to handle larger amounts of funding independently. Barnabas Trust, AFSA and WC-NACOSA all employ such an approach, with Barnabas Trust providing very small amounts of money to organisations that have never been funded before.

One of the additional benefits of such an approach is that it devolves a larger amount of decision making down to the level of the recipient organisation, which is supported in making determinations about programme activities and workplans with the guidance of the funding/mentoring organisation. Rather than acting as service delivery agents for an external funder, the organisations are given a chance in a supportive environment to make decisions about how best to utilise small amounts of funds. This is all part of building up a successful track record of funds management that can be applied to experiences with other donors.

The Barnabas Trust is unique in taking this link between funding and capacity building one step further. After completing the Trust's mentoring programme (approximately 18 months), organisations that have demonstrated certain core capacities – even if at a fairly basic level – are then 'graduated' on to a new donor agency which agrees to support it at a slightly higher level of funding. Barnabas Trust has entered into agreements with several donors agencies that are willing to support newly graduated organisations either directly (e.g. a complete new bi-lateral relationship begins) or only financially, with monitoring and support functions still performed by Barnabas. This 'brokering' role is one that sets Barnabas Trust apart from many other similar initiatives, in that it systematically addresses the problems related to organisational sustainability that are encountered at the end of training and support programmes where organisations may have progressed in certain respects, but do not have independent sources of funding secured and are therefore at great risk of collapse.

Duduza (comfort) Dolls. Seen by CINDI personnel on the website of a Canadian organisation, the dolls have taken root in the KZN Midlands. They are made by a range of groups in the area, delivered to CINDI, and then distributed through the network to children infected and affected by HIV/AIDS.

3.3.4 Commitment to horizontal learning

One of the strengths of almost all of these models is the commitment they make to facilitating learning and sharing between organisations at a grassroots level. These opportunities

come in different forms. In some instances the models facilitate horizontal learning through regular conferences, workshops and meetings which draw together dozens of funded organisations.

The AIDS Foundation is notable in using these sessions to develop organisations' presentation skills, working with representatives of each group it funds to develop PowerPoint presentations that they then present publicly. These sessions have been found to be extremely useful by attendees, who value the chance both to hear about others' experiences and to share their own insights.

The CINDI network is organised into a set of four thematic clusters – working groups that meet regularly around common issues – which creates structured space for organisations to share information about their activities and to work together in addressing shared concerns and in mobilising resources.

The consortium model used by the Free State Department of Health is also predicated on the notion of local, horizontal learning between the more experienced NGOs that 'lead' local consortia, and the smaller CBO members affiliated to the consortia that have emerged in the same area. The idea is that consortia become places of learning and sharing, and not simply administrative channels for disbursing financial support.

The value of this type of horizontal learning should not be understated. Just as individualised approaches to mentoring are useful in that they are tailored to organisation's particular needs and challenges, the chance to learn from what one's peers are doing – or have done – is powerful for many organisations. They see others, not dissimilar to themselves, who have faced similar organisational challenges and can learn how they overcame them or the steps they are taking to do so. They pick up ideas for new activities, they learn about materials and resources to which they could also have access, and they may build contacts with other groups working in close proximity to them. It also promotes a feeling of being part of a larger effort – or even a movement – that goes far beyond their own contributions.

3.3.5 Visible benefits of local coordination

In differing ways, many of the models have contributed to successes in coordinating HIV/AIDS activities at local level – some setting out to do so as a primary objective and others as a by-product of their core work.

The CINDI network and the MSAT approach in Cape Town are perhaps the clearest examples of intense efforts at a community level to draw together a critical mass of organisations working on similar issues. In Khayelitsha, the MSAT coordinator works with approximately 35 organisations in the area, ranging from NGOs and CBOs to churches, small businesses and schools. The CINDI network links together more than 100 organisations over a larger region. In both cases the principle is to build multi-sectoral connections in order to cut down on duplication of efforts and to join forces to increase the impact of efforts.

The MSAT model has undertaken a local mapping of services in order to identify both needs and existing activities as a way of cutting back on activity duplication. This process has very direct benefits for both organisations and the community itself as it informs the development of local action plans that reflects the reality on the ground. CINDI's thematic clusters also encourage coordination as organisations working on similar issues are in regular contact with one another, offer mutual support and discuss common problems. In both cases, regular public meetings are held and organisations are strongly encouraged to attend; attendance at regular meetings is a pre-condition for accessing particular types of financial support. In this sense, the financing and networking roles reinforce one another.

Some of the other models also include a local coordination component, although not as a primary objective. Both AFSA and Barnabas Trust strongly encourage their partner organisations to work with other public and private initiatives in the area, seeing this as important to both shorter-term success and longer-term sustainability. Before issuing support to any new organisations, AFSA staff meet with provincial and district officials to introduce the work of the Foundation and to lay the groundwork for cooperation between the partner organisation and other local structures. The Free State Department of Health's model of supporting NGO consortia also contributes to coordination at a very local level

by drawing together five or more community organisations under a single umbrella and requiring them to develop joint workplans. While this simplifies the Department's administrative dealings with NGOs, it also has the effect of compelling local groups to be in contact with one another and to coordinate their efforts.

3.3.6 Strong networks can amplify CSO voices

Where the networking function is pronounced, the model itself becomes a platform from which advocacy activities can be undertaken. An authoritative grouping of well-respected, credible NGOs and CBOs can bring about important changes by staking out positions on issues of concern and speaking with one voice, rather than many smaller ones.

> *We got involved in HBC and identified lack of capacity in this area at grassroots level. We then lobbied the City, with the assistance of NACOSA, to look at needs of these grassroots organisations. Via MSAT, a needs analysis was done in those areas that were part of MSAT. This process helped identify needs (e.g. some organisations were not registered) and through NACOSA they were guided through these processes.*
>
> *- CBO in Khayelitsha, Western Cape*

Both CINDI and WC-NACOSA have quite a strong advocacy function built into their operations. The CINDI network, for example, works actively to address obstacles in the administration of social grants in the Pietermaritzburg area; it has briefed parliamentary working committees on issues related to children's rights; and it is launching new policy work aimed at changing rules regarding school fees exemption, eligibility for social grants, and housing and inheritance issues affecting children. It is also part of a larger national network of organisations that work on children's issues and is often invited to speak at conferences and serve on panels as a representative of civil society.

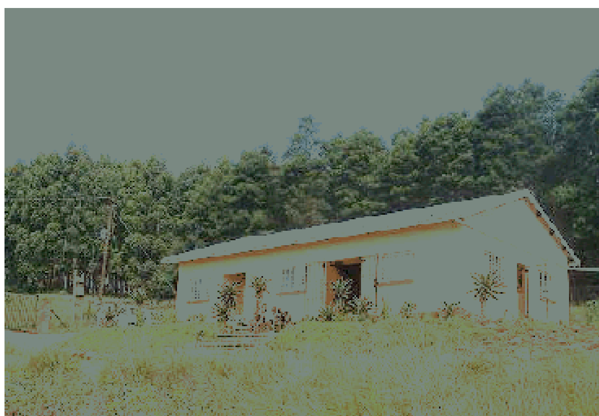
WC-NACOSA is part of a number of key bodies in the Western Cape, including the Provincial AIDS Council, the Global Fund Management Committee and sector representation to government Departments (especially Department of Health). This allows the network to bring the voices and concerns of its membership to important provincial decision-making processes.

Networks allow individual organisations to feel that they are part of something larger than themselves and that their concerns feed into a collective agenda for

action targeted at some of the structures and policies that affect the issues on which they work.

It is probably not accidental that the two models where advocacy is most pronounced are two of the oldest, and are also the ones structured as networks of member or affiliated organisations. This gives them the credibility to speak on behalf of a constituency and to represent the views and concerns of a larger population of organisations. However it is important to note that advocacy is not restricted to these institutions. For example, AFSA has developed close links with the Treatment Action Campaign and the Basic Income Grant Coalition.

3.4 Limitations and challenges



The Woza Moya Community Centre, Ixopo, KwaZulu-Natal. Built with the help of donations from local Buddhist retreat centre and Buddhist centres internationally.

Apart from the achievements described above, many of these models face challenges in their attempts to fund, support and coordinate local-level activity on HIV/AIDS. This section describes some of the limitations to these models.

3.4.1 Development and accountability

In almost all the cases considered, a perceived tension exists between the desire to work 'developmentally' and the need to insist on certain forms of accountability. A developmental approach emphasises learning, growth, and gradual movement towards independence and sustainability. Such approaches attempt not to be overly prescriptive and grant partners a greater degree of ownership over key decisions. At the other end of the spectrum are more rigid frameworks of support that are characterised by clearly articulated conditions, objectives and requirements that must be complied with in a uniform way.

The cases examined in this study fall along different points of this spectrum, some – such as the Free State Department of Health and the Grant-in-Aid

scheme[17] – emphasising accountability more heavily than development, and others placing a premium upon developmental indicators. The Barnabas Trust, for example, can be seen as an example where the main measure of success is organisational learning and growth, as opposed to strict compliance with a fixed set of procedures.

Yet in virtually all the cases, a tension remains between these two dynamics. It is seen clearly in the case of AFSA, which has evolved into a professional intermediary for multiple donor institutions. On the one hand it has a responsibility to the donors who entrust it with funds to ensure that the funds are not lost, misused or otherwise unaccounted for.[18] This requires a systematic approach to financial accounting and auditing which imposes a certain burden upon CSO recipients: for example, all recipients of AFSA funding must place AFSA resources in a separate bank account, must submit monthly or quarterly financial reports and copies of bank statements, and must commit to having an annual audit as a condition for continued funding. A detailed monitoring and evaluation framework and information management system are also being evolved to assist the Foundation in meeting donor demands for data on impact and reach. Without these provisions, AFSA would have difficulty reporting back to donors at the level of detail they require and would arguably have been less successful in increasing the number of donors that use AFSA as a conduit.

These conditions, and the monitoring systems which have been introduced, are at odds with the institution's broadly developmental approach to funding and capacity building – an approach which is highly labour intensive and which works on the basis of direct and multi-year relationships between the Foundation and partner organisations. In their direct interactions with partners, AFSA staff demonstrate creativity and flexibility in identifying and solving problems and in helping organisations in an individualised way. They pay great attention to building local-level linkages between the organisations they fund and other actors in the community. They encourage their partners to innovate

[17] The Grant-in-Aid scheme, which works at a large scale, does not have a developmental component, in the sense that is described here, and in order for it to work at the scale it does it is imperative that all applicants/recipients adhere strictly to a defined set of procedures and criteria. Non-compliance is grounds for exclusion.

[18] In cases were granted funds have gone unaccounted for, or where an organisation dissolves without having expended all of AFSA's funding, the Foundation goes to great lengths to reclaim those funds, sometimes resorting to credit blacklists and collection agencies.

and to learn from other community groups. However, at some level, all of this flexibility still must be directed at ensuring accountability with the Foundation's financial and M&E frameworks.

This is not always simple in practice. Many of the CBOs and young NGOs that AFSA funds are relatively inexperienced and struggle to operate in accordance with external systems and frameworks. They may not see or appreciate the value of some of the tools that AFSA uses to guide its work (e.g. annual organisational self-assessments; establishing indicators for measuring impact; budget ceilings on how much can be spent on certain kinds of costs) or may struggle to see the relevance of structures like boards of directors, which may come across as overly formal for their stage of development. At least initially, some of these organisations may not see themselves as forming part of the development 'sector' – with the 'rules,' responsibilities and accountabilities this entails – but rather as community members doing what they can to assist others in need. This can lead to misunderstandings and resentments, and at times there seems to a misalignment between the requirements of external accountability frameworks and the everyday logics of community organisations on the ground.

3.4.2 Capacity building without funding

If one of the accomplishments that can be seen in these models is the linking of funding and capacity building into a common programme of support (see section 3.3.2), there are limitations to the inverse situation – when training and capacity building are provided in the absence of financial resources.

A number of the cases examined in this research have encountered challenges in this regard and have come to similar conclusions that trying to build up new organisations to 'become fundable' is a risky approach if there are not at least minimal resources made available to the organisations being trained. WC-NACOSA attempts as much as possible to link its small grants and mentoring schemes, but there are fewer resources than there are organisations being mentored, with the result that not all of them receive small grants. WC-NACOSA has found that it is much more difficult to mentor the organisations that are not

receiving resources as the value of the support is less obvious to the recipient organisation.

Similarly, an evaluation of the training offered to NGOs in the Free State under the auspices of the Department of Health found that including funded and non-funded CSOs in the same capacity building programme led to a range of challenges. Non-funded CSOs had a higher drop-out rate and there was greater turnover in the representatives that were sent to training. Participating organisations needed to cover their own costs to get to the training sessions, as well as buying ledger books and other basic supplies. This was not always possible for the non-funded organisations and the prospect of ‘becoming fundable’ was often not sufficient motivation to keep them attending the trainings regularly.

> ‘The lack of provision of resources by NGOs resulted in the failure to deliver as the programmes expected. The feeling was that NGOs were transferring skills to do the work for which they are funded, but expected the CBOs to learn these skills without funding.’
>
> *The Mentorship of Thirteen Community Based Organisations by Nine CINDI Members. An Action Research Document. 2003-2004.* p. 25

CINDI’s first effort to pilot a funding conduit model within the network was structured such that each NGO that received funding was also required to commit to working directly with a CBO over a two-year period. Although the NGO received a small amount of additional funding for playing this capacity building role, there was no funding set aside for the CBOs themselves. The effort was essentially about transferring skills, not resources. This proved to be one of the major tensions of the pilot project, as it led to frustration and unrealistic expectations on the part of some CBOs. In cases where the NGO chose to make donations of goods or supplies to the CBO partner, the relationship was strengthened. The final report on the pilot project concluded that ‘transferring skills without funding to allow those learning to implement creates an unrealistic and difficult task for those involved.’[19]

3.4.3 Limits to impact

There are a number of factors which can blunt the impact of the work being undertaken by these models. First, as has been discussed above, hands-on labour intensive approaches to mentoring and development can often lead to

[19] Ngcobo 2005. p.26

positive results, but the reality is that community organisations remain vulnerable at all stages of development. Much depends upon the role of the

Box 4: Organisational Vulnerability

Following the withdrawal of ZHC's first major funder, the Centre lost the clear focus it had previously had and expanded its services in a number of directions depending on available opportunities. This allowed it to cover its operating costs – new programmes included running a mobile VCT service and support to orphans and vulnerable children – but in a short-term way only. The management and staff knew that as long as the Centre was piecing together its finances from a number of separate projects, it would not be able to provide the job security, employment benefits or structured career opportunities that its personnel increasingly wanted and expected.

The fundraising burden on management was significant. Too much time was spent on raising funds and not enough on developing the Centre itself. Many of the manager's activities were effectively unfunded: meetings, liaison work, planning and coordination with other groups in the community were all necessary and important, but took away from the functioning of the Centre in some ways.

A major faith-based organisation in the same community expressed interest in incorporating ZHC under its own HIV/AIDS programmes. The FBO had a solid resource base and had worked with and supported ZHC in various ways over a period of years. It saw ZHC as a vehicle for expanding its own programmes and opened up discussion about a 'merger.' ZHC staff were strongly in favour of this change, even though it could mean a loss of organisational independence, because of the promise of long-term security and benefits. ZHC management was less sure about the wisdom of merging its secular operations into that of a faith-based organisation, despite recognising the opportunity for long-term sustainability.

founding member or members and if that person leaves the group, falls ill or dies, it can seriously undermine the organisation's functioning. Conflicts within staff/membership can lead to splits within organisations (see Box 4). Some respondents in this research noted that even NGOs that appear to be relatively well-established and operating in a stable manner can collapse with little warning if funding hasn't been handled carefully or if a key funder withdraws or doesn't renew its support. Other types of changes in the external environment can also be destabilising and one result of institutional weakness is that organisations struggle to adapt to changing conditions.

Second, many of the models struggle with the challenge of how best to target capacity building efforts to ensure the greatest impact over the long run. Certain forms of training and mentoring are best done one-on-one, or with a small group of individuals. But it is then important to ensure that the benefits of that training are shared within the organisation and don't remain vested in only a small number of people. A number of respondents noted that there tends to be relatively high turnover among CSO members/staff who have undergone training – these people are sometimes able to move on to paid (or better paid) positions elsewhere and take with them the skills and insights learned through the training

programme. A major challenge for sustainability is how to invest in organisations as institutions, rather than in individual figures within organisations.

Third, it can be challenging to achieve measurable progress over a short period of time, particularly with the new, previously unfunded organisations that constitute the target groups of many of these models. It is unrealistic to expect that groups of people who have come together to form an organisation with no prior experience, and often with little other work experience and limited literacy, will be able to develop seamlessly into professional operations. As one of the initiatives noted, the gains that are made within organisations are often very small, yet these tend to be measured against a 'global' picture or set of expectations, rather than in relation to the organisation's particular setting and context. Linked to this, some groups noted that important impact being made by organisations may go unreported or unnoticed because they are difficult to quantify, or don't lend themselves to measurement by the types of indicators generally favoured by donors and others within the development sector. All of this points to the need to think critically about how standards of 'success' and 'progress' are defined and understood.

> NPOs are left with no money after the funding period. As all the money allocated has to be spent, there is no money left at end of program - no money to sustain NGOs after the job contracted for is done. People are trained by MSAT (e.g. in HBC) and are sent for capacity building programs, but NGOs lose them afterwards because there is no sustainability in these NGOs. How do NGOs keep their people? How do you keep the organisation functioning?
> *- CBO in Western Cape*

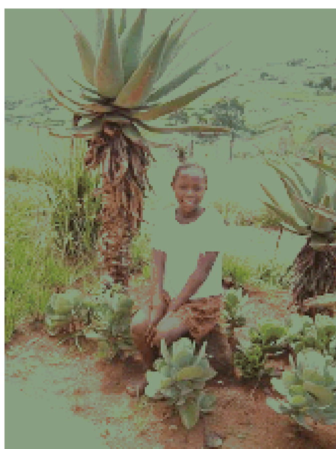
Fourth, many of the models struggle with the challenge of how best to draw funding and support relationships to a close – in other words, what type of 'exit strategy' to use. The more hands-on and labour intensive the approach, the less likely it is that a recipient organisation will simply be 'cut free' at the end of a funding cycle – the investment is simply too large. However there is a constant risk of funded/supported organisations becoming dependent upon the support organisation. Small organisations that have been closely nurtured by a supporting organisation also fear moving on to other sources of funding. As the manager of one CBO noted, the mentoring organisation 'has helped with everything, from A to Z. When we started, I didn't know what a proposal was. Our whole bookkeeping system is adopted from them. In a way we have been sheltered by their support.'

Of all the models considered, the Barnabas Trust undoubtedly has the most evolved approach to this issue, having taken on a 'brokering' role between other donors and its graduates. In this way the Trust ensures that the organisations it has supported in the past do not collapse at the end of the mentoring programme. However the trade-off is that the Trust agrees to remain involved in providing direct support to the CSOs on behalf of the new donors – a commitment which extends the scope of their institutional role and adds another layer of complexity to the support model.

Finally, for some of the models which support organisations over a fairly large geographical territory, it has been necessary to come up with approaches to accessing and working with these organisations despite the distance. A variety of methods are used: relying upon a network of mentors who act as consultants in delivering services to organisations in their areas (BT, FS DOH); making quarterly (or more frequent) site visits to the organisations (AFSA); and bringing representatives of organisations together for training and conferences (AFSA, FS DOH). WC-NACOSA has developed two separate programme units – a Metro Programme, which works with CSOs in the Cape Town Metropolitan area, and a Rural Programme which works with groups in other parts of the province.

3.4.4 Challenges facing networks and coordination bodies

Membership-based networks such as CINDI, WC-NACOSA and MSAT face particular challenges in working with a diverse membership and in balancing the various services they provide to ensure that the networking and coordination function does not become subsumed by other focal areas.



The Woza Moya Project, KwaZulu Natal

Combining a networking and funding role is rarely straightforward. One risk is that the network begins competing with its own members for the same sources of funding, leading to internal conflict and dissatisfaction. Another risk is that organisations become attracted to the possibility of funding, rather than to the notion of a network, and that their

involvement with the network lasts only as long as funding is being received.

