

Striking the **Rights** Chord

Perspectives on **Advancement**
from Human Rights Organisations
in South Africa

A stylized human figure logo composed of several curved, overlapping shapes in yellow, red, and orange. The figure is positioned on the right side of the cover, with its head represented by a yellow oval and its arms and legs by flowing, curved shapes.

Edited by
Melanie Judge
and **Sean Jones**

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Foreword

Funding support for human rights work in South Africa is of critical importance to strengthening this country's young democracy. The Atlantic Philanthropies (Atlantic) has been a significant and influential social justice funder in South Africa since the early 1990s, working with non-profit organisations (NPOs) to support advocacy, policy, research, strategic litigation and service delivery.

Atlantic is a spend-down Foundation which is due to close its doors in 2016. In 2008, therefore, Inyathelo: The South African Institute for Advancement and Atlantic came together in light of the funder's planned spend-down, to consider ways to mitigate the impact of their exit. The exit strategy of a funder is critical, both for the sustainability of its grantees and in terms of its own legacy and long-term impact. This was of particular concern for Atlantic in South Africa, given its significant contribution to human rights struggles in the post-apartheid context. At the same time, Inyathelo's approach to, and application of, organisational Advancement was making a notable contribution to the sustainability strategies of South African civil society organisations (CSOs).

Against this backdrop, Inyathelo and Atlantic conceived a programme aimed at building Advancement capacity in Atlantic grantee organisations to increase their potential to attract future resources. The result was an intensive, four-year Advancement capacity development programme, the Atlantic Philanthropies Sustainability for Human Rights Organisations Programme (AHRP). The programme, targeting five human rights organisations (HROs), was funded by Atlantic and conceptualised and implemented by Inyathelo.

This book, which emerges from the programme, seeks to share the rich understandings and experiences of the participating organisations and Inyathelo. In addition, the perspectives of activists, non-profit leaders and donors are proffered here in the hope of spurring discussion and debate on the complex realities that confront CSOs. The book comes at a time when so many HROs in South Africa are severely challenged in terms of funding and sustainability, and yet when their presence and social value is so necessary.

We are confident that this innovative book will make a fundamental contribution to Advancement thinking, and to its practice and implementation in varied organisations and contexts.

Our appreciation goes to all the contributors. In particular we would like to acknowledge the editors, Melanie Judge and Sean Jones.

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Introduction

Born of a struggle against oppression, South Africa's constitutional democracy has human rights, social justice and equality as its foundational values. Civil society is a key agent in giving life to these values and to enabling participation by citizens – individually and collectively – in social, cultural and political activity. As has been demonstrated time and time again, in this country and elsewhere, inequalities of power, wealth and access to rights and resources can be transformed fundamentally by the presence of a strong and active civil society. Non-governmental organisations (NGOs) have a vital part to play in advancing the rights of the marginalised, holding the powerful to account, enabling the citizenry to participate in social, political and economic spheres, and shaping democracy and the trajectory of development.

To continue playing this role, non-profit organisations (NPOs) need both human and financial resources. Yet many of those organisations that have been the lifeblood of democratic transformation in South Africa, and others formed in the post-1994 era that also now play a critical role in advancing social justice, face serious crises as the resources available to civil society diminish rapidly. Multiple factors have contributed to this growing paucity of resources, including shifts in the extent, type and parameters of funding from international sources; inadequate resourcing and neglect by domestic donors; the contraction of the democratic space; and the domino effects of the global crisis of capitalism. The consequences are a non-profit sector that is in grave danger of being severely weakened and in dire need, as much as ever before, of ongoing international and domestic support. This is especially the case for NGOs engaged in human rights work. Such organisations are often at the forefront of social change, yet are frequently resisted by the powerful, in their pursuit of more equitable social and economic arrangements.

It is against this backdrop that *Striking the Rights Chord: Perspectives on Advancement from Human Rights Organisations in South Africa*, an anthology of perspectives on the financing of human rights organisations (HROs) in contemporary South Africa, has been compiled. The book grew out of a programme that aimed to enhance the Advancement capacity of several such organisations, funded by The Atlantic Philanthropies (Atlantic).¹ Advancement is an approach to organisational sustainability that welds together planning, communications, marketing, public liaison, external relations, and fundraising into an integrated approach with the

¹ Further information about this programme and the participating organisations is provided on p.163.

central goal of creating an institutional climate that positions the organisation to attract resources.² By documenting the experiences, reflections and lessons of the programme participants in undertaking Advancement, and drawing on the thinking of several others working in the civil society sector, the book seeks to contribute to a growing body of knowledge on the subjects of Advancement and non-profit funding in the South African context.

Striking the Rights Chord contains contributions from HRO leaders and workers, donors and activists. The range and form of these contributions have been shaped in collaboration with the organisations that participated in the programme. The challenge of attracting resources has prompted some to rethink how they should pursue their missions so as to grow support for their work and, in some cases, protect their very existence. The contributions in this book showcase some of the creative ways in which these organisations are re-engaging with their external context, and embarking on bold new approaches, to increase their relevance and unlock local giving in support of their efforts. But it has by no means all been plain sailing, nor will it be in the future, and the trials and tribulations of diminishing resources and external realities are also laid bare here. The outcome is a multi-vocal compilation of diverse perspectives, from varied organisational contexts, on issues pertaining to the sustainability of HROs in South Africa.

As the dynamics that impact organisational sustainability are numerous and complex, the book is by no means exhaustive in the topics it spans. The contributions are written in a range of registers and from a variety of vantage points, some more conceptual and others with a strong foundation in practice and experience. Authors were encouraged to use terminologies that accord with their own thinking. As such, concepts such as NGOs, NPOs and civil society organisations (CSOs) occur variously across the volume, as do the notions of human rights and social justice and several others. Contributors bring to these terms their own interpretations and significance.

The book is divided into three parts. The first comprises articles that address the social and political environment in which HROs currently find themselves and how this affects their sense of purpose, their funding and their prospects of sustainability. The second part outlines a series of practical strategies that may enable more effective resourcing, spur local funding, and enhance the viability of NPOs. Lastly, the articles in the third part ponder future possibilities in an environment of extreme flux, and what these might signal for both HROs and the domestic donor sector.

² See the paper by Shelagh Gastrow in Part 2 of this volume for a fuller account of Advancement and its history in South Africa.

Part 1, Tuning In: Reflections on Context, locates the overarching theme of the book, namely organisational Advancement and sustainability among HROs, within the historical and socio-political context of South Africa's continued struggle for a rights-based democracy in the face of persistent challenges to its realisation. Also explored are the external dynamics that impact the non-profit sector and the factors that shape organisational practice and the local funding environment. In short, the papers in this section provide a snapshot of the terrain in which NGOs are carving a path towards a future in which their survival is critical yet insecure.

Part 2, Performing in Key: Advancement Thinking and Experience, turns the lens on the organisational practices associated with financial sustainability in the non-profit sector. Here, the emphasis is particularly on Advancement and how it might be adopted, applied and adapted by organisations in support of their sustainability efforts. The ways in which organisations respond to their funding contexts, leverage new donor opportunities and strategise to attract resources are explored. The Second Takes that are included in Part 2, and that follow some of the papers, delve closely into the actual practice of Advancement. These provide on-the-ground examples of how organisations approach various strategies for sustainability, as well as how they deal with a range of obstacles and pitfalls. Through first-hand accounts, contributors candidly share in hindsight their own experiences of implementing sustainability approaches.

Part 3, A Change of Rhythm: Thoughts Towards the Future, unpacks further the nature and character of the challenges facing NPOs in the current funding milieu, with a close eye on the road ahead. These essays pose alternatives and possibilities, and prompt shifts in how organisations might think about their roles and purpose moving into the future.

The dominant chord across all the contributions to this book is the compelling argument for why the survival of CSOs is essential to human rights, social justice, and democracy in South Africa. The case is also made for a much greater contribution towards supporting civil society and advancing human rights by South African funders than at present. Support by local donors is critical to our capacity, as a society guided by our Constitution, to confront the persistent inequalities and injustices that remain the greatest threat to past achievements and a just future.

The organisations that have contributed to this book are among many NPOs in this country that find themselves at a crossroads. Yet new ways of thinking and organising often emerge in times of great pressure. It is hoped that readers will draw variously from both the experiential and conceptual contributions to the volume in ways that are relevant and applicable to their own ever-changing external and organisational contexts, and that enrich their efforts to advance human dignity, equality and freedom in South Africa.

PART ONE

Tuning in

Reflections on context



MAMPHELA RAMPHELE

Why investing in social justice is good for everyone¹

We have much to celebrate in terms of our achievements in the decade and a half since the dawn of democracy. The most important set of achievements is the establishment of institutions, policies and mechanisms that create a climate for the strengthening of the constitutional democracy we dared to forge in 1994. The efforts of all South Africans – citizens, civil society organisations (CSOs), the private sector and government – are to be lauded for bringing us to this point in the 21st century.

It is appropriate to explore how we protect these gains, strengthen areas of weakness and promote a sharper focus on work that remains to be done. Our society, for a variety of reasons, has an unsustainable level of inequality. *The National Planning Commission National Development Plan: Vision for 2030*², released on 11 November 2011, concludes that our inequality rate has reached an all-time high, as measured by the Gini coefficient³, placing it at 0.7. Even at the height of apartheid, this level of inequality was never recorded.

The Gini coefficient, valuable as it is, does not capture the texture of the realities of life on the ground. By all accounts, our socio-economic measures have deteriorated in areas that matter most for social justice. Let us look at the following health outcomes figures: according to the Human Rights Watch *World Report 2011*, maternal mortality has quadrupled from 150/100 000 in 1997 to 625/100 000 in 2007.⁴ So how do we explain this gross underperformance that is costing so many lives and undermining the social fabric of our society? Was the transition to democracy not supposed to bring about greater social justice?

1 This paper is an edited version of an address given by Mamphela Ramphele at the Private Philanthropy Circle: 2011 Symposium on 15 November 2011 in Cape Town.

2 *National Planning Commission National Development Plan: Vision for 2030*. 2011. National Planning Commission.

3 The Gini coefficient is a measure of income inequality. A society that scores 0.0 on the scale is said to have perfect equality in income distribution, whereas a society that scores closer to 0.100 demonstrates total inequality.

4 *"Stop Making Excuses": Accountability for Maternal Health Care in South Africa*. 2011. New York: Human Rights Watch. Online at: <http://www.hrw.org/sites/default/files/reports/sawrd0811webwcover.pdf>.

Root causes of inequality

Firstly, and most importantly, we have not sufficiently appreciated the power of the legacy of the social engineering that occurred in the apartheid era. We paid too little attention to the systematic way in which the British colonial system sought to suppress any human and social development of black people that would undermine the interests of the imperial project of extracting as much value as possible to benefit British subjects. One need only look at the land distribution, the migrant labour policies of the mining industry and the inequalities of access to education and health care – the foundations of human and capital formation. The legacies of all those remain with us today.

Secondly, we adopted an approach to governance of the post-apartheid state that denied the effectiveness of perfection of this socio-economic engineering under the National Party regime of 1948 to 1994. Our eagerness to settle the political conflict and take control of the state apparatus underestimated the impact of the socio-economic inequalities on the quality of the democratic order we were so anxious to bring about. The result was that we assumed control over an unreconstructed state which had been designed for creating division and inequality, one of the most obscene examples being the *Ministerial Handbook* with its excessive focus on providing for luxurious lifestyles for government officials who should have been more sensitive to the inappropriateness of such luxury as servants of largely poor people.

Thirdly, the Truth and Reconciliation Commission ignored Professor Sampie Terreblanche's submission that summarised the devastating impact of this process from the vantage point of being an economist at Stellenbosch University. His stark analysis of the booby traps set by the apartheid system in the path of an open, competitive social system was inconvenient for a government rushing to make peace with the past. Our underestimation of the impact of this social engineering project set post-apartheid governments up for failure. Drastic steps were, and still are, needed to tackle structural barriers to greater equality.

Finally, the success of the social engineering of the apartheid system lies exactly in its undermining of the capacity of the post-apartheid governance system to succeed. Poor quality education and lack of exposure to modern management systems in both the public and private sectors made it difficult for black people to assume the difficult roles of transformation of the complex system they inherited in 1994. In addition, the iniquitous system of racial discrimination that required the dehumanisation of black people to justify its existence has left deep scars on many black people's psyches, undermining even those with the technical capacity to govern. The legacy of being treated as inferior undermines self-confidence. The burden of a superiority complex in many white people nurtured by the same apartheid system has also disabled a significant proportion of white South Africans from developing empathy for poor, black people.



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You might well ask why I am harking back to the past. The reality is that a past that remains unexamined is difficult to make peace with. Our past will continue to hold our future to ransom until we come to terms with its devastating impact. I am convinced that our current predicament of growing inequality will not be resolved without a willingness to return to its source and make peace with it.

The legacy of the apartheid system would not bite as hard as it does had we taken measures to address it. A key missing link is a commitment by post-apartheid administrations to govern in an accountable and transparent manner to ensure that inequalities of the past are tackled effectively. The failure of successive governments to show resolute intolerance of corruption is possible only because citizens have not been vigorous in demanding accountability.

Citizen engagement is the only guarantor of accountable and transparent government. This is the central message of *The Dinokeng Scenarios: Three Futures for South Africa*⁵ released in 2009, which we need to return to. For example, every year there is a litany of cases of corruption and nepotism that come before the Public Protector, the Special Investigating Unit (SIU) and the courts. At last count about R35 billion worth of abuse of public money was being investigated. This explains the massive abuses that are reported in the media for which no concrete evidence has yet been gathered. For example, the arms deal we did not need may end up costing the taxpayer R70 billion. More than anything else, the arms deal institutionalised corruption in the post-apartheid governance system for which we, and future generations, are paying the price.



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Why does inequality matter in society?

We now know from numerous studies internationally that inequality is costly, not only for those at the bottom of the social ladder, but for society as a whole. Richard Wilkinson and Kate Pickett examined developed societies and found that less unequal societies out-performed more unequal ones on all measures: well-being, life expectancy, educational outcomes, levels of trust and personal security.⁶

Amartya Sen, the Nobel Prize winner for Economics in 1998, made a seminal contribution by comparing China and India in terms of development outcomes. His comparison focuses more on the social outcomes of the countries rather than the preoccupation with gross domestic product (GDP) growth, which often hides measures that really matter for social justice. Life expectancy at birth in China is 73.5 years whereas in India it is 64.4 years. Infant mortality rate is

5 *The Dinokeng Scenarios: Three Futures for South Africa*. 2009. Online at: http://www.dinokengscenarios.co.za/pdfs/book_small.pdf.

6 Wilkinson, R. & Pickett, K. 2010. *The Spirit Level: Why Equality is Better for Everyone*. London: Penguin.

50/1 000 in India, compared with 7/1 000 in China. Mortality of children under five years is 66/1 000 in India and 19/1 000 in China. Adult literacy in China is 94 percent versus 74 percent in India.

India's failure to systematically tackle inequality undermines the advantage it could have derived as a democratic dividend, compared to China. China is doing better than India on important outcomes because it focused on lifting the majority of the population out of poverty in a systematic way. The trickle down approach of India's development model has not served it well. The French philosopher Raymond Aron's view that "too great a degree of inequality makes human community impossible" is proving to be true of India. South Africa cannot afford to avoid confronting this reality any longer.

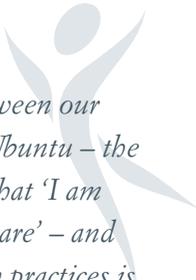
The deteriorating social indicators in our own society stare us in the face: underperformance of our education, health, and human settlement sectors has reached crisis levels. The levels of crime and insecurity, corruption and abuse of state resources indicate a breakdown in our connectedness as a society. Levels of trust within families, workplaces and communities are at an all-time low. Ours has become a 'me, myself, and I' society, where empathy levels are low. The gap between our rhetoric of *Ubuntu* – the philosophy that 'I am because you are' – and our everyday practices is becoming embarrassingly huge. This gap breeds anger, frustration and cynicism in our society.

The need to invest in promoting social justice as a national priority

We need to recover the lost idealism that inspired our struggle for freedom. Our presence here is an indicator that spirit is alive among us. What is needed is to enlarge the circle of care and solidarity by making the promotion of social justice an imperative in consolidating our democracy.

Citizen engagement in fighting corruption, nepotism and abuse of state resources by those in power is the key to unlocking the opportunities offered by our envisaged self as a prosperous democracy united in our diversity. We need to walk together as citizens, private sector and government to recapture our dream for our society. We need to become vocal in our intolerance of anything that undermines the quest for social justice that we committed to at the dawn of our freedom. Imagine what could be accomplished with the wasted and abused resources that are close to R40 billion! We need to mobilise to make those involved in such abuses pay dearly – be they individuals, political parties or businesses.

First, as a community that is committed to greater equality and solidarity, we need to model the idealism we wish to see in our society. There is too much fragmentation of efforts in the civil society space. This fragmentation leads to



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inefficiencies, ineffectiveness and unsustainability. The importance of defending and advancing the principles enshrined in our Constitution has never been greater. But more needs to be done to educate all citizens to embrace the rights and responsibilities of our democratic order.

Second, we need to challenge the business community to assume the rights and responsibilities of their corporate citizen status. We are fortunate to have progressive policies enacted over the last decade and a half, intended to promote greater involvement of the corporate sector in the transformation of our society towards greater social justice. Unfortunately, many companies have taken a compliance approach to Corporate Social Investment (CSI) and enterprise development.

There are too few sustainable programmes on the ground to show for the nearly R20 billion annual allocation to these two requirements of the licence to operate by our business sector. Imagine how well we could be doing if each industry were to pool its resources and reduce its in-house overheads and invest long-term in development programmes that can have sustainable outcomes. We could be enhancing the pipeline of successful entrepreneurs, artisans, professionals, dynamic schools and attractive sports and recreation facilities in ever-growing, revitalised human settlement.

Third, we need to challenge each other as professionals and business people to also pay it forward by making our own personal commitments to giving to promote social justice. Imagine if all citizens who earn above R500 000 were to commit 1 percent of their annual income for five years to support one cause or another? My own choice would be to focus on three million young people who are marginalised by an education and training system that has failed them. We could raise significant resources to set most of them on a path to recover their dignity, identify their talents and become contributors to society as productive citizens.

Fourth, we need to challenge those fellow citizens who have family Trusts that solely focus on their own individual families. South Africa has enough wealth to address the social justice challenges we face. Investing only 1 percent of your family Trust in a social justice cause could make the difference that secures a better future for your family. We must focus particularly on all citizens in senior positions in both public and private sectors who have substantial family Trusts. Think about fellow South Africans as members of your extended family, for whom you should naturally have empathy. By promoting greater equality in this extended family, you are contributing to a more trusting, productive, less violent and happy society. Surely that is a better proposition than living with the uncertainty of whether or not the next generation of your family can live in peace in the country of their birth?



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Conclusion

South Africa has enough resources to invest in a more equal society. What is missing is the realisation that the current level of inequality is unsustainable and needs to be changed urgently. Each one of us can make a difference by contributing our talents, and personal and institutional resources, to wrestle this monster of inequality out of existence. It can be done. It starts with each of us.

JANET LOVE

Legal Resources Centre

In the balance

Funding human rights organisations

Notwithstanding the vital role human rights organisations (HROs) play in defending democracy, ensuring the continuity and sustainability of this work is an increasingly challenging task that requires organisations to increase financial support, engage with a wider range of donor sectors, extend outreach, and lessen dependence on a shrinking pool of traditional sources of funding. In this context, it is critical to achieve a balanced set of income sources. Not only does this bolster financial security by spreading the financial burden across a range of sources, but it also reinforces independence, enables better planning, and safeguards the ability of organisations to preserve and assert their priorities and identity. There is a significant link between the diversity of an organisation's donor streams (or lack thereof), and the ways in which the organisation profiles itself. Dealing with each donor sector requires different skills, resources and strategies; some appear almost impossible to even begin to tackle. 'Easier said than done' is the truism that comes to mind.

Geography matters

In the South African context, the segmentation of donor sectors must surely begin with domestic and international funders. There is a historic imbalance that hails from anti-apartheid support for local human rights non-governmental organisations (NGOs) by the international community, with the result that the bulk of funding has emanated from international sources. There is also a current need and commitment, at least partly in response to now dwindling international support, to promote a human rights focus by local philanthropists and improve levels of domestic giving to related initiatives. The nature of relations, both actual and potential, between HROs and the various donor sectors differs significantly according to whether donors are international or local. These differences between local and international donors and their relations with human rights NGOs are considered below, in each of the donor sectors.

Philanthropic Foundations¹

Support for human rights NGOs comes primarily from international philanthropy, more specifically, from private Foundations. Yet the call on these organisations emanates from an increasingly wide range of countries and their ability to respond to the growing need has been affected adversely by the impact of market conditions on their investments.

A number of factors are at play in the current context that determine the relations of South African human rights NGOs with existing and potential international partners. No longer regarded as a country at the point of transition or at the dawn of its democracy, South Africa and the organisations within it can only strengthen and forge such partnerships on the basis of a significant 'fit' with the chosen objectives of the grantmaker. Consequently, what was historically driven much more by a commitment of such donors to support the very existence of organisations at the forefront of change, which resulted in significant grants being made to cover core costs, today demands of the same NGOs to articulate a set of objectives that correlate with the priorities and concerns of the international programmes being pursued by philanthropic organisations and Foundations.

This seems to have been a learning curve for both parties. On the one hand, the ambiguity and greater selectivity involved in the grantmaking process has led to an increased level of uncertainty that has sometimes weakened long-standing partnerships; but it has also very often led to valuable introspection and brought about a maturing of relations. The commitment by The Atlantic Philanthropies (Atlantic) to work actively towards the fostering of sustainability among a number of its partners is but one example.² Maintaining these long-standing relationships has also come at a price: a number of funding organisations swung quite rapidly from core support, which often was barely managed at all, to eschewing any indication that such support may still be needed by grantees. The pendulum swung from one side to the other and generally settled somewhere in the middle of the two extremes.

Those donors that placed relatively low demands on grantees prior to 1994 changed: grantees were made more aware by donors of the need to engage in earnest as true partners with shared, clearly defined and properly contracted goals and desired outcomes. Not a bad thing. Yet the pressures on NGOs have all been increased by the denuded human capacity of the NGO sector (as many



... greater selectivity involved in the grantmaking process has led to an increased level of uncertainty that has sometimes weakened long-standing partnerships ...

1 This sector includes the resources given over to organisational management both by living and deceased donors.

2 See "About the programme and participating organisations" at the end of this volume for a description of The Atlantic Philanthropies Sustainability for Human Rights Organisations Programme (AHRP).



The management, cultivation and development of relations with donors has also been affected by ambiguity within NGOs about their own priorities ...

found opportunities elsewhere, including in vital areas of the public service), the increasingly onerous requirements associated with proposals, and the need to fulfil a range of rigorous and time-consuming reporting and assessment obligations that did not apply in the past.

The management, cultivation and development of relations with donors has also been affected by ambiguity within NGOs about their own priorities, high staff turnover, and dislocation between executive management and governing structures which has contributed to inadequate financial management. These instances emphasise that challenges have also arisen, or even been generated, from within NGOs. No longer the 'flavour of the month', nor operating from the 'destination of choice', South African human rights NGOs have also enabled the long-standing contributors to, and partners in, their work – the international Foundations and philanthropies – with reason to stand aside and desist from engaging with us. Sadly, this occurs in what is undoubtedly the most vulnerable period of our democracy: the transition period when we hover along the constitutional wall, trying to shift towards development and the achievement of material change for the historically disadvantaged in order to secure all our earlier endeavours.

The experience of South African Foundations is somewhat different. This is partly a result of the small size of this donor sector, its clearly vested and direct interest in securing the course of our transition, and its newness. In general, the small handful of organisations in this sector engage with a degree of flexibility and commitment that make for meaningful partnerships. Their appreciation of South African realities is strong and their recognition of themselves as an integral part of civil society creates a basis for collaboration and support. It is early days but, in the light of their relatively limited resources, taking support from local Foundations for granted, and failing to recognise the need to cultivate, nurture and manage relationships with them will result in lost prospects and support. Hopefully, human rights NGOs have garnered sufficient experience to recognise this risk and the significant opportunities that must be grasped firmly.

Bilateral development aid

Since 1994, undoubtedly the most problematic use of resources to support civil society engagement in South Africa's development and democracy – in respect of performance, effectiveness, efficiency, transparency, accountability and impact – is by governments, both domestic and international. Support for civil society and human rights forms part of the policy frameworks of all involved governments. It is understood to be necessary to promote sustainability and secure South Africa's transition, and this is seen as essential to our continued democracy – which governments, particularly from other countries, understand to be in the interests of international peace and development.

Notwithstanding the fact that there is limited capacity in South Africa to plan, implement and report on many of its own programmes financed by the taxpayer, the strategy adopted by other governments for implementing support for civil society and human rights in South Africa is based almost exclusively on ‘sector budget support’ (SBS). It is surprising that this type of support is preferred by the South African government, given the virtual absence of transparency and accountability involved in its utilisation. When SBS is used, foreign development aid is not part of the South African government’s budget process (which would involve Parliament voting on government funds to the various spheres of government and to different sectors of the economy). The result is pointed out in the final report of the Paris Declaration: “This means that development partner funds are off budget in South Africa rather than on budget.... SA [South Africa] does not have a big problem with policy conditionalities, but does with conditionalities linked to disbursement which are not always made public and not aligned to government priorities. These create additional transaction costs for departments.”³

The main global aid contributor in South Africa, the European Commission (EC), uses SBS almost to the exclusion of any other support to implement development objectives.⁴ There is a focus on the *implementation of processes*, rather than on *development results*. This applies not only to the EC’s dealing with the South African government through SBS, but is also mirrored in the way the European Union (EU) and other government development agencies now deal with civil society organisations (CSOs), using a ‘checkbox approach’ to monitoring and evaluation. The United Kingdom’s (UK’s) Department for International Development (DFID) has apparently shifted its development assistance approach to focus now on ‘value for money’. This could well result in a new swathe of reporting and process requirements.

Channelling funding directly through civil society, NGOs and faith-based organisations (FBOs) to enable the implementation of programmes that form part of the South African government’s core responsibilities is not new in South Africa. In the past, the health service, particularly in rural areas, was heavily dependent on international religious organisations to establish health facilities. Most of these are now part of the public health system. During the apartheid era there was minimal formal support by development partners for the government. This changed after 1994 when formal bilateral funding agreements became



There is a focus on the implementation of processes, rather than on development results.

3 *Phase Two Evaluation of the Implementation of the Paris Declaration and Accra Agenda for Action in South Africa: Final Country Evaluation Report February 2011*. WYG International Limited, p.40. Online at: <http://www.oecd.org/dataoecd/24/35/47215916.pdf>.

4 *Ibid.* In the years since 2007, the European Commission (EC) has committed more than 90 percent of its annual funds to sector budget support (SBS) in the following sectors: water, employment, education and health.



*Development institutions
... make little or no effort
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possible. The question is whether the problems that have been experienced as a result of the use of the SBS approach by foreign government development agencies will cause such agencies to use the difficulties (the failure to use funds and implement programmes) as an argument to withdraw support from South Africa altogether. Hopefully, they will see fit to honestly assess, with hindsight, the shortcomings of SBS and of their related decision to significantly reduce direct support to civil society.

Development institutions that contribute a significant proportion of the global aid that emanates from governments, for information, documents, and monitoring and evaluation are now insisting on significantly increased reporting requirements. Yet these institutions make little or no effort themselves to ensure that information about aid distribution and spending is easier to access and understand.⁵ As indicated in the alternative report written by CSOs in response to the Organisation for Economic Co-operation and Development (OECD) Report on the implementation of the Paris Principles⁶:

While the OECD established ‘Monitoring Surveys’ and ‘Evaluation Reports’ that aim to track progress made against the 12 quantitative indicators for the overall performance in implementing the Paris Declaration, these established aid effectiveness appraisal systems have been designed under a reform framework that remains narrowly focused on improving the management and delivery of aid. The assessment indicators and processes, determined primarily by donors and governments, measure aid effectiveness in terms of efficient delivery of aid rather than development impacts on the poor and marginalized. There is also limited participation from other development actors such as parliamentarians and civil society organizations (CSOs).⁷

5 Such access to information is a requirement of the International Aid Transparency Initiative (IATI), which is a global aid transparency standard that is endorsed by most of the development institutions that have decided to contribute to civil society through channelling funds via National Treasury as part of the budget support process. For more on IATI see <http://www.aidtransparency.net/about/faq>.

6 The Paris Declaration embodying the ‘Paris Principles’ on National Human Rights Institutions (NHRIs) was adopted by the United Nations General Assembly resolution 48/134 of 20 December 1993. Themes covered in the Paris Declaration include:

- Ownership: developing countries set their own priorities for development, strengthen their institutions and lead in co-ordinating aid.
- Alignment: donors line up their aid behind developing country priorities and make better use of a country’s plans, policies and systems.
- Harmonisation: donors co-ordinate to avoid duplication, simplify procedures and agree on a better division of labour with partner countries.
- Managing for results: developing countries and donors keep their focus on producing – and measuring – results.
- Mutual accountability: donors and developing countries are held accountable for the results they achieve, to each other and to their Parliaments and public.

7 *Country Engagement for Aid and Development Effectiveness*. 2. January 2011.

In addition to the lack of transparency, the SBS approach has resulted in undermining the potential for CSOs to engage at the level of governments and embassies.

While the question of foreign donor support is raised in a variety of contexts with different motives, the question of the agenda of such support is probably best located in this discussion on the government sector, where a 'foreign agenda' is the undisguised basis for support being rendered by foreign governments to our own. Notwithstanding the limitations, challenges and wasteful deployment of scarce resources that seem to be common to virtually all government spending, the quantum of support provided to civil society is large. This support has potential to impact not only on the content of the work undertaken but also on the civil society sector itself – in more fundamental ways than merely by being used to taint or discredit the work of CSOs in the eyes of their constituencies. What of the 'outsiders' with their manipulative 'foreign agendas'? The late, former President of the African National Congress (ANC), Oliver Tambo, told a television reporter in an interview, when asked how he could accept resources from socialist countries while leading the liberation movement in exile, that the ANC would be willing to accept support from any source so long as it was given without condition to support what the ANC had independently determined as its road forward.⁸

Do foreign governments donate funds to further their national interests? Of course they do. Is it therefore problematic to accept such funding? Problems would arise were CSOs, or indeed the South African government itself, to accept such support on the basis of overt or implied conditionalities or with strings attached. Other problems – no less for our own government which receives foreign grants of a very much larger amount – would stem from any organisation allowing its existence to become dependent on such external sources and largesse. The dangers of accepting support with strings attached, or allowing too great a dependence on the generosity of one grantmaker, are not related just to foreign or national government funds and agendas alone. These are fundamental reasons for all CSOs to balance their sources of funding.