A positive example of how this has been handled is CINDI, which moved slowly and cautiously to integrate a funding conduit role into its operations seven years after it was first established. CINDI has taken particular care to safeguard the core 'network function' of the institution and not to allow the availability of resources to distract from this activity. Only a small proportion of CINDI members have gained access to funds via the conduit function since it was started three years ago, yet CINDI's annual membership renewal rate continues to stand at 100 per cent. To be eligible to access funds, an organisation must be a full voting member of CINDI for two years and have attended at least half of the monthly network meetings within the year prior to applying for funds. In other words, a primary condition for accessing funding is robust involvement in the network as a whole – in this respect, the networking and financing elements are mutually reinforcing.

Key functions linked to the funding conduit role (e.g. the funding manager, the monitoring and evaluation advisor) have been outsourced on a consultancy basis so that the core CINDI staff does not grow larger simply as a result of the new funding mechanism. The network is aware of some of the inherent risks of taking on this role – development of a grant-making and monitoring infrastructure, burgeoning staff to support this infrastructure, and the vagaries of donor preferences – and is taking deliberate steps to hedge against this.

The success that CINDI experienced in introducing this function can be attributed to two main factors: first, that the funding role was introduced deliberately following extensive internal and external consultations that resulted in a membership-wide endorsement of the move; and second, that CINDI's core network function adds significant value to its members and continues to be the main focus of its operations. Where CINDI has encountered a certain degree of difficulty, however, is in providing 'equal opportunities' to its diverse membership. CINDI members have annual budgets ranging from zero to several million Rand per annum. To date, the funding conduit role has been geared at providing support to established NGOs within the CINDI membership, which has resulted in a relatively small number of organisations accessing support. Due to

a general lack of interest among donors, it has been more challenging for CINDI to develop a vehicle for channelling financial support to its CBO members, despite the fact that the need for this has been apparent for some time. A pilot programme is being launched in 2007 which will provide small one-year grants of R15,000-R24,000 to CBOs, and this will likely assist in countering any negative reactions within the membership to the funding conduit scheme benefiting only the better established organisations.

One of the concerns cited by the relatively young MSAT structure in the Western Cape is that some organisations in the community see involvement with MSAT as first and foremost a means of accessing financial support.[20] In some cases, the organisations fall away when funding stops (or their application is not approved) and this undermines the effectiveness of MSAT locally. A similar concern was voiced by some of the NGO consortia in the Free State, who observe that smaller CBOs that are not funded, or that are funded at an activity level only, are less motivated to attend consortia meetings when they do not see a tangible benefit to their own organisation. Both of these examples underscore the point that networks face a difficult balancing act and must ensure that the networking and coordination benefits are sufficiently attractive so that the presence of absence of funding and resources does not significantly affect groups’ level of involvement.

3.5 Factors contributing to successes and challenges

This section describes factors which may underpin the various successes and challenges being experienced by some of the models considered in this research. These factors can be broadly categorised into three types: those pertaining to the community context; those pertaining to the models themselves; and those pertaining to the relationship between the supporting and supported organisation.

3.5.1 Community context

All of the models considered in this research target their efforts predominantly at young and/or small-scale organisations working in poor communities.

[20] Funding applications to the City Health Department must be endorsed by MSATs at a local level.

Community organisations face a common set of challenges almost regardless of their setting: high levels of unemployment and poverty mean that many organisations are run on a full-time basis by unpaid or stipended volunteers; levels of skills and qualifications are generally low; access to resources, including basic supplies, is limited; and there is fairly high turnover among volunteers given the poor resource base. All of this contributes to organisations being quite vulnerable and subject to various types of destabilisation.

Although there are certain commonalities in this overall environment, communities themselves are different from one another and specific characteristics of these community settings may help to explain why these models meet with success or difficulty. Some of the factors which may contribute to success:

- A critical mass of organisational activity in one community or area that can be potentially be drawn together in a mutually reinforcing way.
- Local government officials encouraging of community activism on HIV/AIDS.
- Openness to cooperation on the part of officials at the local Department of Health and Department of Social Development. The Department of Health is particularly important as this is a key source from which to access home-based care supplies, condoms and other materials.
- Presence of training or capacity building programmes within the community or in reasonable proximity, including both AIDS-specific and generic organisational content.

Elements which may work against success include:

- Unwillingness on the part of local health and social development officials to collaborate with CSOs, including failure to recognise them as eligible to receive basic supplies
- A poorly developed culture of civil society, or a competitive one where new organisations are actively discouraged from forming by existing groups in the area who fear competition over resources

- Geographic isolation, combined with poor access to means of communication, which makes contact with the supporting organisation difficult and frustrating

3.5.2 Institutional characteristics

Institutional characteristics of the models themselves are important factors in shaping their successes and limitations. Some of these characteristics relate to the structure and administrative operations of the organisation, while others deal with 'softer' aspects such as organisational learning, strategic decision-making and orientation to the community.

Some of the institutional traits that appear to foster success include:

- Strong, visionary leadership
- An organisational culture that emphasises learning, documenting lessons, a willingness to experiment, and the value of consultation
- Linkages to or understanding of the communities being supported
- Networks and connections that provide access to opportunities and resources
- Discipline in maintaining a clear focus and knowing what *not* to take on
- A governance structure that brings in outside perspectives
- Committed staff who are properly remunerated
- Realistic expectations for 'success' and sound strategies to minimise risk
- Willingness to evaluate one's own work critically and to learn from failures as well as successes

Factors which may limit effectiveness include:

- Understaffing
- Working over too large a territory or with insufficient outreach capacity
- Over-bureaucratisation
- Failure to reflect upon and learn from experience

3.5.2 Attitude to the relationship

Perhaps the most significant factor shaping the effectiveness of CSO support models is the attitude and ethos surrounding the work that is being carried out and the relationship that exists between the supporting and supported organisations. Of importance here are the core values or principles that underpin the relationship, and the hierarchy of priorities in thinking about progress and success.

While not feasible in all settings, and not fully without risk, it appears that models which strike a balance between scale and intensity of contact are most likely to succeed in bringing about long-term sustainable change within organisations. Emphasising ‘process’ as much as ‘outcome’ is another important element; placing value upon consultation, reflection and learning are all positive contributing factors.

Models which operate at a larger scale will succeed in spreading the benefits of support over a greater number of organisations, and depending upon the type of groups and type of support involved, this may well be appropriate and ultimately add value. However once a model exceeds a certain scale of operations, its relationship with the supported organisations is likely to change, usually in the direction of becoming less direct and less personal. For NGOs that have already amassed a certain degree of experience, this may not be particularly problematic, but for smaller CBOs, there is reason to believe that more intensive, hands-on engagement, couched in an ethos of learning and growth, may yield better results.

3.6 Prospects for replication and scaling-up

Some of the most talked about concepts in the AIDS response field are ‘replication’ of projects and ‘scaling up.’ Replication refers to re-creating or transferring an existing model to a new setting, while the notion of taking effective models ‘to scale’ suggests expanding the reach and coverage of an existing model without losing the unique strengths of the approach that distinguished it in the first place. This section considers whether any of these models could be replicated elsewhere or scaled up.

For a model to be replicated, it is necessary that it exists more or less as a stand-alone initiative that is not contingent upon its particular context for success. In other words, both the premise behind the model and the operational reality should be as valid in another setting as the one in which it originated. If a model is heavily embedded within the specifics of its particular context, it can still be replicated elsewhere, but significant modifications may be required for this to be a success.

Among the models considered, the ones that lend themselves most readily to replication are those that are focused solely on small-scale funding (e.g. Grant-in-Aid) or that link funding with capacity building (AFSA, BT). Assuming that appropriate institutions and personnel could be identified to implement the models, there is little reason to believe that these activities could not be initiated in a new location, along the same lines that they have been pursued thus far. While all of these models occupy a niche in the areas in which they work, they are not context dependent.

The two government-driven models for funding and supporting CSOs – those used in the Free State and in the Cape Town Metro (MSAT) – are possibly also candidates for replication, although here the list of underlying qualifications is somewhat longer, given that provincial and municipal governments in different parts of the country have evolved varying approaches to these issues which might or might not be compatible with the introduction of these models. Thus, while these models might not be transferable in their exact form, core elements of them (e.g. use of NGO consortia and sub-district level coordination bodies) might be.

The two networks – CINDI and WC-NACOSA – are more challenging candidates for replication, although in some ways these are the models that would be most useful to replicate. In both cases, the effectiveness of the model has built steadily over a period of 10 to 15 years as a result of trial and error, learning, and careful interpretation of the needs of the organisations they serve. While there are clearly 'best practice' elements of both of these networks that can be identified, the challenging prospect is how to 'short circuit' the lengthy process both models traversed of building a membership that trusts and values the

network in and of itself. Some preliminary explorations are underway to look at how it might be possible to re-create or expand the work of these networks.[21]

The second prospect is scaling-up. Of the models considered in this research, two – the Free State Department of Health and WC-NACOSA – are already working at a relatively large scale. Both models are structured to work with CSOs in all parts of the province. The Free State's model is administered centrally by departmental staff in Bloemfontein, and attains scaled coverage by working through consortia headed by 'apex' NGOs across the province. WC-NACOSA has an Executive Committee, comprised of elected representatives from each provincial health region and its programme activities are divided into 'Metro' and 'Rural' programmes which together cover the entire province.

The two municipal-level schemes – MSAT and Grant-in-Aid – are constrained, in a sense, to their municipal boundaries and are therefore not strong candidates for scaling-up.

CINDI has already undergone significant growth, expanding from a localised network in Pietermaritzburg and its environs to a sub-provincial network encompassing groups throughout the KZN Midlands. It is difficult to envision how the core network function of CINDI *as it is currently structured* could operate at a larger scale, as it is run in a consultative manner based on discussions held at monthly meetings in Pietermaritzburg. If the membership structure were to be modified into a more virtual model, CINDI could perhaps scale-up further, and its funding conduit role could almost certainly be expanded *if* the network wished to revisit its quite deliberate decision to 'ring fence' the funding conduit role so that it does not alter CINDI's core business or structure. The current approach has been to outsource functions such as funds management, proposal writing and monitoring and evaluation. This appears to have worked well at the present scale, but could be more challenging to manage at a larger scale where a centralised model could be difficult to maintain.

[21] A small piece of work is currently underway, funded by a bi-lateral donor, to develop a manual on how to form a local HIV/AIDS-related network, based upon the CINDI model. The idea is to distill lessons from CINDI's experience in an effort to promote other similar initiatives in other parts of the country. WC-NACOSA has considered options for expanding its operations into neighbouring provinces, but these plans remain at an early stage.

One of the most intriguing questions is whether the models employed by the Barnabas Trust and AFSA – which have already been described as replicable – could also be scaled up further. Both organisations work intensively with a relatively small group of organisations, spread over fairly large distances. Both have evolved administrative and programmatic structures to sustain this model – highly committed programme staff at AFSA who work long hours and travel frequently, and a network of provincially based mentors at BT. In the past year, AFSA has taken the step of contracting a representative in one of the more distant provinces to oversee the work with partner organisations in that area. This may well be the beginning of a process of AFSA devolving its structure so that not all partner organisations are supported from the Durban office, even if that that remains the central point for financial management and capacity building/programming activity. The Barnabas Trust model is better positioned to scale-up by adding additional mentors to its activities, however this is both an opportunity and a constraint, as the number of qualified mentors in a predominantly rural province is limited.

4. Discussion

4.1 Challenges and Opportunities

Thousands of community-level organisations have joined the fight against HIV/AIDS in South Africa. Together, they represent an important and dynamic layer of activity within the large and diverse universe of groups and institutions involved in responding to the epidemic. The contributions of community groups – both actual and potential – are receiving more and more attention in light of the limited successes that have been experienced to date by centrally led, health-dominated approaches to HIV/AIDS control. There is an emerging sense that the key to making current strategies more effective could lie in optimizing the role of community organisations by increasing their reach and impact, ensuring they have better access to resources, and drawing them into multi-sectoral arrangements.

This represents a welcome shift and a huge opportunity for many organisations in the sector that have struggled to gain recognition and support for their efforts. However it also presents some practical and conceptual challenges: What does

it mean to mobilize and support community organisations? Which ones? How should this support be delivered and in what form? How can genuine multi-sectoralism be fostered? These questions take on added complexity in a context such as South Africa where myriad activity is already underway and there are no centralised structures or mechanisms that can be readily drawn upon to leverage changes at the community level. It is far from clear how indigenous community responses can be made more coherent and how to foster a more conducive environment for community organisations to become stronger and more sustainable.

The models documented in this research represent independent, home-grown attempts to address gaps and weaknesses in the funding and support environment for community organisations. Many of these are localised efforts, focusing on a particular community or sub-region, while a few operate at a provincial scale. Each approach is unique, but all of them employ some combination of the essential building blocks of community based organisations: financing, skills and capacity building, and promotion of networking to plug gaps, build synergies and enhance impacts. Some focus on extending the provision of services by systematically partnering with community organisations; some are oriented at supporting the work of local organisations in affected communities that are inadequately reached by existing activities; and some concentrate on building strong networks of organisations that can support one another programmatically and join voices in targeted advocacy. Although this research did not set out to evaluate the impact of these various models, it has pointed to some of the positive outcomes of the work being conducted and considered the extent to which elements of these approaches could be replicated.

Unlike some other southern African countries, South Africa has not developed a coherent approach to funding and supporting community organisations in AIDS response.[22] The support efforts that are underway, including the ones profiled in this study, are essentially individual initiatives with differing histories, objectives and motivations. They work largely in isolation from one another. With the

[22] By contrast, the National AIDS Council of Malawi has funded and supported several hundred CBOs and NGOs throughout the country via five international NGOs that function as umbrella organisations for funding and capacity building, in collaboration with district-level AIDS structures. In Zambia, three different civil society sub-granting mechanisms have provided more than USD 24 million in support to CBOs, NGOs and FBOs since late 2003, with funding from the Global Fund, the World Bank and other international donors. See Birdsall & Kelly (forthcoming, 2007).

exception of the Mentoring Resource Network, a loose association of nine organisations (including Barnabas Trust) involved in capacity building for CBOs, there does not seem to be a national-level clearing house for discussions and assessments about these issues. In contrast with other National AIDS Coordinating Authorities in the region, the role of the South African National AIDS Council (SANAC) has been minimal.

The result of this is a highly fragmented and uneven situation. In South Africa, a mix of public and private efforts is underway to bolster the role of civil society in AIDS response, but there appears to be little momentum to organise this response. At the core of the challenge is the question of whose responsibility it is to draw attention to community level needs and work towards solutions. A multi-sectoral response requires that both government and civil society be involved, however the very heterogeneity of the sector and the absence of overarching strategies for community response suggest that the status quo of parallel, non-aligned activity is likely to continue unless these issues are prioritised at either a national or provincial level.

4.2 Making money work: linking funding, capacity building & networking

With the dramatic increase in resources available for AIDS response at community level, it is becoming clear that there is a crucial distinction between ‘moving money’ and ensuring that money works effectively. ‘Moving money’ to community organisations is a mechanistic process for which templates exist, but ensuring that money is working – that is, that it is contributing towards desired ends – at community level requires more multi-faceted thinking that goes beyond the resources themselves to the contexts in which those resources are being utilised.

There are three interconnected areas of need that can be addressed as part of efforts to strengthen community organisational responses to AIDS. To enhance the impact of their work, community organisations need:

- more resources with which to work;
- stronger organisational systems and processes to guide their activities;

- regular links – both horizontal and vertical – with other institutions working on related issues.

Each of these elements – funding, capacity building and networking – can be tackled as single interventions, but in practice they are often interlinked to some degree. Increased funding may allow an organisation to reach a greater number of people and to have more consistent access to needed supplies, but it will not necessarily improve the way an organisation works overall and in some instances can weaken its performance if difficulties arise over the management of funding. Moreover, it is important that funded organisations do not work in isolation and are linked into a broader network of AIDS response organisations. Such forums are extremely important for sharing information, honing approaches, coordinating activities and advocating around shared needs.

Similarly, efforts to build the capacity of community organisations to become ‘fundable,’ without the provision of resources, have been shown to be counterproductive in many instances. It can be difficult for an organisation to commit to a learning process that is largely abstract – stand-alone capacity building programmes become much more effective when they incorporate practical experience. In much the same way, organisations that are functioning without resources may struggle to engage meaningfully with other partners or to participate in networking forums. This networking role can take on a different and more logical meaning when an organisation feels itself more established, effective and productive.

These three pillars of support – funding, capacity building and networking – are important for optimizing the role of community-level organisations, but the relative weight placed upon any one element in a given situation cannot be separated from broader understandings of the ultimate objective of support to communities. A growing body of research on civil society organisations’ involvement with AIDS response suggests that NGOs, FBOs and CBOs are often seen first and foremost as a way to extend the reach of key programmes to remote and underserved populations. In other words, they are regarded as implementing partners and ‘service deliverers.’

Within such a framework, what becomes important is identifying implementing partners, finding ways to ‘move money’ to them, ensuring that they are adequately trained in the programme areas in question, and making sure that they feed into established monitoring and evaluation frameworks that track the reach and impact of such programmes. This type of relationship is essentially a contractual one, and capacity building, to the extent it is required, is aimed primarily at aligning the funded organisation’s work with a larger programme framework. Networking and coordination is not usually a high priority apart from that which may have direct relevance to programme optimisation.

Although this appears to be the prevailing approach of most donor institutions and AIDS coordinating authorities, there are models of engagement with community organisations which emphasise organisational development as a primary objective and which seek to nurture the growth of specific types of organisations.[23] These approaches tend to take a longer-term view, underscoring the importance of strong civil society institutions for healthy, democratic societies, and placing emphasis on capacity building and organisational development as opposed to funding primarily for services. Such approaches tend to be slow-moving, small scale and labour intensive to implement. As a result, their impacts can be fairly difficult to evaluate against the enormity of the epidemic and its effects. However it is important to remember that many of the most accomplished and innovative community responses to AIDS in South Africa – such as the CINDI Network – began from humble roots.

There may be merit in looking more closely at some of the models that have been employed in other southern African countries. In Malawi and Zambia, for example, there are large-scale models in place for funding community organisations and it is increasingly apparent what the strengths and limitations of these approaches are. These efforts have shown that it is possible to develop efficient, accountable mechanisms for distributing and monitoring funding to civil society organisations on a broad scale, but that there are significant

[23] In addition to examples profiled in this research, such as Barnabas Trust, other notable cases include the Southern Africa AIDS Trust and certain bi-lateral development agencies which emphasise the need for strong civil society institutions that can do more than simply deliver services.

organisational capacity building needs which are much more difficult to meet and that present a considerable risk to the future of such efforts.

This tension between scale, intensity and nature of effort may not be easily resolvable, and what may be most useful is a more explicit articulation of the goals of various strategies of support. Schemes that are attempting to distribute funding as broadly as possible will look significantly different than ones that are trying to ‘pick winners’ and nurture them into greater effectiveness and impact.

It would also be useful to explore more deeply the dynamics of the relationship between funding, capacity building and networking as it applies to the development of individual organisations, as well as to the evolution of community systems as a whole. Of particular interest are approaches that might encourage organisations to grow in ways that complement one another, rather than to grow individually in ‘comprehensiveness’, which can lead to duplication and competition. These types of dynamics could be studied within a particular community context to develop better insight into the interrelationship between the growth of organisations and community systems.

4.3 Key Recommendations

The importance being attached to community systems strengthening, alongside health systems strengthening, is a welcome development. The following recommendations represent some initial ways in which thinking about community systems strengthening can be supported in practice:

- The needs of community organisations are diverse and a differentiated approach to funding and support for organisations of varying types and sizes is required;
- Capacity building should be thought of broadly – encompassing issues of organisational development and strategy, and not only technical issues related to M&E, reporting, and financial accountability;
- Multi-year investments in organisations can allow them to grow and evolve coherently over a period of time;

- Support for individual organisations should be linked to efforts to link them into networks;
- Schemes for supporting young and emerging organisations should not be avoided by donors and government simply because they are labour intensive; if donors and government agencies cannot administer such schemes themselves, it is important that they provide support to existing models that specialise in this as their core work; and
- Strategies for supporting community responses should be thought of as integrated programmes of support involving a combination of funding, capacity building and networking leading to a community program framework of services.

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Appendix 1: Case Summaries

The AIDS Foundation of South Africa (AFSA)

Summary/Overview

AFSA is a private grant-making institution, based in Durban, that operates as an intermediary funding body, channelling funds provided by donor agencies to recipient organisations in 6 provinces. It utilises a developmental approach, providing financial and technical support to community-level organisations and focusing on vulnerable communities that are not reached by 'mainstream AIDS interventions.'