South African government support for CSOs

The relationship between CSOs and the agencies which dispense South African government development funds is no less problematic. The idea of establishing a government-funded body to provide resources to civil society, both NGOs and community-based organisations (CBOs), was part of the Reconstruction and Development Programme (RDP) and the legislation to establish the National



... the primary deployment of government funding to CSOs is in the form of 'payment for services rendered'.

⁸ Broadcast in the United Kingdom (UK) on the BBC programme, Panorama, on 15 June 1981.

Government development funding

The Funding Practice Alliance, a group of non-profits, conducted research to investigate whether the National Lotteries Board (NLB), in its role as the grantmaker of the National Lottery Distribution Trust Fund (NLDTF), and the National Development Agency (NDA), are meeting their legislated mandates with regard to civil society organisations (CSOs) and grantmaking. The research finds that neither the NLB nor the NDA is fulfilling its obligations with respect to grantmaking, support to non-profit organisations (NPOs), and impacting measurably on development. The main reason for the poor performance of these two agencies is that neither is held sufficiently accountable, existing reporting mechanisms are not working effectively, internal operational procedures are poor, and neither of the Boards of the NLDTF or the NDA is functioning as an effective governance institution.⁹

Development Agency (NDA) was passed in 1998. In practice, this organisation has had relatively small allocations made to it through the National Budget. But its distribution has been marred by inept management and an absence of strategy and planning (see the text box on p.25).

There are other ways through which civil society has the possibility of obtaining financial support from government, but these are characterised by similar failures in management and an inability to deliver on this mandate. Consider, for example, the Sector and Education Training Authorities (SETAs) that are established through the training levy and have accumulated considerable reserves. Access to training support to enable NGOs to take on candidate attorneys is extremely difficult notwithstanding the fact that these NGOs provide vulnerable communities with free legal services while simultaneously providing aspirant lawyers with opportunities to learn about public interest law. The monitoring and reporting obligations of the Safety and Security SETA (which also deals with the legal sector) are so onerous that it is primarily the commercial firms, rather than public interest or civil society legal agencies, that can afford to employ the staff to obtain SETA support.

In fact, the primary deployment of government funding to CSOs is in the form of ‘payment for services rendered’. Government needs CSOs to fill gaps in the provision of basic services, particularly within the realm of welfare commitments. NGOs are often more easily able to deliver as they are flexible and can pursue a range of methods and approaches appropriate to varied local conditions and needs. Yet, despite this vital contribution to the work of the state, in practice the relationship is often an exploitative one. For example, the rate of payment to CSOs for the services of social workers is often less than the rate paid to social workers in the full-time employ of the state for doing the same work.

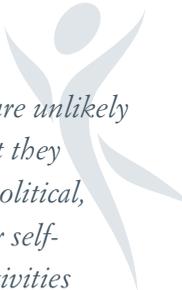
9 Benjamin-Lebert, S. & Lebert, T. 2011. *Meeting their Mandates? Research Report on the National Lottery Distribution Trust Fund (NLDTF) and the National Development Agency (NDA)*. Cape Town: Funding Practice Alliance. To download the full research report visit http://fpa.org.za/?page_id=17.

Corporate giving

Corporate Social Investment (CSI) and Corporate Social Responsibility (CSR) vehicles in South Africa provide support to a range of CSOs. The proportion of this support that finds its way to South African HROs, however, is negligible, whether from domestic or international corporate sources. There are various reasons for this. CSI and CSR programmes are motivated by self-promotion or self-preservation, are sometimes used as part of negotiations with workers about ‘social plans’, and have often been unapologetic about conditionalities (even, at times, withdrawing funds when such conditionalities are not met).

While corporate transnational operations and the global nature of the economy are widely recognised and clearly evident, companies appear shy to reinforce their multinational influence and presence through their CSI and CSR programmes and depend on branding instead. It is common for corporates outside of South Africa to combine or augment their CSI and CSR initiatives with special appeals, some of which provide resources for causes in distant lands. An example is the provision of disaster relief and support for facilities for particular medical conditions. Where corporates fund locally or internationally from a single source, this is usually through the establishment of a separate Foundation with its own fund management, staff and programmes which, at least in some cases, is purportedly de-linked from the business goals of the ‘parent’ corporate. To the extent that foreign companies use CSI and CSR programmes to fund civil society in South Africa – including HROs – this usually occurs through domestic subsidiaries and so effectively becomes a local funding source. Companies are unlikely to fund what they perceive as political, dangerous or self-defeating activities around human rights and are reluctant to be perceived as being drawn into agendas beyond those of self-interest, such as the interests of their shareholders.

Even though mutual funds and pension funds own shares in such a vast number of companies, shareholder activism is an area of engagement as yet barely thought about within South Africa. Although the issue of Black Economic Empowerment (BEE) has been part of its agenda, the most effective voice of shareholder activism has been within the domain of political persuasion, and legislation and policy-making. This form of leverage was used to good effect in the anti-apartheid movement to draw attention to campaigns, such as disinvestment and sanctions, but it was a form of mobilisation that turned on the rights of shareholders of publicly-traded corporations to bring about social change. The context is different today. As more companies and shareholders opt to deal with proxies electronically, obtaining access to proxies and impacting on the business of meetings is considerably more difficult. Activism of this kind is linked to how voting and proxies are managed, and is often enabled by each activist buying



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only one share. The organisation of activists to buy shares, the establishment of both electronic and corporate governance mechanisms to enable such shares to have a collective influence, and the ability to engage with meeting agendas and resolutions in advance, would be necessary to lay the foundations for shareholder activism and engagement in contemporary circumstances.

Issues addressed by shareholder activists with some success in the last decade have related to the environment, good corporate governance, ousting managements and Boards in underperforming companies, workers' rights and, particularly in recent times, management bonuses. Such mechanisms could also be used to engage companies on their human rights obligations and the reluctance of those dealing with CSI programmes to support HROs that are so important to safeguarding democracy and promoting active citizenry.

Also significant is that there has been inadequate work undertaken by human rights CSOs to advocate in the public domain about the necessity for rights to be protected, promoted and realised in order for development and the democratic transition itself to be sustainable. Recently, concerns about judicial independence, access to information, and corruption have raised levels of awareness. Yet all too often, this appreciation remains only in the minds of individuals who, despite being decision-makers, do not carry their awareness into the boardroom. The result is that the segment of corporate South Africa which itself is involved in corrupt and undermining practices remains complicit in weakening its own potential to actively defend our democracy.

A form of corporate support that is increasingly common and that emanates from private commercial interests is 'in-kind' giving which, by way of example, includes pro bono services, discounted rates, and the use of facilities. There is both scope and willingness to grow these contributions. It is important to remember that measuring, quantifying, acknowledging and thanking are equally as important here as for any other form of giving.

Raising funds by taking advantage of equity changes that are brought about in pursuit of BEE objectives is an area that has produced some results and has further potential. However, these fundraising strategies often take those in CSOs way outside their comfort zones and usual spheres of engagement. Contacts that do exist in the business world are distant and are sometimes forgotten friends and comrades. There are also complex steps that need to be pursued in order for a CSO to be in a position to exploit these opportunities such as, for example, engaging a recognised BEE rating agency to carry out a formal rating of the organisation on an annual basis. In this way, support for our organisations can contribute to the BEE scorecards of those from whom we solicit funds; these scorecards are not mere slogans but are necessary for compliance with policy, agreements and legislation. The information and documentation required for CSOs to be included in shareholder restructuring agreements need to be



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very differently crafted. For example, the BEE strategy document released by government states the following: “Government’s strategy for broad-based black economic empowerment looks beyond the redress of past imbalances to situating BEE as a powerful tool to broaden the country’s economic base and accelerate growth, job creation and poverty eradication.”¹⁰ Thus, how HROs contribute towards sustainable growth, job creation and poverty eradication needs to be better conveyed. This requires a kind of targeted expression in the form of headlines, captions and slogans that enables the contribution of HROs to be easily recognised. The current economic climate is resulting in far fewer opportunities and, for the most part, CSOs may have missed what could have been the only, or perhaps the first phase of, opportunity of this kind.

Individual giving

In South Africa, it is often within the poorest communities that indications of individual generosity, social concern and humanity are most evident. There is a significant network of munificence that pervades the most vulnerable communities. It is this spirit that most clearly exemplifies the type of philanthropy referred to by Gerry Salole, from the European Foundation Centre, who was paraphrased as saying: “Philanthropy ... is not about giving, it’s not about charity, it’s not about giving back. Philanthropy for me is about reciprocity and resilience ... and it’s the stuff that’s on the ground.”¹¹

The extent of individual giving to CSOs in South Africa, and particularly to HROs, is very limited. This is partly due to the fact that collecting money from individuals takes time and resources which CSOs find difficult to allocate, especially as the return on investment (ROI) is very slow even when all the right things are being done. The scale of what is involved is often underestimated or overwhelming: crafting effective communications aimed at individuals whose identities are unknown, at least until they make a contribution, is too vague an objective. Processes need to be developed for selecting, with some degree of confidence, specific segments of the public that are worth targeting. In other words, each CSO needs to develop its strategy and plan for individual giving; yet another plan – and a daunting prospect!



Processes need to be developed for selecting, with some degree of confidence, specific segments of the public that are worth targeting ... each CSO needs to develop its strategy and plan for individual giving ...

10 The Department of Trade and Industry. A Strategy for Broad-Based Black Economic Empowerment. Clause 2.6.4. Online at: http://www.dti.gov.za/economic_empowerment/bee-strategy.pdf.

11 *Our World, Our Responsibility Donor Conference 2010 Summary Report*. Cape Town: Inyathelo, p.7.

Civil society has a rich texture and significant flexibility that stems from the multiplicity and diversity of organisations of which it is comprised. There is a number of organisations doing similar and complementary things, which often makes it difficult for individuals (particularly those people who do not actively work within CSOs) to navigate the terrain, distinguish one organisation from another, and make a choice as to which to support. In addition, CSOs tend to focus on the cause and objectives that brought them into being; it is often frowned upon within the sector to associate an organisation with one or more individuals who lead it. But the public like to know who they are dealing with, not only what the issues are. This is especially problematic for HROs, which often have a greater challenge to convey their work in a way that has equal or more resonance with the public than organisations that provide material aid such as bandages, bursaries, books to read, food, and eye tests. Consequently, to date very little money has been obtained from individuals for human rights work.

Mobilising support across a wide group of people – through membership or other advocacy¹² programmes – has huge potential not only to produce financial support in the short and medium terms (and even in the long term through endowments), but can also provide a vital body of support for the advocacy work of the CSO. Social marketing and direct mail are vehicles that can assist, but – whatever the method – this involves an enormous investment of time and energy for relatively little immediate or even medium-term gain.

How to appeal to the generosity of individuals is probably where CSOs can draw most from the Advancement experience of higher education institutions. While there are significant differences between how a university and a CSO might approach individuals, there is also a great deal to be learned from universities. Important strategies to consider might be how to construct a similar pool of supporters to that of university ‘alumni’, and how to draw on their prior knowledge of, association with, and respect for the institution, to obtain their financial support. What is to be emphasised is the importance of building and maintaining relationships with such ‘alumni’. In cases where there are prospects of receiving significant support, these relationships can be upscaled and provided with much the same levels of time and effort as are given to relationships with organisational donors.

12 The term ‘advocacy’ is used in Mark Heywood’s sense: “Advocacy is not a handful of individuals shouting from the rooftops. It is about effective community education, community mobilisation and community empowerment around particular objectives.” From *Our World, Our Responsibility Donor Conference 2010 Summary Report*. Cape Town: Inyathelo, p.31.

A prolonged association with an individual is what creates the basis for legacies and bequests, which involves the production of specific material on estate planning. It is a long haul and not for quitters. In all individual giving, however, regular financial commitments constitute important security and core support for CSOs. Regular commitments of these kinds are difficult to sell, obtain and maintain, but are essential ingredients for a sustainable individual giving programme.

Evaluation

There is a set of premises that needs to govern all engagements with donors. Pursuing the organisation's own agenda and not being derailed by those of its donors is primary. There are also a variety of challenges that constitute common frustrations or difficulties for grantees.

One perennial bugbear is evaluation. CSOs often experience donor expectations around monitoring, evaluation, impact assessment and value-for-money determinations as a preoccupation with checklists and quantitative measures rather than an engagement around qualitative indicators (that take into account the real constraints which come with limited resources) and the significance of externalities (which are often way beyond a CSO's control). What makes this very legitimate and important area of concern become burdensome? Does the valuable interaction about whether the work that is being supported is making a difference, and what can be improved, need to be converted into numbers, templates and forms? Why do CSOs include the line item in their grant proposals entitled 'Monitoring and Evaluation'? Is this to conform to donor requirements or is there a gain that the CSO itself is pursuing?

Without denying the very real value of some monitoring and evaluation exercises, there can be few organisations that delight in the time and energy involved in these processes. The real frustration arises when an externally imposed evaluation does not, in fact, hold value, and this reality should be discussed. Effective grant management is required to ensure that financial controls are satisfactory and that implementation is taking place: such grant management processes must be the key accountability tool. And, in this context, monitoring and evaluation should be crafted in such a way as to facilitate learning and improvement, both for the grantmaker and the grantee.



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Conclusion

In general, CSOs have been lacking in their expression of appreciation for the commitment, dedication, generosity and insights that underpin the donor support they have received over the years. Saying ‘thank you’ probably happens too infrequently and recognising the synergy that has the potential to bind us in the interest of the public good is often sadly underrated. Such recognition should not be viewed just as acts to appease and further woo donors. What we need to reinforce among those donors who are thinking of turning away from South Africa, and those who have already done so, is that what has been achieved here is not irreversible; it can, in many ways, be rolled back. A strong civil society is the key to preventing such a travesty. Do not let all the good that has come from our collective endeavours be undone.



What we need to reinforce among those donors who are thinking of turning away from South Africa, and those who have already done so, is that what has been achieved here is not irreversible; it can, in many ways, be rolled back.

On civil society and the state



The crucial issue is one of independence and the extent to which state support is seen as a kind of compromise of independence by an organisation involved in promoting rights and justice. In South Africa, the state, through different political administrations, has been extremely wary of a critical rights-based civil society. The bottom line is that the state has an obligation to create an enabling environment in which rights and justice organisations can exist. This includes freedom of speech, the ability to associate, the right to protest and things like that. The advancement of constitutional rights is still seen as being in opposition to the state, and about correcting the state's failure to deliver. I don't think we've seen a partnership of common advancement between the state and civil society, and I don't think the role of the National Lotteries Board or the National Development Agency has shown that there is any inclination on behalf of the executive to really get serious about funding human rights organisations [HROs]. How you do that in a way that guarantees our independence is something which really could be explored, but state support of HROs will always be a tricky combination.

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United we stand? Advancing human rights organisations and social giving

Against a snapshot of South Africa's socio-economic indicators, this paper affirms the relevance of a rights-based civil society as a driver of transformation. The country's colonial and apartheid history of injustice, inequality and discrimination lies at the very heart of the transformative principles that inform the Constitution of South Africa, including the justiciable socio-economic rights contained therein. To protect, advance, and ensure the fulfilment of these rights requires a vibrant and innovative human rights sector within civil society.

Battles not yet won on the rights front

South African civil society organisations (CSOs) generally, and human rights organisations (HROs) specifically, exist in a diverse and complex environment that is fraught with the challenges associated with a fledgling democracy. Despite the long fight for political freedom, unsustainably high levels of poverty and inequality speak to the need for further transformation along social and economic lines. The notion of human rights embraces both formal political rights *and* socio-economic rights. HROs have a vital role to play in ensuring the collective realisation and promotion of all these rights, and have in fact been largely successful in the realisation and promotion of civil and political rights¹. In contrast, HROs and the South African government have struggled in their separate, although ultimately united, quests to promote the multiple rights necessary for real transformation.

In 1996, a democratic South Africa adopted what is now internationally lauded as one of the most progressive Constitutions in the world. Chapter 2 of The Constitution of the Republic of South Africa Act (108 of 1996) is commonly known as 'the Bill of Rights' and is considered to be the "cornerstone of

¹ More specifically, we refer here to first generation rights which include, for example, freedom of speech, the right to fair trial, freedom of religion and voting rights. These rights are primarily focused on traditional liberty and participation in political life and as such are often referred to as 'civil and political' rights.

democracy in South Africa and affirms the democratic values of human dignity and freedom”.² Through the Bill of Rights, the Constitution obligates the state to respect, protect, promote and fulfil these rights. A number of statutory institutions have been established to promote these rights, including the so-called ‘Chapter Nine’ (of the Constitution of South Africa) institutions that include the South African Human Rights Commission, the Public Protector, and the Commission for Gender Equality. In addition, an independent judiciary is a critical conduit for individuals, communities, and organisations to hold government accountable to constitutional obligations.

Generally, one speaks of first, second and third generation rights. Characteristically, first generation rights serve to protect the individual against state abuse. While first generation rights are focused on civil and political rights, second generation rights are those that are principally economic, social and cultural in nature. These rights include the rights to education, health care and employment. First and second generation rights are causally linked in the sense that second generation rights cannot flourish when first generation rights are neglected. Furthermore, while first generation rights represent the negative duties of the state, second generation rights represent its positive duties. Third generation rights, often referred to as ‘collective’ or ‘solidarity’ rights, are the most recently recognised rights and aim to go beyond the positive and negative duties of the state, thereby requiring the additional effort of the individual for their successful realisation. Accordingly, these are often regarded as ‘aspirational’ or ‘normative’ rights.³

The Constitution obliges the state to provide access to rights *progressively* within available resources. This begs the question: what constitutes or determines ‘available resources’? Linked with this, how do we measure the efficiency, adequacy and effectiveness of government in delivering on socio-economic rights for all? These are questions that South African HROs are grappling with in their current work. While the state might not be able to ensure that rights are immediately realised, due to limited resources, it is nonetheless obliged, progressively and incrementally, to improve the realisation of such rights.

The inclusion of socio-economic rights⁴ in the Constitution demonstrates a commitment to spearhead structural transformation in South Africa by addressing the high levels of inequality and poverty that exist. Even with this

2 The Constitution of the Republic of South Africa Act (108 of 1996), p.6.

3 The difficulty with third generation rights is that they often call for the ambitious achievement of, for example, intergenerational equity, while many countries still struggle with the achievement of both first and second generation rights.

4 Socio-economic rights refer to rights of access to a beneficial environment, housing, health care, sufficient food and water, social security and education, in Sections 24, 26, 27 and 29 of the Constitution of South Africa, respectively.

inclusion in the Constitution, however, the realisation of socio-economic rights remains elusive as inequality and unemployment levels continue to rise at an alarming rate.

South Africa's socio-economic struggle

Despite South Africa being lauded as a democratic torch-bearer for the developing world, high levels of inequality, structural unemployment and widespread poverty threaten the social, political and economic stability of this young democracy. Yet South Africa is not regarded as a poor country. Rather, it is classified as a middle income country⁵, endowed with vast mineral resources and levels of extreme wealth.

In 2009, The Presidency reported that South Africa achieved an economic growth rate of 3.5 percent to 5.2 percent per annum between 2004 and 2007.⁶ In his 2012 National Budget Speech, furthermore, the Minister of Finance indicated that the Gross Domestic Product (GDP) had reached R1 trillion. For a variety of structural reasons, however, the policy choices made by government in the recent past have failed to translate this economic growth into the envisaged 'shared growth'. According to the *National Income Dynamics Study*⁷, 3 percent of South Africans lived below a poverty line of R502 per capita per month in 2008. Fifty-eight percent of all income accrued to the wealthiest 10 percent of the population, while the poorest 10 percent accounted for only 0.4 percent of total income. The richest 10 percent earned nearly 20 times that of the poorest 10 percent and black Africans earned only 13 percent of the per capita income of white people compared with 10.9 percent in 1993. South Africa surpassed Brazil as the most unequal country in the world with a 0.66 Gini coefficient.⁸ As indicated by the statistics from the *National Income Dynamics Study*, poverty and race are still strongly correlated, with 56.1 percent of black Africans living below the poverty line. In addition, black Africans made up 94 percent of those who lived below the poverty line.⁹

Poverty is also starkly related to a highly unequal distribution of income. In fact, income inequality increased between 1993 and 2008, with the distribution

5 United Nations Development Programme. 2011. *Human Development Index*. Online at: <http://hrstats.undp.org/en/countries/profiles/ZAF.html>.

6 The Presidency. 2009. *Development Indicators*. Online at: <http://www.info.gov.za/view/DownloadFileAction?id=109313>.

7 South African Labour and Development Research Unit. 2008. *National Income Dynamics Study*. Online at: <http://www.nids.uct.ac.za/home/>.

8 A definition of the Gini coefficient is provided earlier in this volume, on p.7.

9 South African Labour and Development Research Unit. 2008. *National Income Dynamics Study*. Online at: <http://www.nids.uct.ac.za/home/>.

to the top income decile increasing from 53.9 percent to 58.18 percent.¹⁰ South Africa also has a very high level of unemployment, which acts both as a driver and as a multiplier of income poverty. According to the 2011 *Fourth Quarterly Labour Force Survey*, a total of 6.5 million people out of a labour force of 17.7 million were unemployed¹¹, which included 4.2 million people in the narrow definition of unemployment¹² and a further 2.3 million who were defined as ‘discouraged work seekers’. Although 365 000 jobs were created in the 12 months prior to the fourth quarter of 2011, unemployment grew during the same period by 2.6 percent. Youth unemployment is another worrying, growing phenomenon. Of the 4.2 million people defined as unemployed in the narrow definition, 3 million were between the ages of 15 and 34.

The number of households with no employed worker increased from 28 percent of households in 1993 to 31 percent in 2008.¹³ While only 20 percent of households in the lowest income decile derived income from the labour market, this rose to 80 percent of people in the top income decile. There was also a strong growth in returns on investment capital for people in the top income decile, rising from 4 percent in 1993 to 11 percent in 2008.¹⁴ Another interesting phenomenon is the decline in income to households from remittances by absent breadwinners or contributions from extended family and other sources. Since 1993, the contribution of government grants to household income had grown from 15 percent to 73 percent while, within this decile, income from remittances fell from 51 percent to under 10 percent.¹⁵

The statistics provided here plainly illustrate the complexities that South Africa must negotiate if it is to achieve the dream of a free and equal democracy.

10 Leibbrandt, M., Woolard, I., Finn, A. & Argent, J. 2010. “Trends in South African income distribution and poverty since the fall of apartheid”. OECD Social, Employment and Migration Working Papers, No. 101. OECD Publishing. Online at: <http://www.irinnews.org/pdf/saincome.pdf>.

11 Statistics South Africa. 2011. *Fourth Quarterly Labour Force Survey*. Online at: <http://www.statssa.gov.za/publications/P0211/PO2114thQuarter2011.pdf>.

12 The ‘narrow’ definition of unemployment, which aligns with the ‘official definition of unemployment’, includes as unemployed all jobless persons who desire work and searched for it in the recent past (typically, in the four weeks prior to the survey visit). The broad definition excludes the search criterion and counts as unemployed all jobless persons who report that they want work even if they did not search in the reference period. In other words, the broad definition includes both the searching and the non-searching unemployed.

13 South African Labour and Development Research Unit. 2008. *National Income Dynamics Study*. Online at: <http://www.nids.uct.ac.za/home/>.

14 Leibbrandt, M., Woolard, I., Finn, A. & Argent, J. 2010. “Trends in South African income distribution and poverty since the fall of apartheid”. OECD Social, Employment and Migration Working Papers, No. 101. OECD Publishing. Online at: <http://www.irinnews.org/pdf/saincome.pdf>.

15 Ibid.



... the role of HROs remains critical in providing a sound critique of policy choices and, importantly, in offering independent policy recommendations. Without such inputs, government operates in a feedback vacuum ...

In this context, the role of HROs remains critical in providing a sound critique of policy choices and, importantly, in offering independent policy recommendations. Without such inputs, government operates in a feedback vacuum, with voices limited to informal, on-the-ground opinion (often ignored as ‘populist rhetoric’). HROs generally occupy a strong position from which to provide a rights-based compass to guide effective policy prioritisations. Ironically, but perhaps not unsurprisingly, it is this critical faculty of HROs which renders them vulnerable to withdrawal of funding by the state – and by foreign donors that do not wish to appear overly critical of government. It is this faculty, too, which often causes businesses to give a wide berth to HROs.

Funding for human rights organisations in South Africa

In the attainment of formal democracy and in the ensuing years, it has been social movements, the labour movement, non-governmental organisations (NGOs) and community-based organisations (CBOs) which have all played a central role in the promotion and realisation of formal political rights in South Africa. This includes their role in the development of the Constitution and the many pieces of legislation that seek to advance the post-apartheid democratic state.

In support of this role, CSOs received generous funding from a variety of foreign sources, resulting in a flourishing of HROs. In more recent years this level of funding has dropped considerably, yet the realisation of second and third generation rights still requires very active promotion by both the state and HROs. Whether concerned with first, second and/or third generation rights, all HROs appear to have come unstuck as they struggle to raise resources from within South Africa which is simultaneously grappling with the fall-out of the recent global economic crisis. Is the work of civil society still recognised as being critical for the development and safeguarding of human rights? If so, how is this recognised through local giving?

As indicated already, funding from developed economies for South African CSOs has become ever more scarce following the global and Eurozone crises, which have led to significant reductions in financial resources throughout the developing world. This has caused numerous local CSOs to shut their doors or lay off significant numbers of employees as funding dries up.

For some years, foreign funding institutions have been advising South African CSOs to seek alternative ways of sustaining themselves and to identify new sources of income and funding support, including accessing funding from government-administered sources. Funds from the European Commission (EC), which have been channelled through government, have proved difficult to access. In addition, institutions like the National Development Agency (NDA) and the National Lottery Distribution Trust Fund (NLDTF) are not providing



... the need is greater than ever for the sector to invest energies and resources in ensuring that government funding agencies are overhauled so that adequate funding is made available.

the level or kind of support that CSOs require for sustainable operations.¹⁶ As funding for CSOs from local, non-governmental and international sources becomes scarcer, the need is greater than ever for the sector to invest energies and resources in ensuring that government funding agencies are overhauled so that adequate funding is made available.

In an effort to address these challenges, CSOs advocating for socio-economic rights are encouraged by funders to form partnerships or work together around similar issues. This approach aims to avoid duplication and decrease competition for support, and allows funders with diminished resources to work collectively with CSOs that are pursuing similar projects and outcomes. To a certain extent, CSOs are also finding it expedient to align themselves with the priorities of possible funders. The challenge, of course, is that such an approach may lead CSOs to deviate from their intended objectives or strategies, or even shift their vision and mission, in order to access funding.

Bringing business to the giving table

In a speech made at a round table discussion on Corporate Social Investment (CSI), the Minister of Social Development, Bathabile Dlamini, appealed to the corporate sector to, as corporate citizens, work together with the department “to expand our scope of reach to the many needy people, families and communities.” Dlamini continued:

It is important to highlight that corporate citizens must at all times act responsibly as part of its *[sic]* social responsibility, to act in compliance with the law and make positive impact in the lives of consumers, employees and communities. Amongst others, this means that businesses must pay tax as required by law and understand clearly the developmental priorities of our country.¹⁷

Government has put in place legislative frameworks for the corporate sector to set aside 1 percent of their net profits for CSI.¹⁸ The Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice allow industries to invest in, and measure, social initiatives in the fields of health, education, poverty alleviation and community development. The total contribution towards these



HROs must both educate and lobby the corporate sector and develop better methods of appealing to it, and must also build a far stronger and more persuasive case for funding support.

16 A report published in March 2011 by the civil society-based Funding Practice Alliance sets out the various structural difficulties experienced by the non-profit sector in accessing sustainable funding from these statutory bodies. For more on this see p.25.

17 Minister Bathabile Dlamini. 2011. “Roundtable discussion on corporate social investment”. Online at: <http://www.info.gov.za/speech/DynamicAction?pageid=461&sid=17883&tid=32280>.

18 The Department of Trade and Industry. 2009. Codes of Good Practice on Broad Based Black Economic Empowerment. Online at: <http://www.info.gov.za/view/DownloadFileAction?id=102535>.



Under the current legislative frameworks regulating CSI giving, however, many HROs are at a disadvantage as they currently do not fall within the ambit of CSI.

initiatives is calculated relative to the net profit earned by the enterprise. Under the current legislative frameworks regulating CSI giving, however, many HROs are at a disadvantage as they currently do not fall within the ambit of CSI. For a range of reasons beyond the scope of this paper, CSI is not being directed at sustaining organisations that seek to advance transformation and improve access to socio-economic rights or formal human rights.

It could be argued that the very nature of the impact of successful advocacy around socio-economic rights might well result in a greater ‘take’ from the ‘haves’ to distribute to the ‘have-nots’. This might assume the form of an increase in taxation, or a greater share of company profits to wages, for example. Do people with means see these short-term efforts to increase redistribution as posing an unbridled threat? Or, rather, do they view these efforts as expanding the domestic market, increasing disposable income, and thereby improving social stability? CSI has made significant contributions to communities around the country, and it is hoped that it may continue to do so in the future. HROs must both educate and lobby the corporate sector and develop better methods of appealing to it, and must also build a far stronger and more persuasive case for funding support. Clearly, HROs need to engage in further advocacy on the critical need for human rights as a cornerstone of democratic nation-building.

Is South Africa a (for)giving nation?

Research conducted in 2003 reflects that South Africa is a “Nation of Givers”¹⁹. More recently, though, South Africa was ranked as one of the world’s least generous countries. According to the Charities Aid Foundation’s World Giving Index, 2011²⁰, it was ranked 108 out of 153 countries, surpassed by other countries in sub-Saharan Africa such as Nigeria and Liberia (ranked 13 and 14 respectively). Are there generally accepted practices of giving that can inform a common understanding of its characteristics and function in South Africa?