Objectives

AFSA's work is predicated on an understanding of AIDS as a long-term event whose immediate effects cannot quickly be reversed (at the level of prevalence or impact). It supports community based organisations to take incremental steps aimed at medium and long-term change in their communities.

AFSA's purpose statement: 'AFSA exists to facilitate an integrated HIV/AIDS response in vulnerable communities in South Africa, enabling them to implement appropriate and effective interventions to limit new infections and mitigate the impact of the epidemic, resulting in reduced HIV prevalence and the amelioration of its effects.'

History

AFSA is one of the oldest registered HIV/AIDS organisations in South Africa. Its history dates back to the late 1980s when a group of gay men in Cape Town and Durban began to mobilise and distribute resources for gay men's health issues. In the early to mid-1990s, more and more activity was taking place in Durban, linked to the Project for AIDS, Coordination and Education, and by 1997 AFSA's centre of gravity had shifted permanently to Durban. AFSA's focus gradually evolved from a focus on white, middle-class gay men to AIDS in the general population, particularly women and children.

While AFSA began by employing a philanthropic, ‘community chest’ model – raising and disbursing funds somewhat haphazardly – over time it adopted a more targeted and developmental focus, oriented particularly upon funding and capacity building for community-level organisations. By 1997, perceiving a need to ‘add value’ and not simply distribute resources, AFSA began running workshops and training for recipients of funding. In the succeeding years, this focus on capacity building has evolved to such an extent that it is now of equal importance to the granting of funds. Since 2001, the approach to capacity building has been greatly refined, with a differentiated range of activities aimed at various levels and increasingly provided in African languages.

AFSA aims to support organisations in all provinces of South Africa except Gauteng and Western Cape, and presently works in Eastern Cape, Free State, Limpopo, Mpumalanga, KwaZulu-Natal, and Northern Cape. Support is provided to organisations working in the areas of prevention and care & support. AFSA focuses on young CBOs and NGOs that many other donors consider to be too small scale.

Structure

AFSA is registered as a Section 21 company and a non-profit organisation with the Department of Social Development. It employs approximately 20 people in its Durban office, as well as a local representative in a new satellite office in Limpopo.

AFSA is run by an Executive Director, who is responsible for day to day management and fundraising. She is supported by a Deputy Director (a recently created position), an Operations Manager, and a Financial Manager. The Operations Manager oversees a team of 5 project officers who manage relationships with partner organisations and a capacity building and research coordinator, responsible for training activities. A Grants Administrator, who reports to the Deputy Director, is responsible for monitoring and tracking all partnerships through an information management system. Her role is to bridge the ‘programmes’ and ‘financial’ sides of the organisation.

There is a Board of Directors, whose members are appointed at the Annual General Meeting, and an Audit Committee, comprised of three non-executive directors, that

helps the Board ensure that financial risks are identified and proper controls are in place.

AFSA's Funding Model

AFSA operates as an intermediary institution for donor agencies that wish to support community-level projects related to HIV/AIDS in South Africa. In 2006, AFSA is handling funds for 18 different donor institutions, most of them international. Each donor's funding is kept in a designated bank account and managed separately. AFSA has had significant long-term funding relationships with donors such as SIDA, the European Commission, Atlantic Philanthropies, Artists for a New South Africa, Elton John AIDS Foundation and Comic Relief.

In 2004-05, AFSA's total income was R13 million, with more than R7 million being re-granted to partner organisations and another R4 million going to technical support and capacity building activities.

AFSA negotiates individually with each donor to define the parameters for the use of the funds. Donors often set down criteria for the type of work (e.g. support to OVC, caregiving) or geographical area they wish to support, and AFSA will then put out a call for proposals to interested organisations, using the Department of Health structures to disseminate information. Applications come to Durban for review.

A technical review panel, chaired by the Operations Manager and including project officers and the capacity building coordinator, reviews applications and makes recommendations for funding to the Executive Director.

Because AFSA is supporting organisations at the 'bottom end of the market,' it has adopted a number of procedures and policies to minimise its financial risk and to ensure that it can account back to donors about the use of its funds.[24] These procedures include:

[24] These are outlined in a Financial Policies and Procedures manual.

- Each partner organisation must have a dedicated bank account for funding received from AFSA
- Prior to receiving AFSA funding, the partner organisation must sign an auditing contract with a chartered accountant, who will separately audit use of AFSA funds
- Partners must submit copies of their bank statements along with their quarterly financial reports
- Funds are transferred to partners on a monthly basis

AFSA's own institutional functioning (ie. salary and operating costs) is dependent upon individually negotiated overhead rates with each cooperating donor. This is a complex formula whereby differing amounts of overhead costs are recovered proportionally from the individual donor budgets. AFSA has had difficulty attracting core funding from donors to support its operations, despite the fact that its model is one that many donors are keen to utilise. Given the labour intensive approach AFSA employs, workloads are arguably too heavy for the present staff complement. The foundation has taken various steps to try to redress these imbalances, but it remains a challenge.

Role of AFSA in Funding and Support

Funding / Grant making

AFSA is presently supporting about 50 organisations with project-based funding. In 2004-05, it granted about R7.4 million in funding to 60 organisations. Funding is usually provided for several years, with the average award in the range of R150,000-200,000 per year.

In recent years AFSA has reduced the number of organisations it supports and increased the size of the grants. While it previously issued grants as small as R80,000 per year, it determined that this was not cost effective and has now raised this to R120,000 per year.

For many of the partner organisations, AFSA is their ‘first funder.’ There are broad guiding criteria used in choosing partners, but these are not prescriptive. In reviewing applications, AFSA looks for organisations working in areas with high HIV prevalence rates and limited resources. Legal registration is not a firm requirement, although organisations must be ‘properly constituted’ and formalised in some manner if they are not registered. It is important that the organisation be rooted in the community and that it understand ‘financial responsibility.’ According to the Operations Manager, AFSA funds about 80% of the applications it receives, with the most common reason for refusal being that the organisation is already ‘too big.’

Conditions of funding

Once recommended for funding, there is a pre-funding site assessment by an AFSA staff member who then motivates for or against funding. At the stage of contracting, organisations submit a ‘Financial ID’ form including proof of separate bank account and a signed auditing contract.

Except for very young organisations or new partners, AFSA-funded organisations report on a quarterly basis. The newer partners submit monthly reports. Mid-term and final evaluations of projects are conducted, often by outside evaluators. All received funding must be expended.

AFSA does not impose rigid conditions on what can and cannot be done with its funding. However during the pre-award assessment process, AFSA staff work with partner organisations to develop appropriate budgets that are in line, for example, with prevailing norms for salary and stipend levels. Institutional costs are also allowable and are agreed upon through a similar process.

Duration of funding

Most organisations are funded for three years, with the contracts being reviewed and renewed annually. Some organisations, however, have been funded for five or more years and there has been increasing attention within AFSA for the need for a clearer ‘exit strategy.’ In theory, three years of financial and technical support should be enough to allow an organisation to move on to other sources of support, yet this

does not always happen and AFSA has found that organisations can remain vulnerable even when they appear to be well established.

When a major four-year funding arrangement with the European Commission ended in 2004, the 23 CBOs that had been supported through this funding were ‘cut loose,’ some succeeded in moving on to new sources of funding while others struggled with sustainability.

Technical Support

Training and capacity building

AFSA organises an annual *skills building workshop* for all its partner organisations. Two representatives from each funded organisation attend the four-day session, which focuses on particular issues such as outcomes-based management, project management and planning, and financial management.

A series of *leadership challenge workshops* are held regionally and are attended by the heads of AFSA’s partner organisations. These sessions aim to help the organisational leaders position their organisations strategically, including in relation to internal and external policy issues. Issues addressed include HIV/AIDS workplace policies, issues of labour law and volunteers/caregivers, learnerships and qualifications, approaches to community development, governance issues (boards), and networking and local coordination.

The major event of the annual training calendar is the three-day *learning and sharing conference* which brings together all AFSA partners to present on their work. Each conference is built around a central theme and national and provincial-level officials are also invited to attend to engage in dialogue about how policies play out in practice. The conference helps the partner organisations to develop their presentation skills.

AFSA also organises special thematic trainings, using SETA-accredited trainers, in areas such as treatment literacy, play therapy, childhood bereavement & counselling, and food security. The SETA accreditation ensures that CBO

participants can claim credit towards qualifications for participating in these training programs.

Mentoring and site visits

Project officers make site visits to partner organisations on a quarterly basis. Particularly for young organisations with little previous experience managing projects and funding, these visits are hands on and intensive, lasting a full day. Project officers work with the organisations on financial management, structuring budgets, developing workplans, writing reports, governance issues (setting up management committees), and establishing indicators for monitoring their work. Project officers will also run on-site workshops in response to specific needs.

Monitoring & Evaluation

As AFSA has grown in size, and donor emphasis upon monitoring and evaluation has increased, the Foundation has devoted more attention to M&E issues and is drawing partner organisations more actively into M&E work. An Intranet Management System (IMS) has been launched that serves as a central repository of information about the status of each partner relationship. It links the financial and programme sides of the Foundation, providing up to date accounts of project status and activities, extent of grant disbursement, and progress towards goals. The IMS is structured to allow graded access to different categories of staff and is populated with information provided to the Grants Manager by financial and programme staff.

AFSA is moving towards a model where the organisations themselves, in consultation with the Project Officers, determine 'real life' indicators that they believe are relevant for measuring the impact of the work they are doing, and that can be tracked using relatively simple techniques.

Networking and Advocacy

AFSA strongly encourages the organisations it funds to coordinate activities with others, including those of local/municipal government and other community organisations. The Foundation's approach is to strengthen the activities of civil society organisations, but not as a substitute for the work of the public sector. When beginning to fund in a new area, AFSA makes contact with local officials to introduce

itself and its work and continually encourages the involvement of its partner organisations in local initiatives.

The Foundation is also involved with lobbying and advocacy alongside the Treatment Action Campaign and the Basic Income Grant coalition.

Strengths and weaknesses

Successes

- AFSA occupies a particular niche in the field of community development and HIV/AIDS by providing multi-year support to organisations that are seen by many other donors as 'high risk'
- It has developed a professional and integrated model for supporting the specific needs of young and emerging organisations with direct financial and technical support that allows many of them to develop into autonomous organisations
- AFSA has evolved a holistic approach to community development that emphasises financial support and capacity building in equal measure
- AFSA's approach to capacity building has become more specialised and differentiated over time, focusing upon a dynamic set of issues that are relevant and timely from the perspective of the organisations it funds
- AFSA attempts to work in partnership with government and other stakeholders and not to fund 'in a vacuum'
- The foundation is willing to become involved in lobbying and advocacy efforts around issues of concern to its partner organisations
- AFSA is taking steps towards becoming a SETA-accredited training provider and utilises SETA-accredited trainers so that members of its partner organisations can work towards qualifications (e.g. Community health worker) by participating in training courses
- The foundation has established credible financial management practices to handle its complex intermediary role and has succeeded in attracting multi-year support from major funders

Challenges

- There are many institutional tensions involved in brokering relationships between external donors and grassroots CBOs. It is challenging to balance the flexibility and creativity required to work at community level with donors' (often) rigid expectations around accountability and monitoring
- AFSA's funding model is highly labour intensive and the foundation requires additional human resources that are difficult to fundraise for, since they contribute to its overhead costs.
- AFSA's financial support has come almost exclusively from international sources. The foundation has struggled to attract support from local donors, and in general has to work hard to convince donors of the importance of supporting CBOs and young NGOs
- The foundation's financial model is complex, as operational costs have to be kept to a minimum to secure donor support, individual overhead rates must be negotiated with each funding source, and financial tracking systems must be sophisticated enough to allocate all overhead expenses proportionally to donors. Each source of funding must be managed individually, donors' financial years don't coincide, and reports are due at different times.
- AFSA has had to invest significant time in developing financial procedures and practices for working with 'high risk' partner organisations. In cases of suspected fraud, failure to submit audited financial reports, or disappearance of funds, AFSA has to go to great lengths to try to recover the funds through credit bureaus and blacklisting
- Developing an 'exit strategy' for reducing and ending support to partner organisations, while ensuring their sustainability. Some organisations have become dependent upon AFSA funding and there is a concern that they will collapse if the funding stops.
- As an intermediary for donor funding, AFSA – and its partner organisations – are subject to the vagaries of changes in donor priorities. When a stream of funding ends, or shifts direction, it means that certain partner organisations can lose support or operations can cease in particular geographical areas.

The Barnabas Trust

Summary description

The Barnabas Trust is a non-profit organisation that provides training and mentoring to community and faith-based organisations working in the field of HIV/AIDS in the Eastern Cape. It continues to work with these organisations after formal completion of the mentoring to ensure that the training received is implemented in a way that leads the organisations towards self-sustainability and independence.

Objectives

The main objective of the Barnabas Trust is to capacitate community-based organisations by imparting skills through training and mentoring, so that they can be self sustainable and deliver services effectively to the communities they serve.

History

The Barnabas Trust was officially established in 2001 in response to a call from the National Department of Health for initiatives aimed at mentoring community-based organisations. The idea of promoting organisations with a mentoring focus came out of the 'Mentoring for Change' programme run by the National DOH in 2001. The DOH recognised that, across the country, CBOs continued to be highly vulnerable institutionally despite the fact that large amounts of money were being invested in capacity building. Eight NGOs were approached and tasked with overseeing a process of training and mentoring to counter the instability that had been identified among CBOs.

The Barnabas Trust was founded with the specific objective of mentoring community-based organisations (CBOs) and faith-based organisations (FBOs) in the Eastern Cape. It began with a pilot group of four organisations that were trained in East London as part of an agreement with Youth for Christ. Following modifications to the programme, eight more organisations (four in the Nelson Mandela Metro and four in the East London/Transkei area) subsequently joined the program with further funding from the DOH. More than 100 organisations have been or are presently part of the Barnabas Trust's mentoring work.

Structure

The Barnabas Trust operates from two offices: the head office in the Nelson Mandela Metro (Port Elizabeth) and East London, which also covers the former Transkei area.

There is a Board of Trustees responsible for strategic planning within the organisation. A CEO heads the Operational Management Team (OMT), which in turn sees to the coordination and implementation of strategic plans as directed by the Board. Both offices are run by Operations Managers, whose duty is to liaise between the OMT and staff (mentors and coordinators), and to see to the coordination of support services. Additionally, there is a Training Team responsible for the development of training tools, staff development and training, resources and networking, and building donor relationships. There is also the HR/Finances section to deal with the administrative issues involved in the running of the organisation.

There are 10 staff in the Port Elizabeth office, and an additional four in East London. Barnabas Trust also has a pool of trained mentors who can be called upon to do contract work when needed. Task teams play a vital role in addressing cross-cutting issues, and these are set up when needed, with composition determined by need and skills.

Forms of support provided to AIDS response organisations

Barnabas Trust provides structured and sustained assistance to community organisations in the form of mentoring, networking, core institutional support and assistance in establishing relationships with donors. The Barnabas Trust's approach to 'graduating,' but continuing to support organisations bridges a vital gap for many groups: where they would normally have had to establish themselves as stand-alone entities after having been through a training/mentoring process, Barnabas Trust continues to be involved in taking over certain functions on their behalf. The Barnabas Trust is currently working with 53 CBOs and FBOs in the Eastern Cape, and has trained 14 NGOs in the use of its materials and approach.

Selection and eligibility

Barnabas Trust works with emerging community-based organisations that demonstrate a positive attitude, are motivated to learn, and are committed to become functioning, accountable organisations. The main criteria for organisations to be mentored are:

- They have a clear vision
- They have already been operating in the community for six months
- They are accepted by the community
- The majority of the group's volunteers and leadership live in or near the target community
- They show a willingness to learn and a desire to be mentored (not just the desire for funding)
- They have not received significant funding for their work in the past

Because Barnabas' approach focuses on direct mentoring and the development of organisational systems, it is reluctant to become involved with an organisation that has already established many systems, or that has become mired in internal conflict. Barnabas Trust has found from experience that much time can be lost in trying to problem-solve, rather than in building up the organisation.

The process of identifying beneficiaries for Barnabas Trust programs varies. Initially there was a call initially from the DOH for CBOs to come to a central venue in different areas, where a selection committee (including DOH, ATICC and others) chose two organisations that were used for the pilot phase. More recently, the Department provides the Barnabas Trust with a list of CBOs from which it can choose beneficiaries to work with in collaboration with the Department.

In cases where Barnabas Trust receives support from external donors for CBO mentoring, the donors sometimes set criteria for the types of organisations that should be supported. For instance, Ithemba AIDS Foundation deals with faith-based organisations and makes recommendations of FBOs to Barnabas Trust.

Terms and conditions of the relationship

When an organisation enters into a relationship with Barnabas Trust it signs a contract agreeing to the mentoring process and the financial arrangements. The organisation commits to a minimum 18-month process, although there is a notice period if there are major problems leading to either party wanting to withdraw. It also signs a contract for a lump sum of R15 000, which is received automatically. Once this initial sum is fully expended, the organisation then submits a formal proposal, budget and report to Barnabas Trust for further funds, which can range from R3000 to R5000 per month. There are no rigid criteria on allowable costs and the type of spending that can be incurred using Barnabas funds, however it is important that the organisations adhere to the original approved budget.

The mentor assigned to each organisation visits regularly and reports back to Barnabas via visit report forms. Depending on the source of the funding, some organisations are assessed on a six-monthly basis, including a baseline review at the start of the relationship.

Training

In providing training, Barnabas Trust is committed to working with organisations in their own context. Training 'away from home' is limited to two weekends which are five months apart.

Organisations go through two phases of training. The first phase requires that the organisation develop a vision, engage in problem solving and actively identify some of the causes of the problems holding it back. This involves a vision building session based on appreciative enquiry.[25] Organisations are helped to establish a very general, short term (3-5 years) strategic plan. The plan outlines their vision, as well as what they need to do to sustain the organisation. They are tasked with setting small goals and breaking these down into practical steps with timelines, action plans and budgets.

[25] Appreciative Enquiry can be defined as a method of exploring and creating life-enhancing possibilities through constructive and collaborative dialogue; it concentrates not on what is wrong, but on what works to stimulate a re-framing of issues from a discussion about what isn't or what's wrong, to a discussion about what could be, conveying unconditional positive regard of everyone's involvement in the experience. Adapted from: Morrison, L. The Leader's Digest

Organisations are required to designate two numerate people to go on a two-day bookkeeping course, followed by regular ‘supervision’ visits to the Barnabas Trust offices for assessment of performance.

Mentoring

Individual mentors are assigned to organisations and visit the group a minimum of three times per month. Mentors meet with the management team and at times with the volunteers and go through the goals set for the month. Any conflicts that are reported will be mediated at this time and organisations are helped to ‘self-correct’ with no impositions placed upon them. Barnabas Trust essentially takes on the role of a Board of Directors for the organisation in terms of holding it accountable. As the process falls into place, the mentor’s role lessens, becoming more supportive and less of a leadership role. A mentor’s manual sets out expectations around the mentor’s role.

The mentor ensures that a ‘learning cycle’ is established for the organisation. The plans outlined at organisational level have to be seen to be implemented, which involves tracking the learning and monitoring the work. The mentor helps with the process of reflecting on the learning and integrating the learnings into future implementation processes. A similar process is followed with the financial cycle, where spending and finances are tracked.

Once the organisation gets key structures in place, Barnabas Trust supports it in connecting with local networks. For example, an organisation may be having a problem with the local clinic sister, who may not recognise the volunteers of that organisation and will thus not cooperate. The Barnabas Trust mentor can mediate in this instance and allow for the organisation and the clinic to work together. The organisation will thus benefit from various support structures and the network grows larger.

The initial period for mentoring is 18 months, during which time organisations are expected to demonstrate certain competencies. Barnabas Trust has a rough set of ‘indicators’ for the organisation-in-training to be declared sustainable. This includes areas such as networking, developing external and internal relationships, leadership,

possibilities through appraisal of technical and operational skills, resourcefulness (money, people, support), flexibility and ability to adapt.

Follow-up and support

Barnabas' training and mentoring role changes when organisations show themselves to be competent in these core areas. Organisations that have 'graduated' are no longer visited regularly, but have access to Barnabas Trust whenever they need support and are helped in working through challenges they encounter (e.g. someone from Barnabas Trust will assist the organisation to fill in forms when there is a call for proposals). Sometimes Barnabas Trust is called in to mediate in cases of conflict; in other instances donors may request that Barnabas Trust visit an organisation on their behalf for monitoring purposes.