Social giving can be interpreted from a number of perspectives. For example, one perspective is the belief in the giving nature of a forgiving society – in which millions of black South Africans were seen to forgive white South Africans for having benefitted under (and to varying degrees having supported) the apartheid system, or at least acquiesced to its existence and persistence. A more formal perspective on the notion of giving concerns contributions people make to recognised charities for the greater good. Further, there is the de facto

19 Everatt, D. & Solanki, G. 2005. *A Nation of Givers? Social Giving Amongst South Africans*. The State of Social Giving in South Africa Report Series. Research Report #1. Durban: Centre for Civil Society, University of KwaZulu-Natal.

20 The Charities Aid World Giving Index, 2011, is based on three measures: Giving money, volunteering time and helping a stranger. *The World Giving Index: A Global View of Giving Trends* is online at: <http://www.cafsouthernafrica.org/downloads/WorldGivingIndex2011.pdf>.

giving effected through remittances by which family members support other family members, both immediate and extended, to address their material needs. In addition, there are the traditions of community-based support mechanisms (rural and urban) whereby households and communities establish informal structures such as, for example, *stokvels*²¹ (community-based savings clubs).

Notions of togetherness, inclusiveness and unity have been strongly promoted in South Africa since 1994, in an effort to build social cohesion, to move beyond a divided and painful history, and to emerge as a country united and reconciled with its past. The key notion of *Ubuntu*²² must inform our understanding of giving in South Africa. While *Ubuntu* was crucial in the fight against apartheid, South Africans continue to promote this worldview along with the related notion of a Rainbow Nation.²³ South Africa is unique in its often-termed ‘miraculous’ achievements and its highly lauded Constitution, yet simultaneously it holds the unwanted title of being one of the most unequal societies in the world. HROs must grapple with these contradictory realities and with the unfinished business of advancing the socio-economic rights of all who live in our country. In moving forward, HROs must rally together to overcome the various challenges associated with social giving and the ‘hard sell’ of socio-economic rights. Albert Camus said: “We should put ourselves at the service not of those who make history, but those who suffer it.”

21 *Stokvels* are social and savings clubs where members help each other in many ways in addition to monetary assistance. See for example Molea, H. 2007. *Stokvels as an alternative to Microfinance institutions: Conversations with women from Venda*. Thesis. Pretoria: University of Pretoria. Online at: <http://upetd.up.ac.za/thesis/available/etd-03252010-134418/unrestricted/dissertation.pdf>.

22 *Ubuntu* is a widely-held African worldview, and understanding of social cohesion, that says ‘a person is a person because of other people’. The South African term has resonance with similar words and concepts in Malawi, Rwanda, Uganda, Tanzania and elsewhere.

23 The term ‘Rainbow Nation’ was coined during the advent of democracy to highlight the coming together of a multicultural South African society.

SIMBONGILE KAMTSHE

Transkei Land Services Organisation

Rural realities and rights

In conversation with the editors, Kamtshe outlines some of the contextual dynamics impacting on non-governmental organisations (NGOs) that are working in rural communities in South Africa and the implications for mobilising around land rights issues. He also relates some of the challenges facing human rights organisations (HROs) located at a distance from major metropolitan centres.

Q: To begin, what are some of the broader socio-political issues manifesting in rural contexts today and their implications for an organisation such as the Transkei Land Services Organisation (Tralso) that is working with people living in rural areas?

Simbongile Kamtshe (SK): In 1999, when one of the first waves of post-1994 retrenchments – massive retrenchments – were affecting people from this area, I was asked what I made of it. I said it definitely would have an impact on the fabric of life and of society in this area. I talked about new forms of crime that we had never seen before, and that we might begin to see in the next five to 10 years. I was not being prophetic. I had looked at the kind of norms that seem to guide the operation of rural Transkei society and my views were backed up by the sociography¹ of the unemployed of Marienthal, in Austria, after a factory was closed down during the 1930s depression. The study talks about how the lives of people are disrupted – the lack of a routine, the lack of a time structure, the lack of social contact, the sense of disconnectedness, the loss of responsibility, and a number of other things which define rural life. Whereas Marienthal was a small community, we were facing the same problems on a massive scale.

In Dwesa-Cwebe² one of the reasons it was possible to organise people in the past was that those affected by one of the last post-1993 and -1994 waves of retrenchments were connected to the mines. There was a connectedness to the struggles in the mines, to the struggles in the cities. And it became possible for Tralso to mobilise people. Now, with some of the problems outlined here, people are more apathetic and it is proving increasingly difficult to mobilise rural

1 Jahoda, M., Lazarsfeld, P. F. & Zeisel, H. 1972. *Marienthal: The Sociography of an Unemployed Community*. London, England: Taylor & Francis.

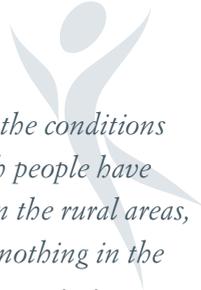
2 Rural communities in the Dwesa-Cwebe area, on the Wild Coast of the Eastern Cape Province, have been severely affected by retrenchments in the mining industry since 1999.

society. Tralso has a long history of working with issue-based rural associations in the former Transkei area. For example, now there is a strong movement around the matter of ‘betterment’³ removals. Many of the people harbour very bitter memories and feelings about the loss of material property and rights, and disruption of their way of life and of community networks. We see the realities of the fact that those who are most affected, disadvantaged and vulnerable in society tend to have a high level of inertia. For us this explains the incredible levels of tolerance and patience in a community like Dwesa-Cwebe, which has borne the brunt of a vicious perpetration of human rights violations – at the hands of state officials who cynically disregarded and blocked the implementation of a land settlement.

Despite the conditions in which people have to live in the rural areas, there is nothing in the form of a protest movement like you have in the townships, for example protests over electricity, water and other lacks in service delivery. The levels and standards of access to services in rural areas are anything between atrociously poor to non-existent.

Q: In addition to a lack of access to a basic service like water, what other kinds of human rights violations are taking place?

SK: In Dwesa-Cwebe we have documented the systematic beatings, wanton arrests, shootings, rapes and killings of people who dare enter their ancestral land to access forest and marine resources. The violations are all perpetrated by conservation officials under the auspices of the Eastern Cape Parks Board, who have pursued apartheid-style enforcement of the Marine Living Resources Act (18 of 1998), thus forcing a marine protected area on a community without consultation. The people of Dwesa-Cwebe fought a hard land struggle for many years. They were awarded the land claim in 2001. There was all the fan-fare of a formal award of the land back to the people and promises were made by state departments and agencies but, to date, nothing has come of it. The land claim has collapsed. The people were promised title deeds, development support and regulated and sustainable access to natural resources, as well as co-management of the conservation areas. These are people who, for centuries, have had access to marine resources, forests, medicinal plants, timber, and so on. Just as they had won the land claim there was a virtual clampdown in terms of access, and people started being shot.



Despite the conditions in which people have to live in the rural areas, there is nothing in the form of a protest movement like you have in the townships ...

³ ‘Betterment planning’ was implemented in the former Bantustans and other so-called ‘black areas’ from the 1930s onwards, in an attempt to regulate these areas and control land usage. Under ‘betterment’, designated areas were divided into distinct land use zones – for residential, arable and grazing usage – and all people were forced to move into the demarcated residential zones.

Q: A clampdown by the state?

SK: Yes, by a state agency in collaboration with the police. People are being shot, systematically, and it looks like those who are shooting them are trained to shoot just above the knee up towards the waist. Women and girls are raped. Those who are not raped sometimes have their clothes taken away from them; they have to go home in their underwear. And we conjecture that there will be many that do not report cases of rape for the sake of maintaining their family structure. This speaks to an old tradition of 'conservation' which holds utter contempt for the lives of black people.

Q: In your opinion, what is the impact, if any, of traditional leadership in rural contexts and their desires to assume more power and authority over rural communities?

SK: Historically, Tralso has tended to be ambivalent towards traditional leadership. That ambivalence is guided by the fact that in the distant past, traditional institutions had democratic traditions of checks and balances on power, and, at that time, some traditional leaders played a role in defending and fighting against land dispossessions. On the other hand, there is the reality of historical collaboration and the distortion of the institution to serve the interests of apartheid. This happened right here in the former Transkei. These things are known to our government and leaders, yet we see recent moves to resuscitate the institution of traditional leadership and re-tribalise black people without regard to their history and aspirations. Effectively, this is an attempt by a non-performing state to create a buffer between itself and a dissatisfied rural constituency, creating a fourth tier or sphere of government which is basically feudal and off-limits to the democratic Constitution and the Bill of Rights. This is the prevailing state of rural life. The implications and impacts are obvious in terms of participatory democracy: you give us the votes, we give you grants, food parcels and roads.

Q: How will it impact on organisations like Tralso being able to mobilise rural communities around rights claims?

SK: One argument that we are constantly confronted with by our detractors is that the rural people belong to traditional leaders, and that rural people should take their complaints to the traditional leaders. I say look, this is the state violating the human rights of these people. At best, the traditional leaders should join issue with the people, but I believe that the traditional leaders will have no power as they have a very feudal outlook on things.

It's going to be a challenge for rural people to raise the kind of issues about land that affect them, because some of these land issues were not entirely an accident. Traditional leaders were there all along, regardless of their agency and

whether or not they were willing players in dispossessing, disempowering and disfranchising their people. What's clear now is we have this buffer that has been created.

Q: Are issues of organisational sustainability different for HROs, such as Tralso, that are working in a rural area as opposed to urban areas?

SK: From the aforesaid arises the question of a struggle for constituency, a struggle for legitimacy that would not necessarily have been there in the past. In the past, there was a clear enemy that everybody could identify and there was a common solidarity on this side of the fence against the enemy. The lines now are kind of blurred and there is some confusion that arises out of the fact that among the so-called rural people, you've got interests that are connected to the state. You have interests that are linked to the perpetuation of some of the problems that an organisation like Tralso would be trying to address. In terms of sustainability, Tralso was born out of a coalition of forces that were united in a struggle. Can we assume that unity today? That unity is fast becoming defined in terms of class, and the struggle is beginning to be defined in terms of that. We are approaching a point where it might be problematic to just say 'rural', in the sense that the lines are becoming blurred.

Look at the land question and agrarian transformation. This is necessarily a matter of life and death for our people. But in terms of how it has been positioned in mainstream politics, it's difficult to resonate with people around this issue precisely because of the effort that has been made to sway people, firstly, towards a consumer culture, and secondly, towards 'developmentism'.⁴ Rural concerns are defined as access to water and jobs. Rural people are not featuring in mainstream political discourse as owners of the economy; they feature as job-seekers. Yet the rural spaces are going to function in the broader economy in terms of places where we extract resources – hence the good infrastructure that is coming.

Q: How does that reality challenge your future as an organisation and the potential for Tralso to be sustainable?

SK: There is a reality that civil society organisations (CSOs) tend to have a base from which they mobilise, and this would historically tend also to be the base where they mobilise resources. The base of their programmes would also be the base of their funding. There is a contrast in our case. Elsewhere the future might change with a possible shift in terms of the economic outlook. Here it looks like the disjuncture between the operational base and the fundraising base is going to continue for some time into the future.



Rural people are not featuring in mainstream political discourse as owners of the economy; they feature as job-seekers.

4 For an explanation of this term, see Simbongile Kamtshe's Second Take on p.84.

There is also a doubting of the relevance of NGOs, especially by the state. Tralso believes that secure land rights pave the way for economic freedom and that, in our rural context, this remains impossible if the lack of land rights, human rights, and appropriate state support continue to undermine the necessary foundations for sustainable development. This, in turn, will continue to deteriorate if there is no viable accompanying participatory democracy which presumes a capacity to mobilise, engage and influence policy. We say it is nothing other than the rolling out of the capitalist market. Whatever programmes and projects you see in terms of agriculture are influenced by the dominant agenda of the food conglomerates. Look, what is the first intervention you will see? It's food parcels. What is the next intervention? It's fertiliser and GMO (genetically modified organism) seeds that will be given to small-scale farmers. It's clear what sort of agenda this is.

Then, if you are an organisation and a people that hope to challenge that kind of a status quo, and yet are funded by the status quo – I think there's some uneasiness in terms of your inner soul.

Q: Can you say how the rural context affects the relationship between NGOs and donors?

SK: Firstly, donors want to be associated with visible change. Everybody wants to be connected with a success story. In the land rights context, especially in the context of the work that we do, it's very rare that we will have a big, focused case that captivates the minds of people perhaps for a week or two; that would galvanise the media with a victory presented on a platter. Some of the work that we do takes months, even years to begin to approach success, because the odds are stacked against us. We have to work painstakingly; we tend to be focused on process.

Secondly, there is a bias, I will call it. We are naturally perceived to be without capacity and perhaps that is connected to whether we have resources or not. The ability to produce a nice glossy report that gets quoted by United Nations institutions, or the ability to stand up on a big public platform in Gallagher Estate to present a case study – such possibilities are remote for us, not just because of the sometimes tenuous nature of the work that we do, but also our dispersal and physical location.

... if you are an organisation and a people that hope to challenge that kind of a status quo, and yet are funded by the status quo – I think there's some uneasiness in terms of your inner soul.



Q: So what's the relationship between the sustainability of an organisation and its relationship with the community that it serves in a rural context?

SK: The key word, again, is legitimacy. The notion of being an organisation that is owned by those whom you claim to serve creates a sense of relevance in terms of your mission and your programmes, which do not always coincide – hence the need for constant self-introspection as an organisation. We live at a time when the state and political parties are working to claim the space of communities. What is the space of an NGO in that context? We know the place of civil society in the community in general, but civil society is something that is not necessarily taken for granted in a rural context. I don't know how to emphasise that enough. If people are not in the state, people are in political parties. At best, they are in churches and burial societies. Anything that even pretends at confrontation, or questioning of the state, is viewed rather dimly.

Let me go back to the positioning of a rural NGO with respect to funders. I think a key challenge here, as an organisation, is being able to develop our own stories, being able to project our own stories, and being able to develop relations of trust. Remember, as an NGO you are working on the basis of public trust. That is not easy to do without maintaining some form of contact with donors which, in the rural context, can be a challenge.



The notion of being an organisation that is owned by those whom you claim to serve creates a sense of relevance in terms of your mission and your programmes, which do not always coincide – hence the need for constant self-introspection as an organisation.

PART TWO

Performing *in key*

Advancement thinking
and experience



SHELAGH GASTROW

Inyathelo: The South African Institute for Advancement

Advancement in the South African non-profit sector

The concept of Advancement was largely unknown in South Africa prior to the establishment of Inyathelo: The South African Institute for Advancement. While higher education institutions tended to have dedicated fundraising units, these were generally seen as a sideline to marketing. It was only in 1998 that the University of Cape Town (UCT), under the leadership of its then Vice Chancellor, Mamphele Ramphele, launched the first comprehensive development office in South Africa. I was fortunate to be there to learn from the experience of a major capital campaign¹ and a Kresge Challenge Grant² that forced us to implement a multi-layered fundraising campaign which included obtaining support from individuals (such as alumni, staff and parents), private Foundations, the corporate sector, and international aid agencies. It was during this process that a concept of Advancement emerged which was local in theory and application. This was a South African response to what was required to attract resources to an institution rather than to continue chasing money in a fundraising paradigm.

The traditional fundraising approach that was generally in use at the time implied a charitable response on the part of donors and raising money was its primary function. Advancement, on the other hand, is a holistic approach by an institution or organisation that encapsulates what is required to attract private investment. Based on the understanding that required resources come from outside the organisation, the Advancement paradigm focuses on building trust and relationships with a range of people and structures outside of the organisation or institution that have, or could in some way assist with, access to such resources.