Funding

Once an organisation 'graduates' from the Barnabas Trust program, it is put in touch with a donor. BT continues to monitor the progress of such organisations, either formally, if requested by the donor, or as part of the follow-up process applicable to all organisations in their programs.

The following qualifying criteria are considered for organisations to move on to the independent donor stage:

- Has registered and become a formal entity
- Has a system going that enables them to account for finances
- Is able to problem-solve and deal with challenges as they come
- Has a proper operational plan in place
- Has established a relationship with a donor

Barnabas Trust has built up relationships with three different donors/funding organisations that are interested in funding CBOs and FBOs, but were frustrated by the challenges of working directly with these small organisations. A lot of work has gone into building relationships with these key donors over the years, making it much easier to facilitate the funding process. Barnabas Trust is currently receiving funding from donors who are disbursing DFID and PEPFAR money, as well as local funding.

The Ithemba AIDS Foundation is mainly distributing funds raised from faith-based organisations and its funds are allocated specifically for faith-based communities.

Barnabas Trust mentors beneficiary organisations on behalf of these donors and acts as a buffer between the parties. This is a two-way process where Barnabas Trust educates the donor so that they can understand the parameters within which CBOs work, and paves the way for the CBOs in turn to start talking directly to the donors. In the beginning of the follow up process (post-mentoring), Barnabas Trust links the donor with the CBO, as much as possible creating an enabling environment for a relationship to get established. Some donors pay Barnabas Trust a retainer for these support activities (e.g. monthly visit, overseeing reports etc.).

Resources and Key Partnerships

Barnabas Trust has established strategic relationships with various partners, not only with funding organisations, but also with key institutions like the Department of Health. For the FY 2004-2005 for instance, Barnabas Trust received the bulk of its funding from the DOH. The partnership with the Provincial Department of Health has involved a program where Barnabas Trust has trained service providers in use of its methods and materials. The expectation was that the service providers would in turn mentor other organisations (18 each) under Barnabas Trust supervision, but there has been no follow up on this recommendation. As part of the partnership, BT has mentored about 16 CBOs for the Provincial DOH.

One of Barnabas Trust's main funding partners is the Starfish Greathearts Foundation, which ran a pilot program with two groups and then scaled this up to include 15 organisations that are currently on the Barnabas Trust follow-up program. Funding has thus been secured for some of the Barnabas Trust groups from this source, with Barnabas Trust acting as a conduit.

The Ithemba AIDS Foundation is also a major partner and has funded five graduate groups for the follow up and support program. The Anglican Mother's Union, a funding partner, has also embarked on an program that has seen Barnabas Trust aligning with parishes across the Eastern Cape, with lessons from the original Youth

for Christ pilot program being used to inform these faith-based groups. DFID and Christian Aid funding also comes through the Anglican Church.

The NGOs that were originally approached by the Department of Health in 2001 have come together to form the Mentoring Resource Network (MRN). Barnabas Trust has been involved in writing toolbox manuals for the MRN, with funding from DFID. MRN members have received training on use of the manuals, based on the Barnabas Trust approach and material. These have been adapted by various organisations, with Barnabas Trust tracking lessons and adaptations from these organisations.

Barnabas Trust is also establishing links with the Nelson Mandela Metropole University (UPE) related to the qualitative evaluation of its programs, a process that will include in depth, key informant interviews combined with focus group discussions.

The Dutch government (Netherlands) has given Barnabas Trust funding to prepare a new edition of the toolbox, to be aligned with Education, Training and Development Practices (ETDP) SETA unit standards so that organisations trained will be officially qualified according to SETA requirements, resulting in a qualification at level 2

Strengths and weaknesses

Barnabas Trust programs are seen to be working, with a few exceptions. The organisation is currently working with 53 groups, 49 of which are functioning effectively. Even if some have not grown, none of the groups have ceased to exist after having graduated from the mentoring program, a fact that is largely attributed to the team leadership style groups are encouraged to adopt.

Relations with donors are seen as a reflection of the credibility the organisation enjoys. The organisation reports that donors who initially did not want to invest large amounts of money have come round, a fact that is attributed to better understanding of what the program is achieving and the coordinated effort it offers.

Barnabas Trust covers all the districts in the Eastern Cape. There are CBOs that have either graduated from or are currently on their program across the province. Barnabas Trust feels that there’s huge potential to expand its work. They have scaled up three times and have trained 14 other NGOs to use their mentoring model and materials. The challenge, however, is in providing ongoing support for these organisations and the ‘training of mentors’ is an area Barnabas Trust feels it can still expand on.

Successes

The Barnabas Trust has been in operation for six years, enough time to prove that its unique approach works. A lot of organisations, including government, are interested in the programs and have adopted the approach widely and assisted in realising the BT vision.

The fact that the model has been replicated in a number of contexts is seen as an indicator of its success. For instance, the Mentoring Resource Network (MRN) has adopted the Barnabas Trust approach in mentoring CBOs and FBOs, and closer to home the Eastern Cape Provincial Department of Health has funded four NGOs to use the Barnabas Trust in mentoring other CBOs (about 72 in total).

The organisation is financially stable with core operations falling well within the operational budget. It is envisaged that the structure and emphasis of the organisation might change to encompass a longer term funding strategy, as well as putting more emphasis on the networking and ongoing support needs of organisations, in addition to the core training and mentoring program. Scaling up of operations in line with the organisation’s vision is considered to be viable.

Factors that contribute to success of the Barnabas Trust

A specific set of issues have contributed to the success of the model, including

- Having committed, competent mentors who have good technical and people skills

- Tight reporting system that enables challenges to be picked up and acted on expediently
- Management team that is willing to listen and to go the extra mile
- Good working relations with stakeholders
- Commitment to improving the process by constantly striving to learn from other organisations using the Barnabas Trust technique. This also includes following up on lessons learned and adaptations, and how these have affected learning
- Constantly being in touch with all organisations in their network, and tracking all the organisations that have graduated on a regular basis with the purpose of keeping up to date on their challenges and issues
- Filling an important gap in formalising the work of emerging entities
- Having the ear of the donors they are working with.
- BT has networked world-wide through groups like INTRAC (International NGO Training and Research Centre) and has learned extensively through dialogue with these other organisations. Having access beyond their immediate environment has stood them to advantage.

Challenges

Remuneration and sustainability are a problem in that the organisation invests in CBOs run by people who in turn become marketable and move on. Capacity building in a sense thus becomes its own worst enemy. This is a concern since most work is done with volunteer-based organisations.

Government funding for Barnabas Trust does not always come through on time, which may lead to organisations falling apart and all the work that has been done coming to nothing. It becomes impossible to fill in gaps created by money not coming on time. A lot of money is also spent on chasing up these processes.

Children in Distress (CINDI) Network

‘Children have individual needs, and need to be understood within the context of their family, culture, religion and community. A network of many, small, thoughtful, interventions trusted by the people with whom they have contact may have more value than a large, but distant and impersonal programme.’

- DOH Best Practice Document

Summary/Overview

Children in Distress (CINDI) is a network of more than 100 member organisations (NGO, CBOs, FBOs, government agencies & individuals) that work with children and families affected by HIV/AIDS in KwaZulu-Natal province. The role of the network is to provide its members with a space for sharing information, collaboration and collective access to resources.

Objectives

CINDI’s vision is ‘to develop a multi-sectoral, well resourced network of civil society and government agencies capable of implementing diverse effective sustainable programmes for children affected by HIV/AIDS.’

CINDI operates from the premise that the HIV/AIDS epidemic is deeply embedded, with many different inter-related impacts. It is impossible for any one organisation or institution to address these issues holistically. It therefore seeks to create a spirit of cooperation and collaboration among many different groups and organisations working on related issues, to enhance the effectiveness of their work, and to build the capacity of member organisations and their access to resources.

History and Structure

CINDI was established in 1996 following a ‘summit’ of organisations involved with social welfare issues in the Pietermaritzburg area, convened by the Pietermaritzburg Msunduzi Transitional Local Council. The summit underscored a common belief that HIV/AIDS was likely to affect so many children that no one organisation or institution would be able to address its effects.

Over the past 10 years, CINDI has become regarded nationally and internationally as a pioneering approach to networking in the context of HIV/AIDS. CINDI's structure has evolved over time, but it has always been network-driven, with the main decisions being taken in consultation with members at monthly network meetings.

The network's present structure is as follows:

The network is comprised of more than 100 **member organisations.** There are two categories of membership: full voting members and affiliate members. Full voting members are organisations directly or indirectly supporting children affected by HIV and AIDS in KwaZulu-Natal. Affiliate membership includes anyone with an interest in supporting children affected by HIV and AIDS, including individuals.

Membership in CINDI is by application. CINDI's Finance and Co-ordination Committee (FINCO) reviews membership applications at its monthly meetings and grants Affiliate Member status to those applications that are approved. New members are introduced at the monthly network meetings.

Members that wish to upgrade to Full Voting status must have been an affiliate member for a year, have attended at least 50% of the Network meetings, and be actively involved in at least one cluster (see below). They must submit letters of recommendation from two full voting CINDI members. After expressing interest in becoming a Full Voting member, the organisation is visited by the CINDI Coordinator, who will also check the organisation's references. New applications are listed in CINDI's weekly e-newsletter, asking for any positive or negative feedback about the applicant organisation. This process is intended to ensure that the organisation is bona fide and that there are no known concerns related to its governance or its operations in relation to the Child Care Act.

CINDI's members' activities are divided into 4 **clusters** according to their area of work. The clusters are:

1. Home-based care
2. Children in care
3. Community development
4. Psychosocial support and schools and youth development

The clusters allow for closer networking among groups involved in similar types of work. Each cluster is encouraged to have its own strategic vision which contributes to that of the overall network. Members can belong to more than one cluster.

Working groups are set up from time to time, under the auspices of a cluster, to address and take specific action on particular needs or issues. Examples of these include: access to medicines, nutrition, and housing access.

The **CINDI Network Office** (CNO) coordinates the work of the network and facilitates collaboration among members. The CNO is staffed by 6 full-time paid personnel: director, coordinator, CBO programme manager, financial manager, bookkeeper and receptionist. The roles of the CNO are networking, information sharing and exchange, administration and financial management, CBO mentorship, raising awareness about HIV/AIDS and member activities, acting as a funding conduit, and lobbying and advocacy.

The CNO reports to the **Finance and Coordination Committee of the Network** (FINCO), which acts as a board of managers and is comprised of individuals from member organisations who are elected during the Annual General Meeting. FINCO meets monthly and is responsible for the strategic vision, policy development and financial aspects of CINDI.

Values

CINDI has articulated a set of values which guides the way the network is structured and operates:

- Supporting children affected by HIV/AIDS
- Collective and coordinated action
- Diversity – of members, practices and approaches
- Continuity and consistency of service in addressing problems
- Autonomy – independent functioning within a collective effort
- Consultation and ownership – decision-making power rests with the membership
- Accountability and transparency
- Honesty
- Good governance
- Cost efficacy
- Capacity building and sustainability – including less developed organisations in organisational processes; development, not charity.
- Respect
- Communication
- Responsibility
- Critical reflection
- Conflict resolution

In all its actions, CINDI operates according to the principle of 'best interest of the child,' as outlined in the UN Convention on the Rights of the Child.

Role of CINDI in Support and Funding

Networking Function

- CINDI's core function is networking, both among its own members and with other external groups. Key elements of this are:
- *Information sharing and exchange* through monthly network meetings, cluster meetings, working group meetings, weekly e-newsletters, email, the CINDI

website, the CINDI database (which will be operational early in 2007), referrals of specific requests, conferences/seminars, and joint training;

- *Relationships with other networks* to advance broader networking and advocacy goals which individual members can't pursue on their own. This includes both governmental links (e.g. provincial departments of Social Development, Education, and Health) and CSO-led initiatives
- CINDI sees the benefits of networking as: 1) Allowing members to step back from the constant pressures of their work in the sector; 2) Allowing for strategic reflection and learning from one another's approaches; 3) Creating links between organisations performing specialised functions, so that not every organisation has to do everything; and 4) Emotional support and a sense of solidarity among organisations.

CBO Mentorship

CINDI as a network has prioritised the development and mentorship of CBOs. CBOs are encouraged to be active contributors to CINDI, and more established members of CINDI are encouraged to engage in long-term developmental relationships with CBO members – helping them with organisational development as well as technical skills. The network has a full time CBO programme manager and provides funding for mentorship work. It also provides specialised training for CBOs.

Although CINDI has long held capacity building and sustainability as network values, CBO mentorship became a more formalised element of CINDI's operations starting in 2002 through a funding relationship with IrishAid (formerly known as Development Cooperation Ireland (DCI)).

IrishAid perceived a need for greater community-level outreach to meet the needs of children affected by HIV/AIDS and believed that support to CBOs might be an appropriate approach. It granted CINDI funds to re-distribute to a select number of its members working in prevention, care and support for children living with and affected by HIV/AIDS. Each member organisation applying to CINDI for IrishAid funds had to commit to a 2-year mentoring process with a CBO doing similar work to their organisation.

Nine CINDI members – all established NGOs with financial track records and on-going programmes – received funding through this arrangement during the first cycle and had to develop a mentoring plan and relationship with their CBOs. The models and approaches to mentoring were not prescribed by CINDI or IrishAid, and the NGOs did not receive any additional funds to work with the CBO partners: the primary mentoring 'inputs' were in the form of practical assistance and the transfer of skills in whatever form seemed most appropriate. A CBO Project Manager, based at the CINDI Network Office and funded by the IrishAid grant, managed the relationship between the nine sets of partners, tracking progress on their task-based plans and coordinating additional training and support activities for the CBOs.

A project evaluation following the first two-year cycle revealed that the experience had been 'mixed' for both the NGOs and CBOs. The funding arrangements between CINDI and the partners did not define mentoring clearly and it was left largely to the NGO and CBO teams to work through complicated issues of needs, expectations and mentoring plans of action. Questions were raised about the 'ownership' of the mentoring process and the importance of the CBOs feeling like partners, rather than clients. There were questions about the logic of transferring only skills and not resources – a combination which, in some cases, resulted in frustration and unrealistic expectations on the part of the CBOs. Finally, there was a sense that two years is not enough time to render real developmental support.

Rather than abandoning the approach, IrishAid has continued to fund CINDI to refine the CBO mentorship model and to work to resolve some of the lessons learned from the pilot phase. The programme is now in its third two-year cycle with IrishAid support and the number of partnerships has increased to about 15. The German charity Kindernothilfe (KNH) has since begun to fund CINDI along the same model, supporting 10 partnerships.

At a CINDI strategic meeting in late 2005, there was a discussion about whether making CBO mentorship a condition for NGOs to access funding support from CINDI was an unfair imposition. While some believe that it is, when asked directly, all but

one of the NGO members who had been part of the programme said that they would agree to do it again even if it were not a requirement.

Funding Role 1: Conduit for donor funding

CINDI began playing a funding conduit role for its members relatively recently, following a careful process of internal and external deliberation and consultation. In 2006 it is managing approximately R5 million in funds per year for its members.

Following the initial pilot round of IrishAid funding (described above), a piece of consultative research was commissioned to explore whether CINDI should adopt a formal role as a funding conduit.[26] Following internal and external consultation, a decision was taken that CINDI should act as a funding conduit for its members and detailed procedures have been drawn up which guide all aspects of this process.[27]

Upon securing an offer of funding from a donor, the CINDI funding manager publicises a call for applications among CINDI members, specifying the terms and conditions of available funding. All members interested in applying can attend an application process meeting.

To be eligible to apply for funds, organisations must be a full voting member of CINDI for at least two years – one of which with the status of a full voting member; must have at least two years of audited financial statements; must be registered as an NPO; and must have attended at least 50% of the CINDI network meetings in the previous year.

After receipt of applications, the Funding Manager reviews them and determines which meet eligibility requirements. Eligible applications are passed to the CINDI Funding Panel (comprised of 2 elected community members, 2 neutral CINDI board members, the CINDI funding manager and the CINDI director who are non-voting panellists), which reviews the applications and makes recommendations for funding allocations. These recommendations are forwarded to FINCO for approval and then to the donor. Following donor approval, contracts are signed between CINDI and the

[26] Ngcobo, S., Bell, J., Meintjes, B. & Spain, Y. *Funding Conduit Review Process. Final Report.* CINDI Network. March 2004.
[27] CINDI Network. January 2005. *Funding Policy Document.*

donor and between CINDI and the member/beneficiaries. Funds are disbursed quarterly to the members that have submitted their quarterly reports.

Due to eligibility requirements, the funding conduit model is significantly more accessible to CINDI members that are established NGOs than it is for its CBO or 'young NGO' members. Approximately 20 member organisations have received funding through this model, and some have received funding more than once from different donor sources. Some of the CINDI members that have accessed funding through this mechanism have annual turnovers of several million rand – the funds from CINDI are only a tiny component of their overall funding portfolios and CINDI's reporting requirements can be seen as onerous given the small amount of funding. For other members, however, the funding has been significant and they have gone through a process of 'growing up' into larger organisations with the help of CINDI's support. In some of these cases, CINDI has had to invest a lot of individual effort in keeping the funding relationship on track: ensuring proper reporting and timely expenditure of received funds. In order to make joint funding accessible to smaller member NGOs and CBOs, CINDI has recently developed a framework for Small Grant Funding, and is piloting this at the beginning of 2007.[28]

Funding Role 2: Applying for funds on behalf of members

In addition to managing funds offered by donors to the Network, CINDI has more recently begun proactively applying for funding on behalf of its members, in response to advertised calls for proposals. This is a risky and labour intensive process, as it takes a lot of time to craft proposals and there is no guarantee of a return on the investment. One recent successful proposal, for DFID funds, took two years to secure and will directly benefit only 3 CINDI members, with collective benefits for the network as a whole.

CINDI's position is that it will not fundraise for an individual member. Expressions of interest in applying for funding must emerge from within the clusters and be led by a member organisation with a fair amount of capacity. Once there has been a

[28] See *Criteria for CBOs and small NGOs applying for funds from RBF via CINDI in 2007* and *CINDI Application Form for CBOs and Small NGOs applying for RBF Funds in 2007*. Organisations with an annual budget under R200,000 per year may apply for 12-month grants of R15,000 – R25,000. Many of the same application and reporting requirements obtain as with the funding for larger organisations. Assistance is provided to CBOs with the application procedures.

collective endorsement of an idea at the cluster level, the CINDI funding manager will become involved in helping to craft the proposal. These types of applications require a high degree of commitment and a realistic assessment of the chances of success or failure.

Impacts of the Funding Role

Although CINDI was initially unsure about playing a funding conduit role, this element has become institutionalised over the past several years. It has been handled cautiously and deliberately and is guided by a detailed set of guidelines and procedures.

The decision to become involved in funding has had impacts upon CINDI as an institution, and these have been carefully managed. There is a realisation that the funding role should not overshadow CINDI's primary function as a network for collaboration and sharing information. As the funding role has grown in prominence and complexity, there is a danger that the CINDI network office expands in order to manage the requirements of the various funding streams. A conscious decision has been taken to cap the size of the CNO at 5 staff – all other roles (Funding Manager, M&E, etc.) have been outsourced. Similarly, certain large pieces of funding secured by CINDI (e.g. the DFID project) create new project-related positions. These positions are being hosted at CINDI member institutions, rather than at CINDI itself, to 'protect' the core of CINDI from growing larger.

There is a realisation that, thus far, the funding conduit role has primarily benefited a certain tier of the CINDI membership. The present mechanisms are not well-suited for supporting the less experienced members (NGOs and CBOs) and, apart from the CBO mentoring programme, there is not yet an appropriate vehicle for channelling funding to CINDI's smaller members. Although the funding conduit role is supported by the membership, there are 'pockets of discontent' that funding is benefiting a limited number of members and that the same organisations receive funding time and again. However, pilot funding received from the Rockefeller Brothers Fund will allow CINDI to pilot a small grants fund for CBOs, beginning in 2007, which may lead to an institutionalised funding conduit function oriented at CINDI's smaller members.

Strengths and weaknesses

Successes

CINDI is one of the most studied and most documented AIDS response initiatives in South Africa.[29] The following points related specifically to its role in relation to funding and support for its members:

- Despite dynamic evolution and change in its role over time, CINDI remains member driven and is guided in its decisions by the centrality of the network role.
- Decision to play a funding role was carefully studied and debated in relation to the experience in the pilot project. Once a decision was taken to institutionalise the role, detailed procedures were agreed, captured in the form of policy, and made transparent to members
- Dispute and grievance procedures were drawn up in advance to provide a road map for resolution of conflict, should it arise
- CINDI has taken an ‘organisational learning’ approach to its dynamic role as a funding conduit, documenting its experiences, evaluating efforts, and incorporating learnings
- The network was consolidated and was working smoothly *before* the funding conduit role was introduced. A shared vision and understanding, a shared context, and experience with one another underpin the move into funding.
- Steps have been taken to protect the core of the network against the impacts of the funding role. Growth has been handled through outsourcing new roles.
- Other network functions remain robust and membership is renewed at 100% annually, despite only a small proportion of members benefiting from CINDI funding.
- CINDI’s reputation provides credibility in the eyes of donors and positions the network (and thus, its members) well to access funds

[29] See for example: HIV/AIDS and STD Directorate of the Department of Health. 2004. *Children in Distress (CINDI) – HIV/AIDS Best Practice.* 3rd Edition; Magongo, B., Kelly, K., Parker, W., & Kistner, U. 2004. *Development Cooperation Ireland South Africa: Non Governmental Partners in HIV/AIDS. A Review.*

- Members benefit by the fact that CINDI handles the direct interface with the donors and absorbs risk and responsibility

Challenges & Limitations

- CINDI has a highly differentiated membership, but at the present, only a small proportion of CINDI members are benefiting from the funding conduit arrangement. Can CINDI succeed over time getting the model to work on behalf of a greater proportion of its members?
- Some of CINDI's larger members are concerned that CINDI as a network does not become a competitor in terms of accessing resources.
- Ensuring that the 'funding role' be kept in balance with CINDI's other core functions. Remaining vigilant that CINDI members not become dependent upon CINDI for funds and not see CINDI as purely a source of funding
- Ringfencing CINDI as an institution from the effects of funding-related growth: determining 'when enough is enough.'
- Refining a developmental approach to CBO mentorship, taking into account the lessons learned and setbacks experienced during the existing phases of the programme. Finding the balance between inputs of ideas and material support.

Grant-In-Aid Programme of the Ekurhuleni Metropolitan Municipality

Summary/Overview

The Grant-in-Aid programme administered by the Ekurhuleni Metropolitan Municipality is a discretionary funding scheme that provides grants to local organisations working in the field of education, social development, arts and culture, sports, and local economic development. Funding for Grants-in-Aid comes from the Municipal budget. Grants-in-Aid do not specifically target HIV/AIDS, but many of the organisations that apply for support under the social development division are working on issues of HIV/AIDS.

Objectives

The Grant-in-Aid programme was initiated as a way to support the activities of community-level organisations that are working for social and economic development in the Ekurhuleni Metro area and that provide an activity more effectively than the Metro in terms of civic empowerment or cost effectiveness. The funding is intended to support CBOs in carrying out work aimed at alleviating poverty and creating jobs, and in engaging community members, including young people, in these activities. Grants-in-Aid are not to be used to start up new organisations.

History & Structure

The Grant-in-Aid scheme was launched in 2003 on the initiative of two local councillors who were members of the Ekurhuleni mayoral committee. It was originally located within the Health and Development department of Ekurhuleni Municipality, before being shifted to Corporate and Legal Services.

The programme is led by a Grant-in-Aid Subcommittee, comprising 10 ward councillors and 8 representatives of the municipal administration who represent different municipal portfolios: housing, infrastructure, LED, development and planning, health, sports/art/culture etc. The Subcommittee reports to the Mayor. The distribution of Grants-in-Aid is guided by a policy document developed by the Council (*Policy: Allocation of Grants-in-Aid*).

Grant-in-Aid Funding Model

There are two different types of Grant-in-Aid. Ten percent of the total sum of money allocated for Grants-in-Aid each year is set aside for Contingency Grants, defined as cases which are urgent or particularly deserving (see below). Funding is awarded in such cases at the discretion of the Mayor at the advice of the Grants-in-Aid Subcommittee.

The remaining 90% of the Grants-in-Aid funding is disbursed through an annual application and review process in the following proportions:

Educational Institutions	15%
Social Development Organisations	30%
Sports bodies	20%
Arts and Culture	15%
Local Economic Development	10%

In 2005/2006, R2 827 350 (about $440,000) was allocated for Grants-in-Aid in these categories.

For 2005/6 applications and awards were as follows:

Sector	**Applications**	**Total request**	**Awards**	**Amount distributed**	**Average Award**
Social Development	405	R70 132 580	195	R942 450	R4833
Education	194	R14 390 417	93	R471 225	R5067
Local Economic Development	117	R32 541 218	57	R314 150	R5511
Arts & Culture	72	R19 545 803	49	R471 225	R9617
Sports	87	R13 358 580	53	R628 300	R11 855
TOTAL	**875**	**R149 968 598**	**447**	**R2827 350**	

Advertisement

The call for Grant-in-Aid applications is advertised publicly, starting in Janaury of each year, in newspapers and through ward committees. Application forms can be picked up at municipal offices or from ward councillors. One organisation that has received Grant-in-Aid funds for three years said, ‘The ward councillor informs us of the available funding. He helped us to apply for Grant-in-Aid and provided us with application forms.’

Eligibility

The policy that guides allocations on Grants-in-Aid specifies clearly what types of organisations may apply for support. These include Ekhurhuleni-based organisations that are:

1. Registered benevolent, social development or charitable institutions
2. Universities, public colleges, non-private tertiary institutions serving the Ekurhuleni community (primary and secondary schools are ineligible, as these are seen as a competency of the state)
3. Libraries, museums, art galleries, arts and culture organisations
4. Sports groups
5. Educational outreach or community upliftment projects
6. Social development institutions, such as pre-schools, home-based care organisations, old-age care institutions, and household food security projects.
7. Local economic development organisations that are registered non-profits

‘That R10,000 helped us so much, we could even get some income. We serviced our machines, and bought material for school uniforms. We got R6000 in the following year and sent three people for a business management course at Wits University.’
- Eyethu Sewing Group, Vosloorus

The purpose of Grants-in-Aid is to support activities that fall outside the core mandate of the Municipality, but which support its strategic plans and priorities. Organisations applying for support need to demonstrate that they fall into this category.

Application Process

Grants-in-Aid are awarded on an annual cycle, with the deadline for applications at the end of April every year. Organisations applying for support must submit a standardised 4-page application form to the Municipality's head office. The form requests basic information about the organisation (name, address, ward number), the contact person, and the nature of the request (details of what is required, motivation for the request, and the amount requested).

The form must be signed by the ward councillor of the ward where the organisation is based. This is required as a way of filtering out organisations that are not bona fide or in good standing. Applications which lack the signature of the ward councillors are disqualified from consideration.

The following supporting documents are required:

- The constitution of the organisation or institution
- A certified copy of the organisation's financial statements
- A business plan and budget estimate
- A copy of the latest municipal services account (water and lights), showing that the organisation is not in arrears to the municipality for services rendered or, if it is in arrears, a letter from the Chief Financial Officer of the Municipality which reflects the status of debt arrangements to the Municipality

Any organisation which has been funded with Grant-in-Aid in the past and is reapplying for support must also submit a report on the spending of the previous grant.

Allocation of funds

Applications received are first divided into the five sectors (education, social development, sports, arts & culture, local economic development) and are screened for completeness and eligibility. Any application that is submitted late or that does not contain all of the supporting documents is ineligible for consideration.

Determinations of funding are made in August following approval of the Municipality's operating budget. The committee totals the requested amounts of support from all eligible applications per sector, and compares this with the lump sum amount available per sector. If the requested funds exceed available funds, the available funds are divided equally across the eligible applicants without reference to the amount requested. In this way, depending on the number of eligible applicants, some organisations may end up receiving more funds than they requested while others will receive significantly less. The categories of sports, arts & culture and local economic development tend to receive far fewer applications than education and social development, and the grants awarded are larger.

> *'You find that some people are at the advantage that the applications are few, like under LED. Most people, most applications are in education and social development. Those two – we have problems when we come to it. But sports, art and culture – they get a lot of money because there are few applications.'*
> *- Administrator, Corporate & Legal Services division of Ekurhuleni Metro*

After the funds are approved, it can take up to six months for the cheques to be processed by the Finance Department. These are presented to organisations at a ceremony presided over by the Mayor.

Contingency Grants

Ten per cent of the overall funding available for Grants-in-Aid is set aside in a contingency fund to be allocated in a discretionary manner to emergency or especially deserving cases. The Executive Mayor awards contingency grants at the recommendation of the Grants-in-Aid committee. The application procedure is similar to the regular Grant-in-Aid application, but it also requires a specific motivation and applications are only accepted in cases where something unforeseen has arisen that could not be planned for. The contingency grants can be used, for example, to cover cost of attendance at an event to which a group has been invited. It is not intended to be used in cases where an organisation's supplies have run out or where they have run into a shortfall because of poor planning.

Contingency grant applications are evaluated in terms of: fulfilment of criteria, 'seriousness' of the application (is it genuinely an unforeseen and deserving case?), and the amount of money requested in relation to available funds. If there are not

enough funds, the committee may decide to approve the application, but at a lower level of support.

Conditions

All organisations receiving Grant-in-Aid are required to submit a progress report on the use of the grant by the end of the calendar year in order to comply with the Municipal Finance Management Act. Organisations not submitting these reports are excluded from consideration in any future grant cycles.

There is some degree of site monitoring – representatives from the council will occasionally visit the projects – but the primary mode of accountability is through the annual progress and financial reports.

Strengths and weaknesses

Successes

- Grant-in-Aid provides relatively small amounts of funds – R10,000 or less – to local groups and organisations. For emerging organisations, the opportunity to access and manage funds at this scale can be important for building up a funding 'track record'
- The Grant-in-Aid scheme is a local resource that is run and managed by local officials, with the active involvement of ward councillors and other structures. It is relatively close to the ground and to the beneficiaries it supports
- The annual funding cycle and the limited reporting/monitoring requirements means that the administration of the scheme is relatively streamlined and simple
- The application form is short, clearly explained and straightforward in its requirements. This makes it appropriate even for organisations with little experience writing proposals, as long as they are able to provide the supporting documentation

Challenges

- Organisations that are unregistered, do not have constitutions or certified financial statements are ineligible to receive Grants-in-Aid. This is an obstacle to many of the emerging organisations that would particularly benefit from small amounts of funds such as those disbursed by the Metro
- For an annual funding cycle, the amount of financing provided by Grant-in-Aid is small. Groups working in the education and social development sectors receive even smaller amounts given the greater number of applications. The awards are also getting smaller over time, given the growing number of applicants. 2005 funding in the social development sector was about half the amount given in 2003.
- The Grant-in-Aid is sometimes misunderstood by the public as a source of support for starting up small businesses or other individual-level activities.

'Although the funding from Grant-in-Aid is helpful, we wish we could get more because the amount we receive is so small to meet our business needs.'

- Eyethu Sewing Group

- Coordination of these funds with other sources of support and initiatives: there is funding going into the community from Department of Health, Department of Social Development and Grants-in-Aid and almost no 'corporate governance' to coordinate and oversee what is going where. Many different spheres and departments have resource to distribute and this can lead to duplication.
- Grant-in-Aid strength is as a mechanism for distributing funding throughout the community, but it is not developmental in orientation. It is not linked to any capacity building or networking functions, for example, so its benefit for small organisations is primarily the chance to learn, independently, through experience about managing external funds.
- The fact that available funding per sector is divided evenly amongst eligible applicants generates certain 'distortions,' in that organisations of different ages, levels of experience, and annual budgets will all receive the same amount of annual funding. Larger NGOs might have success in accessing bigger awards from other sources, thereby leaving more resources to be

distributed among emerging CBOs, yet the structure of the funding is such that it is equitably distributed regardless of organisational profile.

Free State Department of Health's Model for Funding and Cooperating with NGOs

Summary/Overview

The Free State Department of Health has developed a multi-pronged approach to funding and supporting NGOs that deliver services to people affected by HIV/AIDS in the province. This involves financial and material support for NGOs, distributed through a network of umbrella consortia; capacity building activities to enable NGOs to work effectively and accountably with project funding provided by the department; and a system for paying stipends to volunteers through selected NGOs in the province.

Objectives

The Free State Department of Health has acknowledged the role of NGOs in delivering health-related services in the province and sees the need to work in partnership with them. It seeks to develop a 'healthy relationship' with NGOs and to promote an enabling environment in which they can work. The Department supports the work of NGOs in various ways, including through funding and capacity building, and the provision of this support is guided by a set of expectations and procedures about financial accountability and reporting. The Department's NGO Policy[30] was developed to clarify the terms of the working relationship between the Department and NGOs and details the terms and conditions of the relationship.

History

The Department of Health in the Free State developed an NGO Policy in 2003 to address some of the challenges it had been experiencing in its working relationship with civil society organisations in the province. In some of its early cooperations, the Department found that the CSOs it funded were not always able to report accurately on the use of the funds and that the proposals and workplans they submitted were weak. In other cases, organisations that had received funding would disband and there would be no way for the Department to track or recover the remaining money. In terms of the Public Finance Management Act, the Department is responsible for accounting for the use of the funding it grants to others and it felt that it was

[30] *NGO Policy: NGOs working with the Free State Department of Health*. Bloemfontein: Free State Department of Health.

necessary to formalise the terms of the relationship between the Department and NGOs as cooperation expanded to a greater scale.

A more clearly defined working relationship was also important for CBOs and NGOs in the province. This related to the overall transparency of the relationship, including the terms and conditions of financial (and other) support from the Department, funding cycles and principles, and requirements for accessing and reporting on funding.

Elements of the Relationship between DOH and NGOs

Funding of NGOs via Consortia

The Department of Health provides project-related funding to NGOs implementing activities that align with the Department's strategic plan for HIV/AIDS. This includes prevention, educational/awareness activities, counselling, training and home-based care. Applications for funding are made annually to the Department, and Programme Managers are responsible for determining which NGOs to support in accordance with the budget and departmental priorities.

Under the current NGO Policy, the Department of Health does not have funding relationships with individual NGOs, but works through *NGO consortia*. A Consortium is a cluster of at least 5 NGOs from the same local municipality that are registered NPOs and that work on HIV/AIDS activities. The idea behind the formation of local NGO consortia is that they will reduce duplication of related activities in the same area and slow down the 'mushrooming' of NGOs – the rapid emergence (and sometimes demise) of small community organisations that do not evolve into viable entities and dilute the limited resources that are available. By funding organisations via Consortia, the Department hopes to control some of this growth by encouraging new organisations to join in with existing ones.

NGO consortia are to be run by boards or executive committees, which are comprised of representatives of the consortia's affiliate organisations. These consortia committees can apply for funding from the Department of Health on an annual basis and are responsible for managing the received funds, including undertaking annual financial audits and submitting narrative reports to the

Department. Once a funding relationship is in place, the Department communicates with the head of the consortium, rather than the individual NGOs.

Funding is allocated to NGO consortia on the basis of submitted ‘business plans’ which outline planned activities and their costs. Although the NGO Policy indicates that ‘Consortiums shall provide equal support to member NGOs and ensure there is proper distribution of funds among the member NGOs,’ in practice it appears that funding is not always equally divided among the affiliate organisations, particularly in cases where there are many organisations or where there is a great gap in capacity between more established NGOs and emerging CBOs.

Generally, within the Consortia, each affiliated organisation nominates a programme coordinator or someone who develops and submits a business plan to the consortium for integration into the larger workplan. Once the funding has been received and distributed, these same coordinators are responsible for monitoring the organisation’s progress, which feeds into the overall consortium report to the department.

In determining which NGO Consortia to fund, officials at the provincial Department of Health are guided by recommendations from district-level committees that assess applications in relation to the specific needs in he district. The official at the Department of Health in Bloemfontein who is responsible for NGO relations visits organisations prior to agreeing to fund them to verify that they exist and that they do the work they claim to do. Once the funding agreement is in place, the Department monitors the use of the funding through financial and narrative reports, but also through monitoring visits. Funded organisations are also invited to attend quarterly meetings where they present their work and share progress with one another.

Capacity Building of NGOs

Given its policy to fund NGOs as partners in service delivery, the Department is also committed to ensuring that the NGOs are able to manage the funding accountably and to implement activities effectively. The Department is particularly concerned about the management capacity of NGOs, including areas such as project planning, project management, financial management and monitoring and evaluation that are

needed if the NGOs are able to meet the Department's administrative requirements. Prior experience working with NGOs led the Department to conclude that targeted capacity building was required to strengthen the ability of NGOs to meet funding requirements, but also to operate independently and to grow as autonomous organisations.

> *'I think we are working much better than the way we were two years back or three years back. In 2000 when we started, our idea was just helping people who were infected – getting the money and doing the job. We did not go to the nitty gritties in terms of how to fund a structure as an NGO, the reporting mechanisms and even how to handle ourselves. We did not care much, but now we are taking everything serious.'*
>
> -Member of the executive committee of an NGO Consortium in Bloemfontein that provides IEC services, reflecting on the impact of the capacity building programme

Between 2002 and 2005 the Department undertook a major NGO capacity building programme with support from Development Cooperation Ireland that reached 150 NGOs and CBOs through a series of centralised 5-day training workshops followed by six individual mentoring visits over a period of several months. Topics covered included project management, organisational management, human resource management, and tax and financial management. During the follow-on visits, participating organisations were assessed on the core competency areas. Those that achieved 80% or higher were considered to have completed the training successfully.

The programme also involved 'refresher' training for a small number of organisations that showed commitment to the training, but which were not successful in meeting the criteria for endorsement. All organisations that participated in the programme received a copy of the basic spreadsheet-based accounting software developed as part of the programme and some received computers as well.

The programme also involved a train-the-trainers component that resulted in 12 master trainers being certified in districts around the province. These master trainers could later be called upon to assist NGOs and CBOs in their vicinity with basic operational issues.

The organisations that participated in the training programme were a mix of funded and non-funded organisations. Part of the Department's rationale was to support younger organisations and to bring them to a point where they would be fundable and would be ready to manage the funding properly.

Payment of Volunteer Stipends through Co-ordinating NGOs

It is the practice of the Department of Health (and the Department of Social Development) in many provinces to pay monthly stipends to 'volunteers' involved in home-based caregiving and other activities deemed fundamental to effective community outreach around HIV/AIDS. The stipends – usually ranging between R500 – R1000 per month – are not intended as salaries or formal remuneration for services, but rather as 'thank you's' to individuals who are giving regularly and significantly of their time for the benefit of the community. Volunteers are not considered employees of the Department and provisions of South African labour law do not apply.

The Department of Health does not have any formal relationship with volunteers and uses 'Co-ordinating NGOs' to pay volunteers affiliated to them. Co-ordinating NGOs receive funding for stipends on a quarterly basis and the procedures related to the use of this funding are quite strictly controlled. Co-ordinating NGOs must meet a range of criteria and stipulations including:

> *'I send my spies also. The problem is that I've signed for the funds… If they (volunteers) don't do the work and I'm paying them, I'm having a problem.'*
>
> *- Chairperson of a consortium, about the need to monitor the work of volunteers receiving stipends*

- Maintaining a registry of volunteers affiliated to it
- Ensuring that its volunteers have completed the relevant training (in home-based care or other) that is recognised by the Department
- Ensuring that the volunteers are working in collaboration with the local clinic or health care centre and are reporting regularly on patients to supervising clinic personnel
- Ensuring that volunteers work at least 40 hours per week and submit claim forms on a monthly basis indicating services rendered and the number of patients

Apart from these requirements, NGOs are expected to develop their own policies for regulating the relationship with volunteers. In the event of disputes or conflict, the Department encourages NGOs to form disciplinary committees that can manage the resolution of disagreements.

Department – NGO Relations

The NGO Policy of the Department of Health speaks of the need for a 'flourishing partnership' between the Department and NGOs in the province. It emphasises the need for on-going dialogue and for seizing opportunities to collaborate at grassroots level, using forums, meetings and consultative workshops. The Department encourages its project managers to seek out opportunities to work with NGOs in cases where programmes merit direct community involvement.