1 A capital campaign is a fundraising campaign to raise major financial support for a specific project, such as a building, within a certain time frame.

2 A so-called 'Kresge Challenge Grant' was a tool used by the Kresge Foundation to promote giving and fund capital campaigns. More generally, a challenge grant is money that is pledged by the grantmaker and paid when the conditions of the grant have been met. In the case of the Kresge Foundation, the challenge comprised not only a financial goal but also the way the funds were raised and the range of donors who contributed. Several challenges thus had to be met, all of which had the purpose of building the beneficiary's fundraising capacity and its constituency's propensity to give, in order to realise the Kresge Foundation's pledge.

Even after establishing Inyathelo in 2002, however, it took a number of years to refine the Advancement approach and develop the key elements of good Advancement practice (see the text box on p.45). From our basic philosophy of Advancement, we continued to deepen the concept through doing, through engaging with the institutions and organisations that attended our training programmes, through reading the books we purchased for our growing resource centre, and through international connections that were afforded by the grants we received from our funders. Most importantly, we applied our growing knowledge to Inyathelo itself, as a South African non-profit organisation (NPO), thus developing an experientially-based approach that was unique within this country's non-profit sector.

Although Inyathelo's early focus was on large, educational institutions, it was not long before NPOs began knocking on our door to seek much the same kind of assistance that we were providing to universities. We ourselves, as Inyathelo, implemented our own Advancement elements and learned more along the way through our own practice. In the ten years since our establishment, the concept of Advancement has matured to include the following:

- Our own home-grown notion of strategy and planning
- An understanding of how to position an organisation or institution within South African, continental and international contexts
- The role of leadership in Advancement, specifically in creating trust and confidence in an organisation
- The impact of voice and visibility on attracting like-minded people to the organisation
- Clarity of purpose in an organisation
- Effective organisational governance
- Good financial management and budgeting
- The importance of building long-term relationships with a variety of stakeholders
- The need to develop clear indicators against which progress and success can be measured
- Realistic expectations about social change.

This framework provides Chief Executive Officers (CEOs) and Advancement professionals with a clear understanding of what is required to attract resources to an organisation or institution.



The traditional fundraising approach that was generally in use at the time implied a charitable response on the part of donors and raising money was its primary function.

Advancement, on the other hand, is a holistic approach by an institution or organisation that encapsulates what is required to attract private investment.

The Ten Elements of Advancement

Advancement is not just a fancy word for fundraising. Rather, it is an integrated approach to engaging the external environment and positioning an organisation to attract support. It is about building, maintaining and improving support, skills and funds for an organisation. Inyathelo has structured its work around its identification and definition of ten key elements of Advancement.

These elements are:

1. **Leadership:** Strong organisational leadership is critical for Advancement and for organisational sustainability. This is particularly true in regard to financial sustainability, where donors will always look at the strength of leadership before making a funding investment.
2. **Governance:** A well-functioning governing Board is central to attracting resources for the organisation. Board members must reflect a good mix of qualities, skills, experience and energy. In addition, the roles and responsibilities of the Board and the Executive Director must be clearly defined and distinct, to avoid over- or under-involvement of the Board.
3. **Human capacity:** People are an organisation's most valuable asset, and investment in this asset is critical for successful organisational Advancement processes, practices and achievements.
4. **Strategy and planning:** Strategy is about how an organisation understands and engages with its context. These are usually external factors beyond an organisation's control but which might impact significantly on an organisation's capacity to achieve its stated objectives. Planning is about how an organisation responds to these external contextual shifts and changes. Planning is critical for an organisation to determine its capacity and its needs in ensuring appropriate, timely, effective programmes and delivery on its core mission.
5. **Organisational voice:** Organisational voice is critical in Advancement and is about expressing who you are and what you stand for as an organisation. Having a coherent and consistent organisational voice is key to giving a clear message to stakeholders, beneficiaries and donors about an organisation's purpose and objectives.
6. **Organisational visibility:** Publicising and communicating the work of an organisation through strategic channels (e.g. newspaper, radio and social media) is key to building organisational visibility.
7. **Building relationships:** Relationships are about creating awareness of an organisation, building interest and trust, and securing and nurturing commitments to support its organisational work.
8. **Fundraising:** Successful fundraising is grounded in expertise in the following key steps:
 - Developing a Case for Support
 - Identifying prospective donors
 - Building relationships with potential donors
 - Asking for support
 - Stewarding donor relationships and donor funds
9. **Financial management:** Sound financial management and administration is the heart that pumps the lifeblood and oxygen throughout an organisational body, supporting it to deliver on projects and programmes.
10. **Monitoring and evaluation:** Monitoring is the regular collection of data for the purpose of answering questions about an organisation's programmes and projects. Evaluation is using the collected data to assess the effectiveness and impact of programmes and projects.

Advancement in human rights and social justice organisations

Taking a strategic approach to donor relations is the basis for organisational sustainability. In putting Advancement into practice in organisations that further human rights and social justice causes, a number of considerations are of particular relevance:

Context

When exploring Advancement among human rights and social justice NPOs, the first critical issue is adaptation to context. South Africa is a complex and fast-changing society. In fact, it is geared to change in order to manage the massive expectations of the post-colonial and post-apartheid periods. As change is the one constant, organisations need to manage change and move flexibly and nimbly to fit the context. At Inyathelo we have found that standard strategic planning is not a useful exercise in fast-changing contexts, and established plans can quickly become a hindrance to adaptation, especially when dealing with issues of human rights and social justice. Continual *strategic thinking* is critical to ensure that an organisation remains well positioned to effect change, to engage activists and staff, to attract resources, and to be taken seriously by stakeholders ranging from government, the media and academia to communities and interest groups within them. Similarly, difficulties with strategic planning do not mean that *operational planning* should be discounted, as it is important to clarify what needs to be achieved annually (or in the short to medium terms) and to be able to assess outcomes.

Vision and mission

Once the context is clearly assessed and understood, the organisation will decide what it intends to do. Will it alleviate poverty; create an open society; enhance democracy; sustain our environment? This forms its vision, its 'big picture' contribution to society, and, ultimately, the parameters for the impact of its work. When an organisation has decided what it wants to achieve, it then has to focus on how it will put this vision into action; that is, it must clarify the mission. There are usually multiple options for the 'how' and the organisation has to choose what is most suitable for the context, taking into account its human and financial resources. As the context changes, how an organisation achieves its vision may also change. This flexibility is critical to its sustainability and is a key reason why plans set in stone can inhibit and paralyse an organisation.



Taking a strategic approach to donor relations is the basis for organisational sustainability.

Scope of work and budgeting

The next step is to assess what the NPO's plans are and what these will cost. Assessing the real costs of each programme or project means that each activity must be costed to include:

- A proportion of every staff member involved
- Operational costs such as rental, security, insurance, utilities and communications
- Governance costs such as the production of an Annual Report, Board meetings and an audit
- Maintenance and equipment
- An administrative allocation

Sustainability implies that each project or programme has to pay its way in the organisation, making a contribution towards core costs. Good financial management and planning is critical to ensure that budgets are accurate and that the organisation is not left with a deficit after its activities are completed.

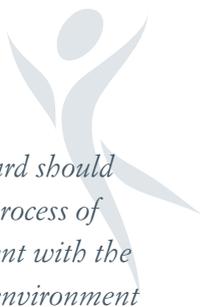
Governance

Good governance is a key component of attracting support. It is not always necessary to have high profile figures on an organisation's governing Board. What is important is that they are interested in the organisation and its work, are prepared to attend Board meetings and events, and serve as ambassadors for the organisation and its objectives. Besides monitoring the legal and financial aspects of an organisation, an effective Board will ensure that the organisation's activities are in line with its stated goals in its founding documents. In addition, the Board should lead the process of engagement with the external environment and the positioning of the organisation to ensure effectiveness. The Board is, in effect, the organisation. While employees come and go, the Board is the ultimate decision-maker and, in the eyes of the public, accepts overall responsibility for the organisation and is accountable for its funding and business.

Human rights NPOs can ill afford not to exhibit excellent governance as they need to practise what they preach. There is always a fine line between what is illegal and what is unethical and it is untenable for a social justice organisation to behave unethically, even if legally. It might, for example, be legal for an NPO promoting world peace to accept funding from an arms company, but it would certainly not be ethical.

Case for Support

The Case for Support is an internal document that comprehensively documents the organisation's reason for being, its activities, its human and financial



... the Board should lead the process of engagement with the external environment and the positioning of the organisation to ensure effectiveness.

resources, its budgets, its supporters, its governance and its history. It develops an argument as to why the organisation's work should receive support. This generic document becomes a critical tool in developing plans, producing pamphlets, documents and Annual Reports, as well as forming the basis for all outwardly facing documentation such as donor proposals. The Case for Support should also change from time to time as the organisation adapts its strategies to fit the environment. As this document provides clarity and captures the essence of the organisation, it should be used within the organisation so that staff are well acquainted with the NPO's objectives and speak with one voice about its vision, its activities, and why it should receive support.

Leadership and voice

The appointment of the Executive Director or CEO of an organisation is probably the most important decision any governing Board will make. Taking Advancement into account, the Board should ensure that the appointee stands for the same principles and values as the organisation and is publicly seen as reflecting its image. In the world of human rights and social justice organisations, it would be expected that the leader will have a voice, will publicly give voice to the values and opinions of the organisation, and will participate in some form of advocacy. Without a voice and without opinion, social justice organisations are disempowered as they cannot attract support or influence the environment, whether it is a critique of government, business or international issues. Besides being a public voice, the leader of a human rights NPO will also need to engage personally with the external world, including state structures, civil society, business, the media, academia, donors and communities. This can be done at face-to-face meetings, through print and electronic media, social media, publications, events and conferences. Strong and vocal leadership is an attraction and brings people and resources into organisations.

Visibility

While voice provides some degree of visibility, plans need to be put in place to ensure that the NPO is visible in order to build public awareness and interest in its activities. Marketing of social justice organisations is part of building visibility and clear, consistent branding strategies need to be developed. Most importantly, it is critical for an organisation to present itself as unique in the field as this is a competitive environment. The brand is not only about technical issues such as colours and a logo, but confidence in a brand grows as the organisation continues to undertake effective work. The brand cannot be seen in isolation from the activities of the organisation, its governance, its ethics, its leadership and its reputation.



The Case for Support should also change from time to time as the organisation adapts its strategies to fit the environment.

Positioning

How is the NPO located in its context? Every individual or organisation has a role to play among the people and structures with whom it interacts. Careful positioning of the organisation is essential to avoid hostility from within the external environment, to build alliances around common issues, to ensure the public understands where the organisation fits in terms of its values and services, and to safeguard its basic reason for existence. Positioning an organisation involves multi-layered strategies and activities, from building relationships on the basis of one-on-one meetings with potential stakeholders and prospective partners to clarifying values and viewpoints at meetings, through social media, and in the press. An organisation is not only positioned by what it says, but also by what it does. Its programmes and projects, therefore, also make a public statement about where an organisation fits in our society.

An element in the positioning of civil society organisations (CSOs) that has to be considered carefully is an organisation's relationship with government. When an organisation is involved in a social justice campaign this may place it in opposition to government, but this need not necessarily be the case. On some occasions relationships with government will be adversarial and on others they will be collaborative. It is important to recognise the possibility of working with government to achieve stated objectives.

Fundraising strategies and skills

Besides the ongoing work described above to project the NPO and position it in society, direct engagement with donors and the skills required for effective fundraising are critical. In Inyathelo's experience, effective fundraising involves four key components:

- Research – To identify donors who are interested in the organisation's area of work
- Cultivation – Relationship development
- Solicitation – Asking for support
- Stewardship – Of donors, including continued relationship-building, recognition and reporting.

These are not separate components, but take place simultaneously and with a range of stakeholders, donors and prospective donors.

Prospect research and project development

These are the back-room drivers of fundraising – the hard work that will outline what needs to be funded and who is likely to contribute. Basic research into prospective donors is an essential part of planning for fundraising. Besides identifying potential donors who might have an interest in the work of the organisation, such research should also identify the contact details, information on past grants or donations, and personal information regarding the prospect that might impact on their potential link with the organisation. Project development involves taking the generic Case for Support and breaking it up into ‘sellable bits’ – projects or programmes that are clearly defined with their own goals, personnel, activities, budgets and so on. Once a project has been defined, it becomes easier to identify a matching donor who would be interested in the work.

Cultivation

Building relationships with external stakeholders to create awareness, interest and confidence in the organisation, with the ultimate aim of attracting donor support, is part of the process of cultivation. This brings together the components already mentioned – that is, leadership, voice, visibility and positioning – but, most importantly, it involves human connections that build trust and confidence in the NPO’s leadership and its staff that will encourage investment. When potential supporters have been identified, organisations need to reach out to build sound relationships before the question of funding is raised. There are various ways in which organisations can connect with the external environment and potential partners that have been identified during the research process. Creating awareness can include sending out an Annual Report to a strategic list of people, organisations or institutions. Building trust involves further, ongoing contact through such activities as personal meetings, open days, invitations to attend events, participation in workshops and serving on advisory boards. The precise nature of these activities will be determined by the type of relationship the organisation is seeking to build.

Solicitation (or the process of ‘making the ask’)

Generally the next step is to approach prospective donors and ‘make the ask’. If relationships have been built and confidence created, however, it is possible that the potential donor would have already suggested making a contribution. If the Advancement approach has been effectively implemented, it should obviate the need for intensive solicitation as donors themselves begin to approach organisations they know to suggest mutually beneficial partnerships, rather than the organisation having to make the first approach. If there has been no



Building relationships with external stakeholders to create awareness, interest and confidence in the organisation, with the ultimate aim of attracting donor support, is part of the process of cultivation.

suggestion on the part of a donor, however, the best approach is a face-to-face meeting with the prospect. In cases where relationships are good, this meeting should not be difficult to arrange or conduct as the prospective donor will have knowledge of the NPO and discussion will centre on its current activities and requirements. Of course, it is considerably more difficult to meet with donors in the absence of an existing relationship with them. The cultivation of relationships and solicitation are inextricable if there is to be a successful outcome.

Stewardship

This process involves making the donor's experience as pleasant as possible by ensuring that thank you letters are sent out on receipt of funds; that reports, both financial and narrative, are accurate and submitted on time; that the donor's contribution is recognised in some way by the organisation, and that donors are included in organisational activities as key partners. Alongside the NPOs they support, donors are in many ways themselves activists. They provide the fuel that enables the organisation to meet its objectives and often have the same passion for the cause. While full engagement with the donor is important, there has to be clarity on roles and responsibilities and the boundaries between where the donor's work stops and the organisation's starts. It is critical that organisations maintain their autonomy and are left alone to make independent decisions about key objectives and methodologies.

The points above are all key components of good fundraising and should be approached as donor-specific; that is, the manner in which each donor is approached, and the relationship developed with the donor, will be particular to that donor. Each relationship is distinct and requires a different set of responses from the organisation, its leadership and its personnel.