Strengths and weaknesses

Successes

- Development of a formal policy that acknowledges the important partnership between the Department and NGOs/CBOs and codifies key elements of that relationship
- Fairly large scale training/capacity building programme carried out, which had a real impact on those organisations that were 'ripe' for the training and were at a stage of development where they could really be shaped by the training
- A lot of hands on trouble shooting from the DOH official in Bloemfontein responsible for NGO relations. Positive relationships developed between her office and organisations in the province.
- Maintaining relationships with large numbers of individual NGOs is a challenge due to staff/leadership turnover, changes in contact information and the dissolution of organisations. The use of Consortia goes some way to alleviating this challenge from the perspective of the Department which can streamline its communications.
- Quarterly meetings provide a constructive forum for organisations to share their work and encourage one another about how they can grow and develop
- Some of the consortia are strong and flexible enough that they can be used to as a channel for DOH funding, but can allow affiliated orgs to fundraise independently or by using the consortium name. Some consortia raise funds collectively from other donors using the same model.
- Resources at a Consortium (eg office space, computer) are sometimes used by affiliate organisations, and skill sharing and informal mentorship also take place in some cases.

- When consortia are comprised of member organisations with different interests, the groups can complement each other in terms of activities

Challenges

- There are an enormous number of NGOs and CBOs in the province that are working on HIV/AIDS. It is difficult for the Department to develop an approach that is relevant and suitable for all of them. The Department's approach is intended first and foremost to address the funding and resourcing relationship with those NGOs involved in service delivery on its behalf.
- The use of Consortia simplifies some processes from the perspective of the Department, but may generate a new layer of challenges at the level of the Consortia themselves, which are tasked with handling some of these outsourced issues: keeping track of a number of small organisations, managing difficult dynamics linked to competition and motivation, and meeting administrative requirements for use of funding. Consortia may not be adequate remunerated to play this role.
- Training and capacitating organisations to 'make them fundable' is always difficult: it is hard to build up organisational competency without also providing resources for them to work with
- Within Consortia, larger NGOs and smaller CBOs have different interests and needs. The bigger organsations are working at a more professional level and understand the need to invest time in order to attract resources. The smaller ones working without resources can be hesitant to attend meetings and work without resources.
- There are a number of destabilising power dynamics within the consortia: established NGOs may dominate the Consortia too much based on skills, experience, and access to resources, but smaller orgs can also band together to unseat consortium leaders.
- Some of the Consortia may be too large to be practical – for example, 19 organisations under one consortium

- Consortia can't fully capacitate smaller organisations, even if they themselves have skills and if they were resourced. It is very hard for organisations to make the 'jump' from newly established to established. They need to be funded individually to really learn responsibility and to develop practical experience
- Puts the consortia heads in a difficult position if they are required to answer for the affiliate's use of funding. Has led in at least one case to the head of the consortia not handing over money but using the affiliate members for implementation purposes.
- Once member organisations do get their own funding it can lead to conflict between them and to a tendency to stop attending meetings – they pull away and want to do their own thing
- Consortia spread across rural areas have a hard time working together because it's not that easy for them to meet in person: transport costs, logistics etc
- Relationship with district coordinators is not as strong as it probably needs to be for this system to work at scale. The strength of the central person in Bloemfontein appears to have largely held the model together to date
- NGOs are being trained in things that may actually be onerous for them to do, but local officials (social workers, HIV/AIDS coordinators etc) may not be familiar with the requirements or may not have been trained in them. Creates tensions – NGOs have to interact with local people who haven't been trained
- Disciplining volunteers – codes of conduct may be nice in theory, but how do they work in practice? How does a consortium head discipline volunteers that don't have a relationship to the consortium but to member orgs?
- Who do you train? High turnover among organisations, training benefits don't spread through the staff. Is there the time to transfer skills?

Multi Sectoral Action Team (MSAT) - Khayelitsha

Background

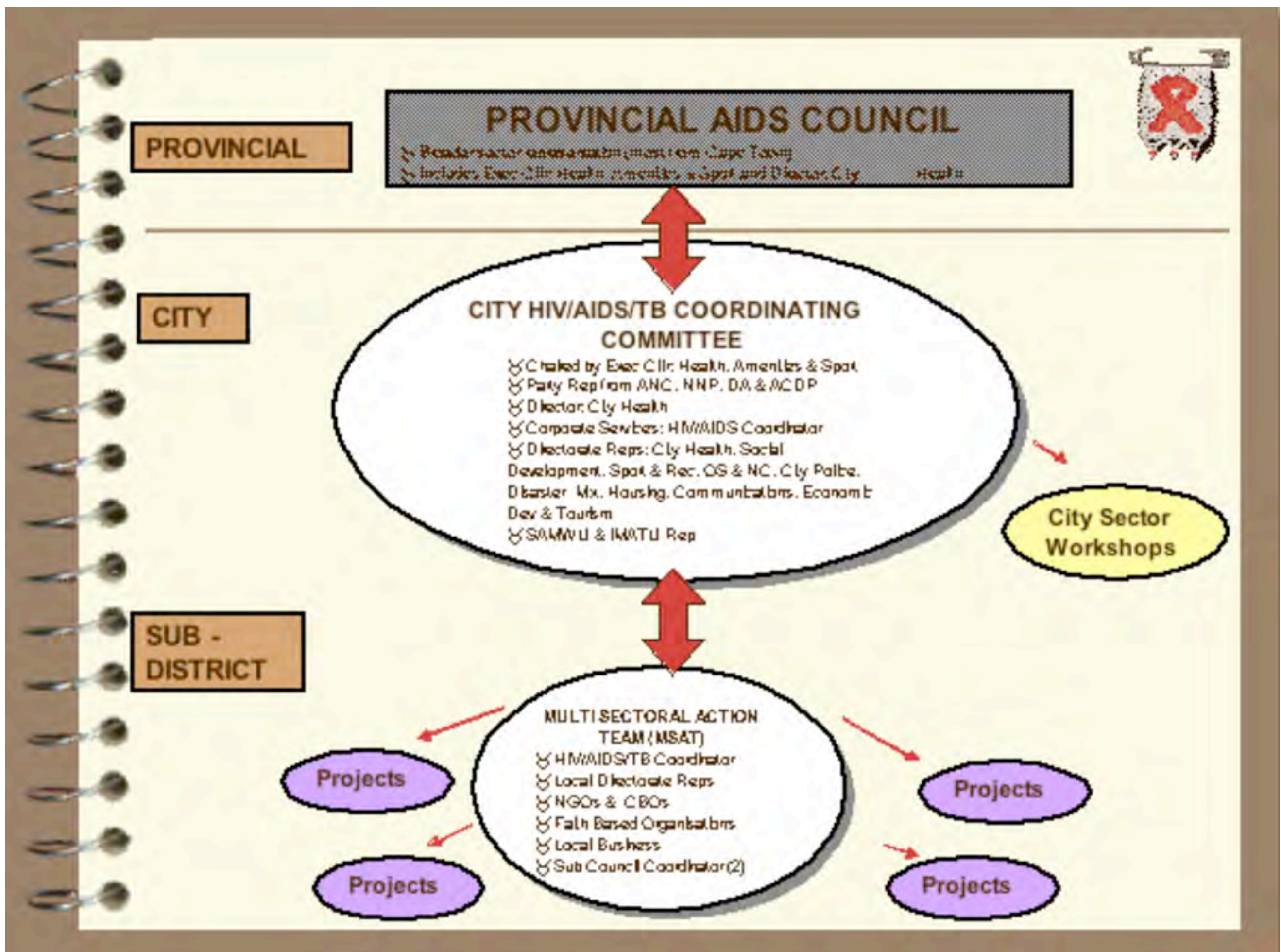
The Western Cape Province has so far maintained the lowest HIV prevalence rate in South Africa. In Cape Town, however, HIV prevalence continues to climb in most health sub-districts, particularly in the poorest parts of the City like Khayelitsha, where prevalence rates are more on par with those recorded nationally.

The City of Cape Town is committed to a multi-sectoral plan to fight HIV, AIDS and TB, and to mainstream the issue by getting other departments and sectors to do all they can to fight the dual epidemic. Multi Sectoral Action Teams (MSATs) were established by the City Health Directorate in all eight health sub-districts in Cape Town as part of its HIV/AIDS/TB multi-sectoral strategy. This initiative was embarked on with the aim of coordinating HIV/AIDS and TB initiatives at sub-district level and for facilitating project development in response to local needs. Nationally, MSAT is only initiated in the Western Cape with no other initiatives along these lines existing in other provinces.

The Khayelitsha MSAT covers organisations within the Khayelitsha District, a small sub-District in terms of territory in comparison to others, but one that is operationally vast.

Structure

MSAT is a sub-district entity which is accountable to the City HIV/AIDS and TB Coordinating Committee, comprised of city-level departments and sectors such as housing, electricity, the revenue office, police forums etc.



All eight sub-districts have functioning Multi-Sectoral Action Teams (MSATs), which bring together local groups from churches, businesses, NGOs and CBOs, and local officials to develop and implement a local plan to combat HIV/AIDS and TB. At the central MSAT office, based in the City Health Department, there is a Programs Officer, a secretary, and usually an intern who services the office for a year at a time.

There are also sub-District management teams consisting of the District Manager as a primary programs manager, the MSAT Coordinator, administrative staff, and the financial administrator. The Coordinator is employed on a two-year learnership contract to organise the meetings of the MSAT and to support the implementation of the local plan. In addition, there are also

> We registered and became part of MSAT. Myself and 27 volunteers were sent for training to NACOSA… for capacity building, in proposal writing, evaluation, how to set up an organization, how to manage an organization. In 2004 we applied for funding through MSAT and were granted funds to run awareness workshops. I was elected as Chair of MSAT in Klipfontein when the new structure was put in place.
>
> *- FBO*

volunteers who do volunteer work and receive no stipend.

Besides District Management teams, there is a central Executive Committee comprising a Chairperson, Deputy-Chair (optional), Treasurer and a Secretary. The main link between this Committee and MSAT at sub-district level is the MSAT Coordinator who is at the forefront of running and driving the MSAT initiative.

Sectors play a role within MSAT as well and are encouraged to come up with sectoral plans for communities, which form part of the program, with focus mostly on awareness programs about HIV/AIDS and TB.

Role of the MSAT

Prevention remains the key focus of the City's HIV/AIDS and TB strategy. Organisations working in this area are encouraged to participate in MSATs by attending meetings, which in turn makes them eligible for training and funding. MSATs are continually encouraged to pull in more role players from their communities (including FBOs, politicians, sub-district level of Housing Dept, Electricity, Police Forums, DOE etc.) to be part of MSAT. Though the main focus of funded Community Response Programmes is awareness and prevention, MSAT also funds organisations already providing services for people infected or affected by HIV, e.g. food security, income generation, OVC programmes and foster parent training.

The City Director of Health came up with the idea of MSATs towards the end of 2001, and in 2002 the City started with some of its programs, such as funding small CBOs. At that time there was no Global Fund funding available - this was only made available in 2003/2004 when a contract was drawn up between the City and Provincial Government to start funding organisations that were in one way or another involved in addressing HIV/AIDS/TB.

MSATs represent different sectors in each sub-district, endorse all project proposals originating from groups in their sub-districts submitted to the City Health Directorate for funding, and foster community accountability and responsibility while encouraging

networking and coordination of activities in the different sectors. They work closely with WC-NACOSA in this regard.

This initiative was embarked on with the aim of coordinating HIV/AIDS and TB initiatives at sub-district level and for facilitating project development in response to local needs. Presently MSATs are focusing specifically on HIV/AIDS and TB and only work with organisations that have an aspect of these in their programs.

At the time the initiative began, there was no real concept of accountability on the part of organisations towards the City, however this has evolved with more involvement in the program. Financial control was tightened up and systems of accountability became stricter with stringent requirements put in place - e.g. to be registered as NGOs/ NPOs and to have financial systems already in place when submitting a funding proposal.

Resources and key partnerships

The Provincial HIV/AIDS and TB office is a recipient of Global Fund support for programs in the Western Cape. This has now been running for two years, and confirmation being awaited of continued funding for the remaining three years. The City accesses GFATM funds through the province and has been contracted to carry out the Community-Based Response (CBR) program for the entire province given the infrastructure that it already built up over a period of many years. Community Based Response programmes pertain to organisations that are funded by MSAT for the respective activities they undertake to prevent new infections and to take care of those already infected and affected by the disease.

For the financial year 2006/2007 the City received Global Fund funding to the value of about R 3.2 million, an amount which includes staff costs as well as funding for 68 projects in 8 Health Sub-Districts. In addition to the Global Fund money, there is also a limited budget from the City for training for MSAT coordinators and other clinic staff, which is available through the Manager's cost centre.

The MSAT has its own bank account for administrative purposes, with sub-districts also having bank accounts in the sub-district’s name. Sub-districts get an amount of

R 15,000 a year in funds that are meant for workshops the MSAT runs, transport allowance, as well as any other costs as decided by the MSAT.

Forms of support MSAT provides to AIDS response organisations

MSATS play a variety of functions: coordinating local HIV/AIDS activities, providing funding to community organisations, arranging training and capacity building for local organisations, and collecting HIV-related data and statistics at local level.

Funding

Beneficiaries of funding are identified through an application process that starts with a call for proposals to all eight MSATs at the beginning of each year. Complete funding requirements are set out in a document titled *Funding of HIV/AIDS and TB Non-Profit Organisations, City Health Directorate, Cape Town, 2005*, which is available through the MSATs. Only proposals that comply with requirements are considered for funding. A booklet *MSAT Series 3: Writing a Project Proposal,* developed by WC-NACOSA, is available to guide organisations through the process of writing a project proposal.

Organisations with HIV/AIDS and TB awareness/educational programs are the main focus of the funding program; various music and drama (AIDS or TB awareness-based) groups are also funded by MSAT. Previously funded organisations include Lifeline; garden projects run by support group members in three clinics; a preschool that is running a community garden (the community looks after the garden and the preschool has requested funds to run a borehole), and FAMSA, which runs support groups and counseling programs on issues like domestic violence. MSAT also focuses on FBOs that are active within communities, which sometimes takes the program beyond HIV/AIDS activities.

MSAT is specific about which programs it funds, as well as those it does not fund. The City of Cape Town Health Directorate has established a framework for the funding of HIV/AIDS and TB non-profit organisations (NPOs). The framework standardises funding applications, reporting procedures and financial accountability for projects. Principles include:

- Funds will be distributed on an equitable basis between sub-districts, determined by needs.
- The funding cycle established for administrative purposes must be adhered to.
- A stratified funding system has been established with a more developmental approach for limited funding of non-registered or new NPOs. This ensures that the monitoring and evaluation requirements are not onerous for small organisations and that capacity development in these organisations will be prioritised and supported by City Health.
- Established NPOs are expected to have an adequate infrastructure capable of providing good management (including financial management), delivering the services that have been funded, and ensuring adequate monitoring and evaluation of projects.
- NPOs must be willing to operate as democratic and transparent organisations.
- NPOs will be held accountable for funds allocated to them using set criteria.
- Community participation and multi-sectoral collaboration in projects are encouraged.
- NPOs applying for funding must participate in the Sub-District Multi-Sectoral Action Teams (MSATs), whose endorsement will be required for all projects. Once funded, organisations will be required to report back to the MSAT on a regular basis.
- The funding made available to CBOs, NGOs and FBOs is only to be used for dealing with the raising of HIV/AIDS/TB awareness and promoting safer sex, as well as adhering to the ABC rule.

Selection process

Criteria for receipt of MSAT funding include:

- Organisations must have a Board (separate from staff members), a financial controller and an auditor. With smaller organisations that do not have all of this, where MSAT thinks the program could be refined, the organisation is asked to

find a conduit organisation to administer their funds for them. They would then run under the NPO registration of the bigger organisation.

- Proposals submitted for evaluation and approval are sent to the Programs Office via the District Management Team and are evaluated and checked for compliance with basic requirements (e.g. NPO certificate, proposal, budget, activities, financial management). MSAT then corresponds with organisations on outstanding requirements or matters of clarity before proposals are presented at IHMT for agreement on projects to be funded.

  In evaluating the projects considerations include: whether the organisation has experience and success with similar projects; degree of community involvement; skills/ability to manage the project; and financial management structures. Organisations are assessed on whether they are meeting District HIV/TB needs or are addressing urgent needs in accordance with the City priority goals.
- Other criteria include whether the organisation has been attending MSAT meetings, how often they have been part of these meetings and whether they are first time applicants. Organisations have to have been part of MSAT for six to eight months, or to at least know what MSAT is all about, what it stands for and how they can contribute towards activities MSAT has planned for the year (e.g. MSAT-driven campaigns, organisations expected to be part of planning and carrying out of these activities).

For the 2006/2007 financial year, 18 organisations in the Khayelitsha sub-district have received funding from the City through the MSAT program. This includes education and awareness groups, foster care projects, home-based care support and education, counseling and income-generating projects. Most organisations have received funding ranging from R5k to R30k per year (14 organisations fall into this category), with the remainder falling into the R40k to R80k range (four organisations).

Monitoring and evaluation of programs

Monitoring and evaluation is done according to set criteria. Organisations are required to submit monthly financial statements of project expenditure and quarterly narrative reports, as well as to provide feedback to MSATs on a quarterly basis to the sub-district Coordinator.

The format of Quarterly Progress Report is as follows:

1 Progress Report
   i. Activities to date as per business plan
   ii. Achievements and benefits thus far
   iii. Are original objectives being achieved?
   iv. Problems encountered and steps taken to address these
   v. Itemised expenditure to date
2 Next steps

Technical assistance/capacity building

In addition to providing funding, MSAT also provides capacity building services to CBOs. A number of CBOs are assisted with processes like registering and putting financial systems in place, with most being referred to NACOSA for further capacity building programs. NACOSA is funded by MSAT to run mentoring programs for these organisations, as well as helping these organisations to fill in application forms to register with the DOSS. Through this capacity building process, smaller organisations are helped in areas like financial record-keeping, reporting, NPO registration, writing constitutions and other technical aspects of running an organisation. MSAT has contracted NACOSA to do about twelve workshops in every financial year. This assists organisations to meet requirements such as keeping financial matters in order, having a Board different from staff working within project, submitting monthly financial and quarterly narrative reports as to the progress of the project.

> *We got involved in HBC and identified lack of capacity in this area at grassroots level. We then lobbied the City, with the assistance of NACOSA, to look at needs of these grassroots organisations. Via MSAT, a needs analysis was done in those areas that were part of MSAT. This process helped identify needs (e.g. some organisations were not registered) and through NACOSA they were guided through these processes.*
>
> *- CBO*

As the City is not really rooted at community level, MSATs also provide health statistics and other information on which funding decisions are based, instead of this being accessed just through the clinics and hospitals.

Lobbying and advocacy are mostly by word of mouth as organisations working in these communities know each other. If MSAT becomes aware of 'sprouting' organisations, or knows of some organisation that is not involved, but is doing enough to catch the attention of MSAT, then the Coordinator is asked to pay them a visit and co-opt them. Businesses are also being approached to be involved, though this is not felt to be very successful as only a few business people are part of the MSAT.

Scale of operations

MSAT Khayelitsha is currently involved with about 35 organisations (some of which are funded and some of which are not). The MSAT Coordinator has the main responsibility of doing site visits, and as she relies on public transport, distances are problematic. With new organisations, appointments are made with the respective organisations and weekly visits are carried out by the MSAT coordinators, who report to their Line Managers on the progress the organisations are making with their programmes and whether there are any problems. At times the Line Managers and Programs office personnel accompany the MSAT coordinators to do these site visits to get a better idea of whether the organisation really exists and the activities are as they have been set out. These visits are also carried out before the organisation can be considered for funding; especially if applying for the first time.

Up to three days can be spent on visiting organisations within the sub-district for purposes of monitoring. Those that are not compliant in terms of either the mentoring or the funding agreement are scheduled for an impromptu follow-up visit by the Coordinator to establish compliance, with subsequent recommendations to the Programs office. In cases of non-compliance, an effort is made to help the program back on track.

The bigger, well-established organisations are visited on a quarterly basis as they are able to run their programs quite efficiently and do not need much support. NACOSA also gets involved in capacitation of MSAT organisations, with at least one (sometimes two) organisation per sub-district identified for them to mentor (on contract for a year). Decisions on which organisations are to be mentored by NACOSA are taken by MSAT officials in consultation with the organisation as well as

NACOSA. Organisations that need support in running their programs effectively are identified and recommended for capacity building workshops with NACOSA, which also includes being mentored by NACOSA as this strengthens them.

This ensures the organisation is supported and can subsequently run operations on its own, with the option of re-applying for a further year of funding. This is seen as successful as most drama groups that have been capacitated through NACOSA are now able to write their own funding proposals and reports. MSAT is then in a position to take over the monitoring and evaluation component from NACOSA, and any challenges can be brought to the MSAT Coordinator who in turn reports to the Programs office.

The MSAT program has started to be rolled out on a small scale to semi-rural areas around Cape Town. It is still very much a municipal initiative, with the possibility of it being taken up in other municipalities quite high as a lot of people have shown interest in the program.

Successes

- Commitment of community members involved in organisations. Most individuals had been doing individual work in the communities before being involved in the MSAT program and the MSAT has afforded them an opportunity to formalise their structures, form organisations and generally start off on a better footing.
- The fact that initiatives are at community level, started and overseen by community members also makes the venture quite powerful.
- Many individuals working in these organisations are already known to the communities they work in, which gives the projects credibility with communities.
- The funding of programs is a positive process in itself, because the increase in awareness of HIV/AIDS and TB is noticeable at community level, even if it is felt to be very small.
- It is important to map out the area and look at what services are being provided and whether programs have been effective. MSAT is trying to adopt this approach to make this model work, and it has been done successfully for home-based care but still needs to be expanded to other areas like TB programs. Such an exercise will help identify what needs to be done for certain areas and to avoid

duplication. MSAT NGOs have benefited from the needs analysis and mapping exercise around home-based care, and as a result some NGOs that were not even funded have serviced more clients than NGOs who were being funded.

Challenges

NPOs are left with no money after the funding period. As all the money allocated has to be spent, there is no money left at end of program - no money to sustain NGOs after the job contracted for is done. People are trained by MSAT (e.g. in HBC) and are sent for capacity building programs, but NGOs lose them afterwards because there is no sustainability in these NGOs. How do NGOs keep their people? How do you keep the organisation functioning?
- CBO

- Drama groups and similar organisations do a lot of awareness activities in line with the adopted strategy, but instead of prevalence figures dropping, levels are getting higher.
- There is the feeling that more impact could be made if ways could be found to fund all programs within the specified criteria that are identified as effective.
- Organisations also need to move beyond seeing this partnership as a means to access funds. The partnership is rendered less effective as some organisations 'disappear' from the MSAT arrangement after this funding period. Projects need to be made aware that this is not a 'one way' course, but that their contribution to the MSAT process is important as well. It is important to find ways of fostering and nurturing this partnership and making it worthwhile for all.

Lack of impact assessment has meant that more money is being allocated for sub-districts with no real measurement of impact for the previous year. Some sub-districts have only recently embarked on a needs assessment for purpose of prioritising programs. For NGOs, who can only measure impact in terms of individuals reached, it is difficult to go beyond this.
- CBO

- What impact there is is felt to be very minor, thus the challenge could lie in the questions that have to be asked, like, 'are programs doing the right thing?' and 'how can programs better change the mindset of people'? This, coupled with lifestyle change, is felt to be the biggest challenge. It is difficult for projects to change lifestyles; no-one knows whether, given all the resources available, one can claim to be achieving something in this regard. Funding is thus channeled with these questions in mind – for example, drama groups are funded because it is felt that they are doing something valuable towards raising awareness for youth and young adults, where the impact is most desirable.

- The City is seen as a provider, with implications for the interface between being a funding recipient and ability to lobby or challenge the City on policy issues. It is

important for this role to be taken up and the City benefactors, including those still hoping to be funded generally find it hard to challenge these issues.

Western Cape Networking AIDS Community of South Africa (WC-NACOSA)

Summary description

The Western Cape Networking AIDS Community of South Africa (WC-NACOSA) is a non-profit organisation that offers capacity building for organisations in the form of training, mentoring and small grants. It is also an advocacy and lobbying body for the development and implementation of policies and programs that effectively challenge the HIV/AIDS pandemic. Through networking, WC-NACOSA strives to strengthen multi-sectoral responses to HIV/AIDS and TB in the Western Cape.

Objectives

WC-NACOSA is a networking organisation that is committed to the capacitation of HIV/AIDS/TB community-based organisations by providing training, mentoring, technical support and promoting dialogue through representation of member organisations on relevant policy-making structures.

Structure

The WC-NACOSA is based in Cape Town and services the entire Western Cape Province.

There are 14 staff members in all when all vacancies have been filled. The organisational structure currently comprises the Director, a Metro team (manager assisted by two staff members and a training administrator) a Rural team (manager assisted by two staff members and a training administrator), a Financial Administrator for internal financial functions, a financial mentor/trainer for the small grants programme and finance skills training, the CHAiN Program Coordinator and a Receptionist.

In addition to the internal management structure, WC-NACOSA has an Executive Committee with representation from all health regions of the Province. Monthly management and quarterly Executive Committee meetings take place for purposes of monitoring progress and taking strategic decisions.

History

WC NACOSA started in 1991 as a national initiative, with a national office and offices in each of the provinces. Its main focus was advocacy and lobbying around the HIV/AIDS plan of the government. The initiative did not survive on a national scale and in the Western Cape the program that had been run was seen as having little impact. At a time when offices in other provinces were closing down, Western Cape NACOSA 'reinvented' itself, focusing on supporting and capacitating member organisations and re-establishing itself as an independent organisation, circa 2001. WC-NACOSA was fortunate in that it had an influential and committed Board, enabling the organisation to get registered and secure initial funding. Thus the organisation survived by evolving and adapting to perceived needs at the time, a dynamism that has seen it re-establish itself in its current form. It has since maintained the momentum by being involved in capacity-building and networking for community-based organisations.

The benefit of WC-NACOSA to local NGOs is invaluable, there are no other structures in the WC that are as capable of networking and running 'visible' capacity building programs at grassroots level, where the need is the greatest. NGOs have an opportunity to become active in NACOSA networking activities, so we're not just involved as benefactors, but are partners as well.
- CBO

WC-NACOSA was well-placed and in a position to be a recipient of government funding at a time when government needed an organ for disbursement of funds for HIV/AIDS programs. The organisation seems to have struck a balanced stance in the sense of having the credibility and independence to be in a position to critically assess government policies when this is indicated, and to play an advocacy role for government when appropriate. Most importantly, it is well-positioned to implement community-level programs that the government cannot do, and to access funding towards this end.

Funding and Key Partnerships

WC-NACOSA runs two basic programs – the Metro Program, which covers areas situated within the 'Metro', and the Rural Program, which includes the West Coast, Overberg, Boland, and the Southern Cape regions (which is divided into two: Eden and Karoo). Together these programmes effectively cover the whole Western Cape

The organisation also runs specific focus programs: the CHAiN Program (Children's HIV/AIDS Network) and the HoCC (Home Based Care Coalition) Program.

CHAiN is a WC-NACOSA project that focuses on children's HIV/AIDS issues. This program plays an important role in ensuring a coordinated response, mobilization and information sharing among organizations involved in children's issues. It also plays a critical role in decentralizing service provision to community and household level.

HoCC was incorporated into WC-NACOSA as a means of streamlining network activities under one umbrella body. The program is essential in the provision of direct technical assistance to organizations and providing a link between the CBO sector and the provincial home based care program. The program has worked with government in mapping services and developing policy and guidelines for home based care.

For the year ending March 2005, WC-NACOSA's operating budget was around R3 000 000. Most funds come from government: the National DOH provides about half of the budget for the organisation (about 33 - 50%) and DOSS also provides funds. WC-NACOSA receives some funding from the City of Cape Town for the Metro Program and from Rockefeller Brothers Foundation for the CHAiN Program. Other sources of support have included the National Lottery, the National Development Agency (NDA), the Mentoring Resources Network (MRN), the One to One Children's Fund, and Oprah Angel's Network.

There are various partnerships with government departments – both the national and the Provincial Department of Health (DOH), Dept of Social Services (DOSS), Department of Education (DOE), and the National Development Agency.

Mentoring Resources Network (MRN) is a key partnership in terms of WC-NACOSA's core programs of capacity-building and mentorship. MRN is seen as a coordinating body for mentoring organisations and has applied for funding for its nine provincial-level partners.

The partnership with DOE is largely through information sharing, specifically through the WC-NACOSA quarterly newsletter, and also through peer education and loveLife programs in the schools (funded provincially through Global Fund). DOE is felt to play an important role in the Western Cape in equipping teachers and learners, despite challenges around funding. Contact and partnership is maintained through continual feedback on activities and open channels of communication, even if actual interaction with organisations is minimal. It also helps that they have dedicated HIV staff on board.

Forms of support WC-NACOSA provides to AIDS response organisations/community

WC-NACOSA has three main areas of activity: capacity-building for organisations through training, mentoring and providing small grants; networking and being the umbrella body for HIV/AIDS organisations (more than 300); and advocacy and lobbying.

There are other organisations that do training and capacity-building in the province, but none provide the three-function package (i.e. networking, lobbying/advocacy, and capacity building) that WC-NACOSA is providing.

> I could see the havoc the AIDS pandemic was creating in the area where I live and started an organisation whose main focus is education around HIV/AIDS. I approached WC-NACOSA for assistance with drafting a constitution and registration and was given the necessary forms and taken through the process of registration. I was then referred by WC-NACOSA to MSAT and became a member. *(CBO)*

Selection criteria

Invitations to participate in programs sent out broadly to organisations in WC-NACOSA's database. Organisations do not strictly have to have an HIV-specific core program to be involved with WC-NACOS – add-on services are also acceptable. Various government departments also refer organisations to WC-NACOSA at regional level.

Because WC-NACOSA activities are funded by external sources, the donors usually have a say in who gets funded. The City Department of Health, for example, has a set of specific criteria about whom WC-NACOSA should service. The City's interest is in capacitating organisations they want to fund, and these have to work in the area

of HIV/AIDS and TB. However there is some room for negotiation on the part of WC-NACOSA.

For WC-NACOSA, selection criteria when considering organisations include:

- Credibility within the community
- A structured organisation (e.g. not just family members with an idea)
- Must have made an attempt to register the organisation as an NPO
- A track record is desirable (e.g. be registered and have a bank account).
- Organisations linked to MSAT take precedence (MSAT recommendation counts in the organisation's favour)
- Motivation
- Interest in working with WC-NACOSA

Those who do not fit the above criteria may be asked to prove themselves and be given a chance to re-apply the following year.

Training program

WC-NACOSA's training programs are guided by the needs of organisations, particularly the small organisations that will benefit most from the training programs they offer. These include areas such as proposal writing, reporting, project management, accounting (detailed training on how to run books, petty cash, filing etc.), HR management (including leadership, working in teams etc.), governance, NPO registration and occasional HIV information courses.

> *After all the capacity building, organisations still fail to take things forward. This is a problem for NGOs, even when they have managed to have systems in place. Donors are hard to come by, perhaps due to mistrust with regards to credibility of organisations, especially if working in disadvantaged areas – there's the feeling that 'can we trust these individuals with X amount'?*
> *- CBO*

WC-NACOSA has developed templates for use by organisations, and these have been widely adopted by CBOs and government at all levels.

Mentorship & Small Grants

This program is offered to ensure that concepts learned during training are implemented in practice afterwards. Mentoring is usually conducted over a period of one year, but the program is ideal when done for two to three years. At least 12 workshop days are scheduled within the first year of mentoring, with follow up visits for individual CBOs.

> There is no body in place that can be recognised as a credible body to be a recipient of funding. MSAT and NACOSA are credible –should look at possibility of being this body. NACOSA is doing great work in mentoring but more is needed in this vital area. They should add a component of fundraising for providing grants in aid, and combine this with a mentoring system to ensure money is spent effectively. The fundraising body knows organisations, thus the 'credibility' issue will be done away with. Programs and systems may be in place, but organisations still need to be seen to maturity. This is where all available support programs fail.
> *- CBO*

Mentors are assigned to organisations and establish a relationship with them, the main purpose of which is to empower organisations to deliver an effective service and to assist them in becoming proficient in managing their programs. Mentored organisations are also invited to attend quarterly forums with speakers from regional departments and clinics. Trainers conduct over 120 site visits and cluster meetings over the year.

This support process winds down as the organisation is felt to be capable of running on its own. The process reaches a stage where both parties realise there is limited need for the support, whereupon the mentorship program comes to an end but contact is still maintained as part of the network. As members of the network, organisations can still benefit from training workshops and similar activities.

WC NACOSA's mentoring service is deemed to be quite small-scale in relation to the need and demand for the service. In FY 2004-2005, WC-NACOSA mentored 32 organisations.

While WC NACOSA's training programs are open to anyone, the mentoring program has evolved from being completely unstructured to being quite specific in its requirements:

- A needs assessment is conducted and rigorously documented.
- A mentoring contract is drawn up and concluded.
- An operational plan is drawn up and agreed on, outlining the 'content' of mentoring and the areas to be covered.

- A small grants contract also is drawn up and entered into. (Ideally, the small grants and mentorship programs go together.)
- The organisation has to write a proposal, including a budget, outlining what they intend to do and specifying how the money is going to be spent.

WC-NACOSA has recognised that it is important to look at 'technical' mentoring for programs, since organisational development alone does not necessarily bring about change for communities. It is in the process of securing funds for supporting technical program training and mentoring. This has been started with the CHAiN program (in partnership with DOSS), where technical mentoring (psychosocial support) is carried out for HIV/AIDS organisations working in the children's field.

Although it is not a core activity, the organisation also runs a small grants allocation program in tandem with its mentoring program. These small grants can be accessed by organisations that are not yet able to meet external donor requirements. WC-NACOSA administers funds over a two-year period while the organisation builds its capacity to successfully meet donor criteria. In FY 2004-2005, WC-NACOSA provided small grants to 14 CBOs in the Western Cape.

With the mentoring/small grants program, a call for proposals was put out and a selection committee established. Through recommendations from DOH and DOSS HIV/AIDS coordinators, organisations were identified to be mentored. Some of them also receive a small amount of R30,000 a year over a two-year period.

Two staff members from each organisation attend a workshop on proposal writing, followed by an on-site visit where a schematic plan outlining resources, a budget and a schedule of deliverables is developed. A program of scheduled activities is agreed on at the beginning of the agreement, with further agreements at the start of the second year. An annual assessment (SWOT analysis) is conducted, followed by review of progress of organisations against the initial assessment. Quarterly reports are submitted to WC-NACOSA, with feedback given in follow-up visits. Financial reports are updated monthly and narrative reports collated quarterly. Organisations are required to provide proof of implementation, including photos, registration lists and minutes.

Networking/Coordination

One of WC-NACOSA's main functions is coordination and networking, and membership is open to all organisations working in the field. WC-NACOSA also represents the interests of member organisations in relevant decision-making structures, including the Provincial AIDS Council, the Global Fund Management Committee and sector representation to government Departments (especially DOH). This is an important role as it facilitates dialogue and ensures collaboration and a common HIV/AIDS strategy for Provincial sectors.

The model is very effective and the process is being constantly refined. Also, because of this perfect attunement, there is a very good relationship with the District Management at sub-district level, making us as NGOs feel at home.
- Local NGO

Organisational representation on the network

WC-NACOSA holds quarterly meetings in each health region of the province and within this structure a representative for each area in the region is elected, one of whom is elected to sit on the Executive Committee of WC-NACOSA. The main task of regional representatives is to ensure that there are well-functioning structures in the respective regions, with WC-NACOSA supporting and mentoring them in carrying out this function. Where MSATs have been established, they play a vital role. This ensures that WC-NACOSA not only contributes to the program but is, in turn, able to tap into organisation-level issues and ideas for furthering programs, thus spreading the load and ensuring a coordinated effort.

Multi-Sectoral Action Teams have been established in Cape Town, and the initiative is currently being rolled out in rural areas. For WC-NACOSA, this is an important two-way link that helps to help avoid fragmentation of services amongst community organisations and enhances delivery of a coordinated service.

It is important to look at relevant structures, e.g. building a relationship with Local Government, which represents people in the communities. Organisations would have a hard time going directly to communities and it's important to go via structures like street committees. We are looking at dynamics of organisation and use of relevant structures already in place to mobilise communities and share information.
- CBO

The link works such that where WC-NACOSA doesn't have direct contact with individual organisations through their programs, the organisations can be picked up through this network and vice versa.

WC-NACOSA is also involved in capacitating the MSATs and their member organisations through meetings and workshops held throughout the year. While WC-NACOSA mostly works through existing structures, it is also instrumental in making sure that the MSATs take off.

Because WC-NACOSA is a network, optimising services involves incorporating other players outside of the normal staff cadre. The Metro Program, for instance, additionally has an Advisory team backing the Programs Manager and advising on services. MSAT also forms part of this team, thus ensuring that WC-NACOSA always has a direct link to organisations through this structure. Where MSATs are already well established, as is the case in the Southern Cape region, it is easy to get their representatives to sit on the Advisory Committees as part of the Program team.

The same principle applies to the rural program, with mentors having Advisory Committees that enable the mentors to link with relevant existing structures (through MSAT and other forums, e.g. the Social Services Forum) in each area. Advisory task teams comprising organisations and key people working in each sector have also been set up for both the HoCC and CHAiN as sector-specific programs.

A lot of work is being done at community level; networks make access very easy. Networks spread information – they know all the NGOs, who in turn know their communities. For instance, I have introduced NACOSA to the US to network with on the vaccine issue. Through NACOSA we were able to invite the SA Vaccine Initiative and Desmond Tutu HIV/AIDS Foundation to do a presentation at a NACOSA quarterly meeting. NACOSA is thus involved in lobbying and advocacy for the vaccine.

CBO/Partner

Coordination in the Metro is at a more advanced level in comparison to the rural program, mostly due to the fact that in the Metro MSATs are established and WC-NACOSA has reasonably easy access to them, whereas in the rural area the program is still being rolled out and still has to undergo some development before it can be used to maximum benefit.

Strengths and Limitations

There has been significant scaling up of activities at WC-NACOSA. The program now has more activities than it did in the past and is working to bring more staff on board. New programs have been developed along the way, with increasingly intense

implementation schedules. MSAT programs have also been successfully established with the help of the WC-NACOSA program, and they continue to grow.

The organisation is well-established in the Western Cape, and there is discussion of extending the model in one or two other provinces (possibly Northern Cape and Eastern Cape, given geographical proximity) when it has ensured that it is sustainable. The NDA and the DOH are envisaged to be important partners in this venture.

> *The structure of NACOSA is such that it enhances networks – the Director of Health in the City is also on the board of NACOSA. This encourages open policy relationships as issues are brought to the table and shared across all sectors involved in HIV/AIDS. It is the 'perfect network', with Local government, the NGO network and local NGOs.*
>
> *Local CBO*

Elements of success of this initiative include

- WC-NACOSA's track record: the organisation has run successful programs throughout the province and has gained credibility.
- The organisation is well-positioned and is seen to be making a positive difference on HIV/AIDS in the province, a fact which is affirmed by various partnerships with key government departments
- Continuously strive towards a best-practice model
- Competent and highly committed staff employed, with 'good' remuneration packages
- Rigorous staff training
- Shared values for organisation and staff
- High standards of services, a positive work ethos and a professional approach
- Understanding what needs to be provided, both in terms of staff and the work that has to be done.
- Balancing outputs and organisation's needs, focusing more on the process than on a 'tangible' outcome
- Successful in providing a unique combination of services

> *As staff, we set a very high standard for ourselves and we are driven to see results. The work we do cannot be rivaled.*
>
> *Staff member*

Challenges

- Ideally, the small grants and mentorship programs should go together. There are difficulties with the mentorship program in

> *The City has provided some funding, and through this money we could issue stipends for a year but the challenge is that there's a limited funding period, it's a definite general problem. It is very difficult for grassroots organisations (CBOs) to get seed money and most have to survive out of their own pocket.*
>
> *CBO*

cases where it cannot be strengthened by allocation of funds to the organisation. The value of mentorship is lost on some organisations that are unable to attract funding.

- The transition period, from mentoring and support to independence, can be difficult for organisations. Some of the organisations are not successful in 'standing on their own two feet' when the support funding period comes to an end.
- Distances are a problem with the rural program, which covers a geographically wide area and is thus not easy to organise. WC-NACOSA has countered this by allocating a mentor for areas that are isolated in an attempt to optimise service delivery, with additional mentors being appointed to work in specific regions.
- Working with organisations with diverse needs is a constant challenge and demands and individualistic approach to work.
- Sometimes it has to be conceded that the gains made within organisations can be very small, and that there is only so much that can be accomplished in a limited period of time. This is reported to be 'frustrating' as gains tend to be measured against a 'global' picture, instead of being taken within the context of the specific areas and communities programs are carried out in.
- Impact may go unreported as small organisations may not have the language to report on progress they have made. Also, perceptions of what 'gains' are present a problem as certain 'acts' by community organisations are difficult to quantify.
- There is interest in expanding the program to other provinces, but concerns with issues like quality control if the program grows too big.