Some factors impacting on non-profit sustainability

A key issue that social justice organisations in South Africa need to take into consideration is a growing hostility on the part of government to an active and robust civil society. While civil society played a major role in changing the status quo in the 1980s, and in overthrowing apartheid, there are increasing signals that members of the ruling party believe that civil society undermines government, is unaccountable, is funded by foreign spies, and even functions at the behest of the market. There are also indications that members of government believe civil society is a hindrance to the will of the majority of the people who have elected a specific party to power. A sense currently exists that the party that wins elections rules and that opposing its policies is therefore anti-democratic. This points to a resistance to constitutionalism and some degree of confusion



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in relation to constitutional democracy and the role of Parliament therein. In fact, the Constitution is the supreme law and Parliament has to work within its bounds.

Possible threats to constitutional principles of freedom of information and association will have a significant impact on the sustainability and strengthening of human rights and social justice organisations. A case in point is the Protection of State Information Bill, which in its present form would, if passed into law, infringe on freedom of expression.

Those working in the areas of human rights and social justice will be the first to be affected by any government action that undermines constitutional principles, while those undertaking direct service delivery are not likely to be affected to the same extent as they are often funded by, and in partnership with, government.

Marginalisation of civil society

Neither government nor business gives full recognition to the role of civil society in South Africa and it is frequently omitted from key forums such as the National Economic Development and Labour Council (Nedlac) and the National Planning Commission. Civil society reflects a massive diversity of interests and passions, from conservative to progressive. It is also a major employer. The size and diversity of civil society could be seen as an advantage, but it also means that there is no unified voice emanating from and representing the interests of this space. While there are often calls for a civil society voice, its diversity is testament to its viability and multiple points of power are good for democracy. NPOs need to determine where they fit into a developing state and define their core role accordingly, which could include service delivery, holding government to account, giving voice to various advocacy issues, or building social capital.

Growing and diversifying the donor support base

In South Africa, human rights organisations (HROs) compete for resources with others that have very clear short-term deliverables such as child welfare programmes, feeding schemes, vaccine campaigns and similar initiatives with concrete, easily measurable and service-oriented outcomes. Advancing human rights generally requires systemic and policy changes, which often take time and are less discernible than the short-term deliverables of others active in civil society. In addition, the outcomes associated with rights and justice work do not fit neatly into the Black Economic Empowerment (BEE) codes by which companies are required to abide; social justice organisations are therefore less likely to gain support via corporate giving. This has resulted in heightened



Possible threats to constitutional principles of freedom of information and association will have a significant impact on the sustainability and strengthening of human rights and social justice organisations.

dependency on international aid and support from private Foundations – sources that are not necessarily sustainable in the long term. This is indeed the Achilles’ heel of South African civil society, particularly for those organisations working to advance social justice. It is imperative to identify and cultivate support from local individuals and Foundations, and, where possible, also from government.

Alternative sources of income generation that are in line with the organisation’s objectives should also be considered. Some such examples are outlined below.

Cost recovery fees for services

Frequently, social justice and human rights NPOs have the capacity to deliver services to particular sectors, such as delivering rights-based workshops to government or information and strategic workshops to the corporate sector, and to charge fees for these services. The educational and consciousness-raising aspects of this work are often critical for the success of the organisation’s objectives. Having paying clients alongside donors can contribute towards sustainability.

Building a reserve

Developing a reserve is a long and difficult path and requires strong financial management. Any fees from consulting work undertaken by employees of the NPO should go into the reserve, as should interest on pre-paid grants provided the conditions of the grant permit it. Although it can take time to build, a well invested reserve will begin to generate its own income. If this is reinvested annually, the fund will begin to grow quite rapidly. Reserves enable an organisation to bridge difficult periods and also to be flexible, to employ extra staff as required, or to cover unusual core costs such as moving office. It is important not to use more than 30 percent of the annual income of a financial reserve as the balance should be reinvested to maintain the currency of the principal sum in line with inflation.

Annual Fund

While many NPOs believe that an Annual Fund is an unrealistic expectation and that individual South Africans are unlikely to make contributions towards human rights and social justice causes, this work has to take place in order to develop awareness in our communities of the need for a strong civil society and to mobilise behind certain causes. People give to causes about which they are passionate. Yet asking is the stimulus to giving. If we are not asking, the funds will not come in.



Advancing human rights generally requires systemic and policy changes, which often take time and are less discernible than the short-term deliverables of others active in civil society.

Events

Well organised annual events can be a good source of income. These may include an annual benefit dinner with a guest speaker or a sports event. While events such as golf days, for example, may not fit the perceived image of what members of social justice organisations do in their spare time, they can be lucrative sources of undesignated support.

Conclusion

Advancement in an NPO is an ongoing process and its practice needs to be rooted in the consciousness of every employee and Board member. Critical to long-term sustainability are: having an underlying awareness of the continual need to measure performance; undertaking environmental scans to evaluate strategy and positioning; ensuring flexibility and innovation; building ongoing relationships, and stewarding funding. Advancement is not merely a model for success, nor is it simply technical knowledge of fundraising practice that enables an organisation to raise money. Rather, Advancement is an approach – a deeply embedded process of ensuring that the organisation continues to interact effectively with its external environment rather than becoming an inward-looking structure.

Social justice and human rights NPOs in South Africa have a major role to play in ensuring that our democracy survives, that the rights of all citizens are protected, and that the principles and consequences of a constitutional democracy are well understood. While large numbers of organisations in civil society deliver goods and services to the poor and marginalised, the work of those involved in advocacy, policy development, litigation and research adds value to, and helps preserve and safeguard, what is still, after all, a young and fragile democracy.

SECOND TAKE

A participatory approach to Advancement

Sharon Pillay, Head of the Family and Refugee Law Departments, and Kisha Candasamy, Head of General Law, provide an account of how Advancement has become part of the work of all staff at ProBono.Org.

In 2010, ProBono.Org began introducing staff of the organisation to various new concepts that fall under the rubric of Advancement. When our contracts came up for renewal in 2011, various new clauses were added. One clause stated that we should “be involved in Advancement (fundraising and communications) activities, such as drafting articles and blogs for the newsletter, website and other media and identifying Advancement opportunities for the Company but not including drafting of funding proposals and reporting to donors (save for assisting the Advancement Director with necessary information required to draft proposals and reports).”

Staff were also introduced to the concept of Advancement at various internal meetings and discussions. It became apparent to us that while this specific clause explicitly made Advancement a part of our job descriptions, many other aspects of our work, as set out in our letters of appointment, involved Advancement seen in its broadest sense. For instance, we are responsible for maintaining and building strong relationships with legal practitioners willing to render *pro bono* legal services and for actively recruiting them. In order to do so we have to communicate clearly, ‘sell’ the notion of *pro bono* legal work, promote ProBono.Org as an organisation that can assist them, and generally market our work.

Another large component of our responsibilities, also set out in our job descriptions, is to maintain and build strong relationships with non-governmental organisations (NGOs), community-based organisations (CBOs), law clinics, as well as other *pro bono* or public interest law initiatives. This, too, requires us to network, promote ProBono.Org and the work we do, and actively enhance our relationships with those organisations. Our job description also requires us to organise seminars and workshops on topics of interest to our lawyers and our NGO/CBO networks, to submit articles to the newsletter, and promote the organisation through these and other activities.

Finally, we are required to network with potential donors, high profile legal professionals, government officials and other stakeholders, to raise the profile of the organisation and increase branding. When ProBono.Org has high impact cases, we attempt to use them as promotional and branding opportunities.

Having our job descriptions incorporate Advancement has meant that we do a great deal of Advancement work in addition to our other functions which involve managing interns, writing briefs, and ensuring that our clients are able to find legal support. We attend and organise workshops, we promote the services we offer, we are involved in preparing blogs for our website and social media, we meet funders and have a number of outreach programmes where we network and promote our services to NGOs and CBOs.

We have been enabled by the leadership of the organisation who encourage us to participate in, manage and initiate these activities of ProBono.Org, thereby also allowing us to improve our leadership abilities.

There is also a culture within the organisation of sharing information and everyone working together as a team. This enables us to be part of the Advancement of the organisation, as we know most things about our organisation. We play a substantial role in conceptualising, implementing and managing all of the Johannesburg-based projects of the organisation, and in doing so we have to work closely with the Advancement Director on all donor and funding-related matters. This includes the drafting of funding proposals, meeting with funders, and preparing funding reports.

The way ProBono.Org works is highly participatory. We believe that it is important to involve all employees in Advancement activities because they are the ones who have on the ground experience of what the organisation is about. They are the ones who deal with the public and, essentially, become the face of the organisation.

It makes sense therefore to involve as many different people as possible in Advancement activities, especially in small organisations such as ProBono.Org. Everyone plays a role to some degree, and this must be taken into account and should not be taken for granted by the leadership of an organisation.

SECOND TAKE

Spreading Advancement responsibilities

The Studies in Poverty and Inequality Institute's (SPII's) growth has impacted on ways in which Advancement activities are carried out. Fortunate Mabuza, Grants Administrator, and Thabileng Mothabi, Researcher, write that both programme and support staff are key to these efforts. They also highlight how clarity on an organisation's vision and mission can enhance the Advancement strategy.

SPII, as a start-up organisation, has experienced substantial growth since its inception six years ago, in terms of both its breadth of work and its staffing capacity. This has influenced the way that we undertake a variety of functions, including those related to Advancement. For instance, initially the Director would undertake prospect research; now that our staffing capacity has increased, the Director is able to work more strategically and delegate some Advancement functions to other staff members within the institute.

Under the guidance of Inyathelo, the first Advancement team was established within SPII in early 2011. The team comprises a part-time Grants Administrator, the Financial Administrator and the Director. The creation of this team enabled us to look at our strategy from the perspective of how to put plans into place, to grow and expand the work of the institute in a comprehensive and holistic fashion.

As part of the Advancement team, the Grants Administrator (then designated as Personal Assistant to the Director) started to undertake background reading. This included getting to grips with all concept notes, proposals and reports so that she could oversee timely reporting and stewarding of funding partners. It was also critical for her to understand the fit

between funding partners and the values of SPII which inform all programmatic work. More importantly, in order to undertake prospect research effectively and efficiently, she had to be acquainted with the organisation's vision and mission. The information we gather for prospect research is now incorporated into a new Information Management System (IMS), called Salesforce, which is tailored to suit SPII's needs.

Researchers form the core of the programme staff at SPII. They also play a crucial role in identifying and pursuing funding opportunities to support the organisation's objectives. By adopting a 'from the ground up' approach to raising resources for the organisation's research projects, SPII puts Advancement at the heart of the organisation's practice. In their role as fundraisers, researchers are directed by the organisation's vision which is translated into research project areas. They work closely with the Grants Administrator in her donor prospecting to identify potential funding sources that could advance both their own project areas and the mission of the organisation as a whole. Calls for proposals and potential prospects, aligned with the mission, are scouted for on this basis. There is considerable pressure on researchers to ensure a pipeline of prospects so that they stay on the job, keep growing the organisation's research outputs, and transform project funders into core donors.

In supporting organisational Advancement, and in helping to identify investment opportunities, researchers must have a sound understanding of their field of research so that opportunities for alignment with potential donor investment are harnessed. This also allows proposals to be developed that marry donor requirements with SPII's research imperatives. As part of the organisation's grant stewardship, researchers must also be well versed in grant reporting requirements to provide relevant and timely information to the Advancement team.

By adopting a 'from the ground up' approach to raising resources for the organisation's research projects, SPII puts Advancement at the heart of the organisation's practice.

By taking Advancement on board, SPII has been able to reconsider how it operates. This has formed part of a broader process of evaluating our practice which enabled us to nurture within SPII a balance between research and advocacy. It has resulted in a set of criteria now used to guide SPII's fundraising activities and, most importantly, to ensure that the funders who are approached have values that are aligned to the organisation's mission and vision.

The six-point criteria used to identify potential donors are:

1. **Does the call for proposals fit within the five-year strategic plan?** This question guides SPII in determining whether potential funders' priorities are aligned with SPII's thematic research areas.
2. **What is the time period for the funding (working on a preferred minimum of 12 months)?** While perusing a call for proposals the staff member needs to familiarise himself/herself with the potential donor's funding time frames and funding cycle.
3. **What percentage of the project budget would the grant cover?** This entails identifying the proportion of the total project cost that might be acquired through the grant.
4. **The level of complexity of the grant application and administration procedures and the implications for SPII:** This includes becoming acquainted with the reporting systems of the potential donor, and whether the grant is worthwhile relative to the burden of administering it.
5. **The future sustainability of the project beyond the proposed funding period:** This requires SPII to assess the viability of the project in the immediate, medium and long terms.
6. **The level of value fit between the donor and SPII:** This is linked closely to whether the donor's priorities and values align with the vision and mission of SPII.

It is easy for institutes like us to become distracted from our vision and mission by funding or partnering organisations. What if, through the prospecting process, the potential for new research projects that are not in SPII's current five-year plan are identified? These are then critically reviewed on the basis of their strategic potential to open up new areas of research.

More recently, SPII has consciously linked its Advancement strategy to its strategic plan. This has made it easier for staff members to identify synergies between the organisation's vision and work plans and the objectives of a particular funder. In the past SPII tended to be driven by donor demands. Now it is better able to provide donors with an impression of medium- to long-term objectives, and how it seeks to achieve these.

If all staff are acquainted with SPII's mission and vision, they will be better able to support Advancement. Having a clear approach to Advancement, both in thinking and action, has empowered staff and enriched what it is SPII seeks to achieve.

In the past SPII tended to be driven by donor demands. Now it is better able to provide donors with an impression of medium- to long-term objectives, and how it seeks to achieve these.

On Advancement



On knowing who you are

For me, organisational Advancement and development are about looking at the whole organisation. Where is the leadership? What is the Board doing around strengthening the organisation, financially and otherwise? Where is the National Director? And, when I speak of Advancement, I mean financially as well as non-financially. Advancement and development are not only about fundraising, or about the donor-grantee relationship ... it's a much bigger picture than that.

*Hyun-Jung Kim, former Development Director,
Legal Resources Centre*

In this day and age, organisational identity and purpose is crucial. When access to resources is not as challenging, an organisation could probably coast along without being too clear about what it is they are doing. I've seen it necessary for us to sharpen our identity because you can't really do any medium- to long-term planning unless you know what it is that you're seeking to achieve, and how. You also can't evaluate your effective use of resources, and their application, unless you know what your objectives are, which includes a regular review of your tactics. You certainly can't sell to anybody a confident idea of why they should invest in you if you're not that clear about what it is that you're going to achieve. And, you also don't know the kind of human resources you require to achieve your goal unless you know what that is.

*Isobel Frye, Director, Studies in Poverty
and Inequality Institute*

ERICA EMDON

ProBono.Org

Knock, knock, knocking on heaven's door

The story of a start-up organisation

While this paper relates to ProBono.Org, a start-up human rights organisation (HRO), much of what is addressed in it would apply to most non-governmental organisations (NGOs) in South Africa, no matter how old or new. The essay deals with Advancement practice in ProBono.Org and tells our story. Many of the lessons ProBono.Org learned about Advancement were necessary for survival. This is what we want to share with others.

Starting out in a dream world

ProBono.Org turned six years old in October 2012. It is hard to imagine that this small NGO has tripled in size and quadrupled its budget since opening its doors in 2006. And that it has moved from having one core donor at inception to having more than 20 in 2012.