> *Small community organizations are about families and the services being delivered directly to them. This is different to big-scale organizations which tend to be impersonal. Community organizations are family oriented and get to the nitty-gritties of communities, putting them a head above the rest.*
>
> *Staff member*

Zamani Health Centre[31]

Zamani Health Centre (ZHC) is a non-profit organisation registered as a Section 21 company. The Centre's mission as defined in its incorporation statement is to improve the social and economic welfare of people directly affected by HIV/AIDS and to reduce the prevalence of HIV/AIDS in the community it serves.

The Centre's primary objectives are to:

- Add to the quality of life by providing emotional, nutritional and material support, training and life-style improvements for the benefit of people directly affected by HIV/AIDS in the Grahamstown community.
- Implement prevention and education programmes within the community with the intention of reducing the prevalence of HIV/AIDS.

The Centre's secondary objectives are to:

- Become a leading service provider to PWAs in the town where it is located.
- Co-operate and collaborate with various societies and organisations with similar aims.
- Advocate and lobby for the elimination of all forms of discrimination against people affected by and/or infected with HIV/AIDS.

Although the objectives of the organisation are formally fixed by its articles of incorporation, the organisation has and continues to redefine its objectives. This case study seeks to define the influence of the funding environment on the Centre's growth and activities over time.

History of Zamani Health Centre

ZHC was started in 1999 on a small scale, by a number of volunteers interested in developing services for people with HIV/AIDS in a small town at a time when there was little government support or response for community HIV/AIDS initiatives. The Centre initially focused on providing refuge and general support and education for PWAs and relied entirely on donations from the local community.

[31] The name of the Centre and all identifying details have been withheld or changed lest the findings have implications for development of the Centre.

In 2002 the Centre acquired funding from a private international HIV/AIDS charity. This injection of capital enabled it to grow and expand its activities to a number of projects. From this point ZHC developed largely as a voluntary counselling and testing (VCT) Centre which offered a package of educational services to HIV positive people and some direct support.

By 2006 the Centre had diversified its sources of funding and equally its range of activities. It is currently well-recognised as a leading service provider within its community and more broadly, and is currently seeking to consolidate its growth and decide on priorities.

ZHC has been through the following stages in its development:

- *Voluntary organisation* supported largely by the efforts of members committed to serving the community
- *Fledgling non-profit NGO* - an incorporated non-profit company in need of funding to cover fixed and recurrent costs.
- *An expanding AIDS service organisation* – a recognised service organisation offering specific professional support and services
- A *mature organisation* seeking to define its future and build foundations for longevity.

Early days as a voluntary organisation

During its first months the organisation was largely defined by the efforts and intentions of a founder and a handful of volunteers. ZHC took root in the shade of another community organisation which was concerned with 'health in development' and had a specific focus on women.

The project was initially driven by a well-qualified health development specialist living in the community and supported by a number of volunteers. There was some contestation between ZHC and another organisation that started in the same community at about the same time which had remarkably similar objectives. The second organisation had a distinct advantage, however, as it was supported by a church and had an initial funding base. Interestingly this second organisation, which started with a building and funds for salaries, folded after its first year of operation.

Although purportedly a community organisation it was essentially professionally organised, on the back of its funding.

ZHC, on the other hand, lived a largely hand-to-mouth existence as a mostly volunteer organisation. The core of volunteers and at least one of the current Management Committee members involved in the formation of ZHC remain connected to the Centre to this day, although the person who initially drove the Centre has moved away.

The scale of services in the early days was minimal and the scope of the organisation's activities was vaguely defined and varied. There was no long-term planning, although the intention was established eventually to provide services to PWAs. The early services tended to focus on non-technical community support needs, such as supporting individuals in crisis and conducting workshops and basic education related to living with HIV/AIDS.

Funding challenges

In this early period, the primary funding requirement was the need to cover the costs of running the organisation which would otherwise fall to contributions from the founder and volunteers. Funds were sought to cover transport and event costs and the organisation was largely bound to a short-term planning framework.

Neither the founder nor volunteers were paid for their services, even at the level of stipends. There were some attempts to cover direct expenses, but the professional costs of the founder and the contributions of time by the volunteers were not compensated for. ZHC's volunteers were on the whole not professionally trained people, but the experience gained in the early development of the organisation laid the foundation for their later development to the point of employability.

Funding needs were met by various donations from local organisations and limited bits of funding for specific events were acquired from local health and municipal departments. Some of the costs incurred by the founder and volunteers were covered by limited funding to the health and development organisation with which the founder was associated. The initial activities were conducted under the umbrella of this organisation until ZHC became a substantial organisation.

Effects of funding environment

The funding environment ensured that ZHC's programme was limited in its planning and its reach. The shortage of money precluded any discussions about allocation and use of funds. Money was spent on whatever it was allocated for, and given the small scale of operations it was apparent to all how the money was spent.

In this environment the volunteers were volunteers in the true sense of the word, although there was a background hope that 'when funding comes, we can pay ourselves something.' There were, however, no commitments and no expectations. The mood in the organisation was harmonious.

The continuing survival of the organisation was, however, fuelled by the possibility of funding and the capacity of the founder to raise funds and her profile as someone with the appropriate connections and experience probably ensured the survival of the organisation through lean times and resource insecurity.

The organisation secured acceptance and good-will from other local health and development organisations, and its voluntary nature and community orientation seems to have assisted this.

Implications for organisational development

It became evident that unless the organisation became a legal entity with a base to operate from and funding to support a programme of planned activities, it would not be able to improve its services or provide substantial support to meet evident community need. There would need to be tens of organisations of this scale to meet the need and the lack of formalisation of the nascent organisation, to this point not yet called ZHC, posed some risk. Were the founder to leave or need to spend more time on her own consultancy activities for reasons of financial survival, the fledgling organisation would develop no further.

The group involved in the initiative began to seek premises and funding, with more hope than certainty. It was a combination of determination and some good fortune that they were able to secure funding that was to profoundly change the course of future development.

Fledgling non-profit NGO

During this phase the organisation became an incorporated non-profit company in need of funding to cover fixed and recurrent costs.

Funding challenges

A chance meeting with a private funding organisation at an overseas conference and an opportunity to occupy recently vacated church premises allowed the ZHC to be founded as a formally registered organisation with a bank account.

There were some small donations from various agencies, but at least 90% of the new organisation's funding was to come from the overseas donor, which we shall call AIDSFund. At the time that funding was being secured, the founder of ZHC was planning to leave the community for personal reasons. The organisation obtained funding, registered and adopted a Management Board at about the same time. The organisation immediately transformed from a community support organisation to a professional service provider.

The funder was prepared to support voluntary counselling and testing (VCT) which was strongly needed in the community at the time as government services were only poorly developed. The funder was also prepared to pay the previous volunteers a small salary for their work, although they continued to be called volunteers. This payment was not tied to particular claims and was passed on a monthly basis. The funder regarded the volunteers as the precursors to professional service providers, recognising that they would need to develop their skills in this direction and making it clear that if appropriate levels of competency were not reached, better qualified providers would be needed.

The funder was also prepared to cover a proportion of management costs and the Centre hired a manager. Salaries were very modest and were strongly tied to particular functions. The various other functions that needed to be conducted by the organisation, which involved development of systems, community liaison and organisation development activities, were presumed to be financially covered by the

organisation. The AIDSFund funding was intended for particular services. They declared that they were interested in funding services and not the survival of the organisation. They were prepared to fund running costs directly associated with particular services, but not the overall organisational running costs.

The response of the Centre was to ‘hide salaries in other costs.’ This has been a continuing trend as none of the funders has been prepared to cover ‘total’ costs. Total costs were in effect made up by proportions of funding from different organisations.

ZHC soon began to look for other sources of funding, which led to some conflict with the primary funder. There were strong feelings within ZHC that the funder was dictating the direction of the organisation, and that ZHC had little power to resist as AIDSFund was keeping ZHC going.
AIDSFund insisted on various changes being made to the staffing structure and the original volunteers, now designated counsellors, were strongly disaffected by the requirements of the funders. Most importantly, some were to receive payment and others not. At this point the original founder of the organisation formally communicated with the new management to protest developments and a rift developed between management and junior staff. In some respects this situation and mistrust still prevails.

Over time ZHC found various other funders and increasingly met with the disfavour of AIDSFund who appeared to disapprove of ZHC addressing objectives not linked to AIDSFund funding. The relationship with the primary funder increasingly soured on both sides. One of the main sources of discontent on the part of AIDSFund was ZHC’s failure to successfully conduct a prevention of mother to child transmission (PMTCT) programme. From the ZHC side this programme had been foisted upon them as a AIDSFund demand. They believed that they were not an appropriate service provider in this area and that this area of prevention was one that needed to be provided in the context of antenatal services, which ZHC did not provide. When after two years of funding ZHC had little to show by way of success in this area, it became evident that ZHC had cross-funded its much more successful VCT programme and its education and support programmes with PMTCT funding.

AIDSFund was opposed to providing a support programme, whereas this was the primary interest of the counsellors. There were a number of other points of difference as well, all pointing to the inevitable parting of ways of AIDSFund and ZHC.

Effects of funding environment

- ZHC became increasingly focused on VCT and neglected other areas which its staff believed were important, including advocacy and provision of direct support.
- There was a strong sense that the programme was being dictated from abroad and that funder visits and communications were the defining moments in the life of ZHC.
- The Management Committee remained weak through the period of funding by AIDSFund.
- ZHC management spent an increasing amount of time securing funding from other sources, whilst avoiding courting funders that might suggest to AIDSFund that it was looking for alternative primary funding.

Implications for organisational development

ZHC became an internally conflicted organisation that appeared to be led by funder demands. Its leadership did not develop strongly and it did not undertake any significant self-driven strategic planning initiatives. An external evaluation report was commissioned, but its delivery was not used to drive a strategic planning process as the organisation's destiny was largely driven by funder requirements.

The organisation remained weak and the Management Committee was only really active in relation to funder communications. When the funders withdrew, there was an immediate medium-term funding crisis, but this was accompanied by a sense of relief within the organisation with the realisation that this constituted an opportunity to regroup and re-envision the future of the organisation

An expanding AIDS service organisation

Funding challenges

By this point in its development ZHC was a recognised service organisation offering specific professional support and services. It was receiving increasing external recognition as a VCT service provider. However, internally it remained a weak organisation, with a largely disengaged Management Committee and challenges in meeting the financial demands of what had in effect become a permanent staff.

The staff had increasing demands for greater job security beyond one-year contract positions, medical aid support, a pension fund and thirteenth cheques. The organisation needed to secure base funding to cover its increasing recurrent costs, but this was difficult in a context where funding was tied to specific deliverables and as long as the organisation largely relied on short-term funding.

The organisation took whatever financing opportunities came its way and this led to an extension of its services, most notably through a mobile VCT service to surrounding areas, and provision of support for orphans and vulnerable children (OVCs).

Effects of funding environment

ZHC lost the clear focus and direction it had whilst supported by AIDSFund. Yet it now had an opportunity to grow in any number of directions, as there was no leading funder. During this period the Management Committee became increasingly active and organised, although the day-to-day running of the Centre and worrying about funding remained largely in the hands of the operational manager.

During this period ZHC rapidly expanded beyond its own mission and objectives. It continued with its primary VCT service and community education, but significantly expanded its range of services. In this way it covered its costs, but it remained vulnerable. As it became evident that one of its funders, a major faith-based organisation, had significant resources, ZHC increasingly drew itself under the wing of this funder. This created security and was a comfortable relationship as the funder did not micro-manage the use of funds in the same way that AIDSFund had. This

made way for relatively unpressurised expansion, and ZHC tended to run on automatic mode, without much internal reflection on its direction or development.

Ultimately this led to the Management Committee taking a stronger role in guiding the organisation, and led to a strategic planning process aimed at taking stock of the Centre and refocusing its efforts based on an analysis of strengths, weaknesses and opportunities.

Implications for organisational development

In some respects this period was the 'adolescence' of the organisation. It had no strong guiding hand, but no internal direction either. It responded to what the environment had to offer. Ultimately it dawned on the organisation that it needed to clarify its direction and there was a perception that it could develop in any number of ways and that it had to guide itself.

The strategic planning process was deemed successful and the organisation set about a process of considering the implications. But in the background, the pressures mounted to meet the demands of service staff increasingly needing job security and benefits, as well as career development.

A mature organisation

Funding challenges

ZHC had a sufficiently strong track record to feel that it was probably fundable by a number of organisations, or at least that insofar as funding for HIV/AIDS was generally available, it had a reasonable comparative advantage amongst local AIDS organisations. But the staff, including the Manager, knew that as long as funding was on a short-term basis, permanent employment contracts and employment benefits would not be forthcoming.

In addition it became apparent that the burden of fundraising was taking its toll on the organisation. Too much of the manager's time was spent on raising funds rather than developing the Centre. Management costs are not covered by operational funding and the organisation spent a large amount of time in liaison, planning and coordinating activities which were unfunded.

At this point it became apparent that were ZHC to draw closer to its increasingly 'primary', faith-based funder it could offer its staff the benefits they sought and it could attain long-term security. But this could only be done it the hope that it would retain its independence as an organisation, even as it becomes increasingly dependent on a new parent organisation.

The faith-based organisation values ZHC, and sees it as a good vehicle for launching programmes. It has expressed an interest in incorporating ZHC under its own programmes. This has been conceived as a 'merger,' although the terms of this have not been finally determined. At the same time that these possibilities were being discussed, one of the leading counsellors at ZHC was offered permanent employment by the faith-based organisation with the benefits that ZHC staff had long desired. This created stronger pressure from the staff for ZHC to seek incorporation as one of the funders' family of projects.

Effects of funding environment

The Management Committee was in one sense relieved at the possibility of ZHC acquiring long-term sustainability, but it was concerned that ZHC would lose its independence as a community-based organisation. It faces the prospect of effectively becoming a branch of a faith-based organisation. Whilst operational independence is assured, it was and still is not clear what the implications will be for ZHC's independence. Significant concerns have been expressed about what the meaning of such a move would be in respect of support for abortion, for instance, and provision of an essentially secular service.

This is currently where the organisation stands, and a decision about the relationship with the faith-based organisation is pending. If this opportunity is not be seized there will be significant disaffection on the part of the staff, but at the same time, the Management Committee feels that the move would jeopardise the Centre's independence which is inevitable to some degree.

Implications for organisational development

The implications of the current predicament are not yet apparent, but it looks likely that ZHC will be incorporated within the larger faith-based programme. It will lose

some autonomy, it will gain security, and will likely develop the scale of its operations and influence. The staff and management will increasingly professionalise.

Conclusion

There can be little doubt that ZHC, started as a community-based organisation, has been shaped in all stages of its development by the opportunities and requirements of funding. How the organisation is managed and what it does is only partly a product of its own vision and mission. ZHC has been profoundly shaped by its funding environment. It should not be assumed that first there is the organisation and its needs, which then need to be funded. Only in its origins was this the case. Throughout the life of the organisation its identity, possibilities and focus have been thoroughly shaped by funder behaviour and funding opportunities.

It is important to recognise that funding an organisation like ZHC requires sensitivity to its stage of development. Whereas early on the organisation needed to have only its operational costs met, now the viability and effectiveness of the organisation requires base funding. Certain kinds of funding are necessary at different stages of development of the organisation and certain kinds of funding are risky. There would be value in developing a more differentiated understanding of how organisational funding needs change as an organisation develops. Furthermore, risks at a certain stage of development are not necessarily risks at a later stage.

This means that funder rules about what can and can't be funded should be more flexibly conceived. If a funder organisation were to assist an organisation in the long term it would need to change its funding parameters as the organisation develops. It would, for example, fund operational costs in the early stages of development of a programme, but would later also be prepared to fund recurrent costs. This runs counter to much current thinking which assumes that organisations increasingly develop cost-recovery possibilities and become sustainable by broadening their funding base. In reality it seems like this from a funder perspective only. From the programme perspective there is little to no possibility that ZHC will ever become a sustainable organisation and if it looks independently sustainable to a funder it is only because it is covering its recurrent costs through percentage reallocation of funds from operational budgets.

Funding is a dynamic and changing process and it is necessary to understand it as such, in the interest of achieving the desired effectiveness and in order to minimise its costs.

Appendix 2: Interview Guide

AREAS TO EXPLORE IN INTERVIEWS

1. History of the organisation in providing support for community level response initiatives
    a. How and why was it established?
    b. What developmental stages has it gone through?
    c. Who are and have been key partners?
    d. How has the organisation been resourced?

2. Forms of support it provides to AIDS response organisations/community (details on its work and operations)
    a. Direct funding
    b. Technical assistance
    c. Coordination
    d. Capacity building

3. Beneficiaries
    a. Types of beneficiary (who does it support?)
    b. Location/geographical scope and spread
    c. Selection criteria (eg. membership, size, registration)
    d. Scale of operations

4. What are the conditions attached to the receipt of assistance?
    a. Reporting
    b. M&E
    c. Criteria on types of spending
    d. Ability to spend
    e. Alignment/harmonisation conditions (compliance with guidelines)
    f. Gender (or other demographic) stipulations

5. Efficacy of programmes
    a. Description of what the organisation is achieving

   b. How do they know they're achieving it (eg. M&E systems, evaluations etc.)?
   c. Interpretation of the factors that contribute to this success and/or that limit you
   d. Challenges and obstacles

6. Evaluation of role of the organisation in the AIDS response context
   a. Are there other initiatives in the community that work towards similar aims (or that compete with them)?
   b. To what extent are they integrated with other initiatives?
   c. How would they describe their place within the larger system?
   d. What is their comparative advantage compared to others

7. Reflections on current AIDS support environment
   a. How could one make this model work at scale?
   b. Should this be at scale?
   c. What are the elements of the success of this initiative?
   d. What are the context-specific things that have made this work here (e.g. specific individuals, socio-political climate)

8. What do they think needs to be done to support community resilience?

9. Are there any other people we should speak to who can provide us with types of information that they could not?

Appendix 3: List of Respondents

Name	Position	Institution
Alma Lawler	CEO	Barnabas Trust
Camilla Symes	Co-founder	Barnabas Trust
Debbie Mathew	Director	AFSA
Jeanette Masala	Manager, MSATs	Cape Town City Health Department, Office of HIV/AIDS and TB Programmes
Lungile Pheko	Coordinator/Social Worker	Ekurhuleni Metro Municipality
Mariette Williams	Manager, Metro Programme	WC NACOSA
Maureen van Wyk	Director	WC NACOSA
Nonhlanhla Xaba	Programme Director	AFSA
Nontsha Nciza	Councillor	Metro Council, Ekurhuleni
Nozuko Majola	Deputy Director	AFSA
Phil Donnell	Funding & Development Consultant	CINDI
Shirley Hugo	NGO Liaison Officer	Free State Department of Health
Sizakela Zuma	Programme Officer	AFSA
Stuart Greeley	IT	AFSA
Valerie Dietrich	Training Manager	Barnabas Trust
Yvonne Spain	Director	CINDI
Zukiswa Mkutyukelwa	MSAT Coordinator, Khayelitsha District	MSAT

List of Organisations Visited

Organisation	Location	Funded By
Alliance against AIDS Consortium	Bloemfontein, Free State	FS Department of Health
Atlehang Multi-Purpose Centre	Bloemfontein, Free State	FS Department of Health
Eyethu Sewing Project	Vosloorus, Gauteng Province	Ekurhuleni Grant-in-Aid

Garden Project	Khayelitsha, Western Cape	MSAT
Ikhwezi Support Group	Alexandria, Eastern Cape	Barnabas Trust
Khanya CBO	Botshabelo, Free State	FS Department of Health
Maokeng Anti-AIDS Youth Club	Kroonstadt, Free State	FS Department of Health
Moqhaka AIDS Consortium	Kroonstadt, Free State	FS Department of Health
New Hope AIDS Project	Gugulethu, Western Cape	WC - NACOSA
OASIS	Grassy Park, Western Cape	WC - NACOSA
Sibanye Economic Empowerment	Khayelitsha, Western Cape	MSAT
Sisonke Home-based Care and Drop-in Centre	Port Alfred, Eastern Cape	Barnabas Trust
Tsiriletso Consortium	Wepener, Free State	FS Department of Health
Valelisa Project	Vosloorus, Gauteng Province	Ekurhuleni Grant-in-Aid
Woza Moya Project	Ixopo, KwaZulu-Natal	AFSA