ProBono.Org was fortunate to have been given a four-year start-up grant from The Atlantic Philanthropies (Atlantic), and as a result did not have plans to seek out other grants. At the outset, the organisation had two major concerns: to recruit lawyers to do *pro bono* work, and to identify public interest cases. Fundraising and sustainability were not considerations at that stage.

In that first year of operating, ProBono.Org had a very limited Advancement vocabulary. By mid-2007 it did know a little about 'marketing'. A report written at that time set out a fairly sophisticated marketing strategy that included the use of media, newsletters, the ProBono.Org website and other communications tools to promote the work of the organisation among lawyers and NGOs. Notions of fundraising, sustainability and the like simply did not arise.

ProBono.Org had a wake-up call in early 2008 when we realised that our core and only donor, Atlantic, required us to raise matching funds over the four-year period of their core grant to the organisation. Receipt of annual tranches of the grant from Atlantic was conditional upon new funds being raised from other sources. Having to raise these so-called matching funds to access monies from our core donor threw ProBono.Org into something of an unanticipated crisis: in order to survive, the organisation urgently needed to mobilise funds from other donors.

An emergency strategy jolted the organisation into action and enabled ProBono.Org to raise the matching amount required in 2008, and the next tranche was released by Atlantic. A realisation had now emerged within the organisation that fundraising had to become a priority function or ProBono.org would sink. By July 2008, shortly after it had raised the first portion of matching funding and the crisis had passed, the organisation began to be more focused on fundraising as part of its planning.

A structured Advancement capacity building programme

ProBono.Org had a lucky break that is unlikely to happen to many NGOs, and the resultant lessons are worth sharing. The organisation was selected to participate in the Atlantic Philanthropies Sustainability for Human Rights Organisations Programme (AHRP). The purpose of the programme was to strengthen capacity for sustainability among selected grantees of Atlantic. ProBono.Org was invited, along with other grantees, to submit a concept paper and to undergo an assessment of our then Advancement capacity and operations. After a lengthy selection process, ProBono.Org was among a group of organisations chosen to participate in the four-year sustainability programme.

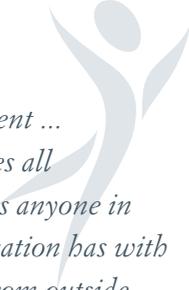
In order to be selected for the programme, ProBono.Org had to agree to make some internal changes based on the findings of the organisational assessment, which had identified some serious problems. These included the following:

- The organisation was solely dependent on one grantmaker for its income
- No person in the organisation was dedicated to fundraising on either a part-time or full-time basis
- The Board was not active in Advancement
- The organisation had neither a strategic plan nor a fundraising plan
- The organisation's fundraising activities were ad hoc and unfocused.

The vocabulary of Advancement

Participation in the AHRP allowed ProBono.Org to learn a new language and a set of new skills that has enabled it to grow and survive. In the beginning, when ProBono.Org was in its second year, the term 'Advancement' was barely known. A few definitions were available in some of the literature on fundraising, but the staff at ProBono.Org had not yet been exposed to this. Nevertheless, in 2009, as ProBono.Org embarked more seriously on grand efforts to raise funds, it created the post of Advancement Director, which covered various functions, such as:

*Advancement ...
incorporates all
interactions anyone in
the organisation has with
someone from outside.*



- Fundraising
- Networking and liaison
- Stakeholder relations
- Communications and marketing.

ProBono.Org embraced the notion of Advancement and, over time, broadened and grew its scope and meaning, granted it a central place in the organisation, and encouraged every member of staff to own it. For ProBono.Org, Advancement captured the concept of something bigger than the older term 'development', used in many NGOs. The term Advancement implies movement towards something: a sense of advancing forward. And Advancement was seen as much bigger than 'fundraising', which fails to capture the networking, relationship building and profile building that have to be incorporated into the activity of fundraising.

Over time, with the position of an Advancement Director entrenched in the organisation, and the staff being exposed frequently to the notion of Advancement, the organisation developed its own – to some extent perhaps even unique – approach to this bundle of activities. When interns were asked what Advancement was in an interview in 2012, one said: "Advancement lays the foundation for growth and sustainability." ProBono.Org used the concept to capture the idea of advancing the interests of the organisation in a variety of ways.

Advancement is now viewed by the organisation and staff as many different things and includes communications, networking and relationship building. The concept incorporates all interactions anyone in the organisation has with someone from outside. There are very clear groups with whom staff have to interact, namely, lawyers, clients, the media, the organised legal profession, corporates, donors and others. Each interaction with every one of these groups involves Advancement. It encompasses the way ProBono.Org presents itself in, and to, the world.

Over time, staff members were exposed more comprehensively to these ideas. They were included in Advancement strategy meetings, communication strategy discussions, planning sessions, dialogues on branding, and the like. Every member of staff was given exposure to Advancement training, and all members of staff became ambassadors of the organisation. The practice of Advancement was being instilled throughout the organisation. By 2010, all job descriptions involved some Advancement-related functions.

Telling the same story

Early on it became clear that everyone in the organisation, from the receptionist to the National Director, had to tell the same organisational story. Sometimes this is taken for granted. It is assumed that when new members of staff are employed, they must automatically know the story. But they may not, and they may miss the nuances, or their emphasis may be wrong. In ProBono.Org some of the staff saw us as an advocacy group, or as a direct provider of legal services, both of which are inaccurate.

The concept of developing a vision and mission for ProBono.Org was a late arrival. It certainly was not there in the beginning. Since ProBono.Org has developed its vision and mission, these have been useful internally in ensuring that everyone is on the same page. Strangely, it's less important with donors. While most donors require some kind of summated version of what an organisation does, such as a vision and mission, they frequently have far more detailed requirements. For instance, donors want to know what the organisation's intended outcomes are, and how it aims to achieve these, or what impact the organisation hopes to make. Now that 'change theory'¹ has become popular, the donor may want to know what change the organisation hopes to effect.

So we now believe that everybody in the whole organisation must tell the same story and have a very clear idea of what the organisation does. They should not vacillate. The same story has to be told by everybody coming into ProBono.Org because everybody is an Advancement warrior for the organisation! And, that story has to be taken down to the bottom. It cannot be stuck with a few people at the top, or in a communications department.

The brand has to be bigger than the individuals

ProBono.Org learned, too, that an NGO must have a distinct organisational identity, brand, or culture, as opposed to a personality cult. Very often start-up organisations are hooked to a founder and his or her personality, and then the organisation fades away when the grand personality leaves. ProBono.Org has taken a different approach. It has, perhaps not intentionally, built an identity focused on the organisation. Obviously there are strong personalities within the organisation, but no single person has become the symbol or figurehead of the organisation. The concept of all Advancement functions residing in one person, be it the Chief Executive Officer (CEO), Advancement Director or another especially designated staff member, is not followed. Everyone has a responsibility to assist in building the organisational identity and public profile.



... an NGO must have a distinct organisational identity, brand, or culture, as opposed to a personality cult.

¹ A new way of evaluating the effectiveness of projects by drawing out the underlying assumptions about how they lead to social change.

The approach to leadership has been to create a flat, egalitarian structure. This approach has grown out of the tradition of earlier human rights NGOs that were involved in opposing apartheid. The aim in many of these organisations was to combine a high degree of professionalism with democratic leadership and a participatory ethos. ProBono.Org does have a structure and a hierarchy, but there is a great deal of openness to having conversations with staff at all levels and to allowing people to participate fully. Members of staff, when interviewed in 2012, characterised the organisation as having a consultative, transparent, inclusive and enabling leadership.

Extending this idea of leadership to Advancement has been a key strategy. We now hope to be able to boast a participative Advancement approach. This links to a broader concept that ought to be considered in all NGOs: the building of organisational strength and sustainability internally. Advancement in its narrow conceptualisation is seen as something that is externally facing, involving the relationships the organisation has with the outside world. But a key element of Advancement is also the internal building of an organisation.

This requires more than ensuring that everyone in the organisation, from the receptionist up to the Director, is an 'Advancement warrior'. It also requires that the leadership should identify opportunities to grow and develop staff internally. Succession planning is a key component of this. Young staff with potential should be nurtured and mentored. Responsibilities should be shared with them and they should be given challenging work to stretch their capabilities. Leadership should have long-term plans that enable good staff to grow in the organisation, with the aim of giving them opportunities to develop without having to leave the organisation. This happens not only by sharing Advancement work across the organisation, but also by promoting a sense, among key staff, that they have a future in the organisation.

Rather than the focus being on any one individual leader, which brings with it the danger that the life cycle of the organisation is limited to the life cycle of that individual's involvement in it, we focus on the organisation. How do we make it exist as an organisation, with each participant equally committed, involved and knowledgeable about who we are and where we are going? And how do we ensure that staff believe they have a future with us?

Advancement in its narrow conceptualisation is seen as something that is externally facing, involving the relationships the organisation has with the outside world. But a key element of Advancement is also the internal building of an organisation.



Setting Advancement milestones, targets and goals

One of the first and most important tasks we learned on the AHRP was the importance of setting annual Advancement milestones. Every NGO should embark on this exercise, plan five annual milestones, and then ensure that these are implemented.

Milestones are clear, achievable targets. They should include and enhance current Advancement functions, and add new ones. In 2009 ProBono.Org set the following milestones:

1. *To enhance the governing Board's understanding of and capacity to support Advancement.* At the outset of the AHRP, our Board had not heard of the concept of Advancement. Over the three years since, its members have participated in a number of workshops and discussions about Advancement thinking and practice, and have had an opportunity to debate and discuss Advancement and their role in it. Some progress has been made in heightening their understanding, but their active involvement in Advancement remains minimal.
2. *To upgrade ProBono.Org's website.* When we started the AHRP, our website was a mess. It was unfriendly, non-interactive, outdated and simply not worth looking at. All NGOs should have up-to-date, dynamic and interactive websites. All our project staff have been trained to update the website themselves. They are able to change basic information and write blogs. We now have dedicated capacity to ensure that the website remains updated. Interns and volunteers provide this service as ProBono.Org does not have the budget to outsource this function.
3. *To produce a professionally printed Annual Report.* Although it was 2009 and we were in our third year of operation, we had not published an Annual Report. Since then we have published three, the last one being the most comprehensive. We use the Annual Reports for promoting ourselves, for marketing purposes, to give out information about what we do, to thank our *pro bono* attorneys, donors and NGO partners, and to advance the Board and staff. Every NGO should produce an Annual Report as it is an important marketing tool. Some NGOs launch their Annual Reports at their Annual General Meetings (AGMs).
4. *To undertake Advancement and fundraising planning.* We have, over the years, set out to make plans. We find, however, that instead of a plan, we have a *process* that could be said to be a plan. It sets out when all reports to existing donors are due, lists deadlines for all new applications to prospective donors, and includes a schedule of donors that should be approached for support and why. It is a moving plan that is iterative, and alive within the

organisation, and in relation to which all staff are invited to comment, add or subtract. For nearly three years we have been trying to introduce a donor data management system to help with the scheduling and tracking of fundraising activities. Finally, during the course of 2012, we will implement the system, which is tailored to our needs.

5. *To identify 30, and make direct contact with ten, prospective new donors.* For any organisation that has one core donor, this milestone may seem like a tall order. But in fact it is an imperative. If not 30, make it 20. But the need for diversity of funding sources is real. One can no longer rely on the beneficence of one international philanthropic Trust to give huge amounts of core funding with very few strings attached. ProBono.Org, having opened its doors in 2006, was probably the last on the list of NGOs that were fortunate enough to have lived and worked in the era of magnanimity. Now we live in the era of the small project or programme-based donation – that may or may not straddle more than one year.

What made these milestones work for ProBono.Org was that they were achievable and we managed to meet them all. As such, we embarked on the same process in 2010 and set the following milestones:

1. *To enhance the Advancement capacity of, and create Advancement roles and functions for, all staff.* We were very conscious about doing this, and will always propagate this approach for NGOs: let as many people as possible in the organisation understand and absorb 'Advancement speak' and be schooled in carrying out and implementing Advancement functions.
2. *To research and plan a data and information management system that will serve the longer-term Advancement needs of ProBono.Org.* We are currently implementing this data management system, planned and discussed since January 2010. It has taken almost three years of research and planning to decide what to purchase and how to operationalise it. The lesson here is that this is time well spent, as through the process we have identified what information we need to capture, what we need to know, what reports should be generated, and how to assess the quality of the system. Once in operation, we hope that the system will achieve what we set out to accomplish.
3. *To undertake a brainstorming session on a fundraising and Advancement strategy for ProBono.Org, focusing particularly on income streams to cover core costs.* We have reached a point – which all NGOs should move towards right from inception – of knowing exactly what our budget is for the year ahead, how much we have raised, what our shortfall is, and what funding we require, why and when, in order to cover the costs of the coming financial year. This is part of our ongoing work now. Also, our Board has become more hands

on and increasingly concerned about our sustainability. They now insist on receiving quarterly reports at Board meetings that give an overview of all funds raised and received, all donors who have been approached, and so forth. In preparing these reports, we have become aware of our income streams and whether our costs are being covered or not.

4. *To identify 30, and make direct personal contact with ten, prospective donors.* Every year we set a target of the number of donors to meet or contact. We believe that even though the AHRP has ended, we should still do this in order to grow and diversify our donor base, as well as to counter donor attrition. Setting numerical targets, and trying to keep to them, is a valuable means to ensure that we plan and implement donor cultivation efforts.
5. *To devise and implement a system of quarterly feedback from the ProBono.Org panel of lawyers² to provide relevant data in support of Advancement functions.* This milestone was set to enable us to use our data to support fundraising and marketing operations. By giving out a statistic showing how many *pro bono* hours our panel of lawyers performs each quarter, we are, among other things, promoting the lawyers, promoting our work, and indicating its multiplier effect.

In the last year of the AHRP, 2011, we set another five milestones of a similar nature, which we also managed to implement successfully. Given our concerted efforts as described above to develop ProBono.Org's Advancement operations, the question remained: had we addressed the concerns raised in the baseline assessment of 2008, conducted prior to our joining the AHRP, and had we managed to overcome those pitfalls? To return to them:

- *We were dependent on one grantor.* At the time we were not very concerned about this. Now we are, as it is not sustainable. We have since spread our wings, and in our sixth year we now have just over 20 donors.
- *No one in the organisation was dedicated to fundraising.* We responded quickly to this criticism and created the position of Advancement Director. Now, six years later, everyone's job includes Advancement. The lesson learned is that, while it is a good idea to have one person with the overall responsibility to fundraise, everyone should have to participate in supporting this function. Project staff, who understand most intimately what they do, should be able to motivate to funders why their support is needed. Therefore, project staff should participate in writing proposals and reports and, wherever they can, should be encouraged to identify potential funders.

² This refers to the attorneys who have agreed to do *pro bono* work in collaboration with ProBono.Org.

- *The Board was not active in Advancement.* As mentioned, this is changing. Board members are slowly becoming more interested in sustainability issues, and want to ensure we are not about to go under, due to lack of funds.
- *We had no strategic plan.* Now we do some planning once a year. It helps us, directs us, but does not tie us down too heavily.
- *We had no fundraising plan.* We still do not have a fundraising plan as such. But we have targets and we are strategic. We started off by having high hopes of reaching as many as 30 new donors per year. Now we work with a smaller number, but use more focused and astute tactics. For example, we target friends of friends, work off personal recommendations, and hone in on those funders who have funded us before.
- *ProBono.Org's fundraising is ad hoc and unfocused.* Our approach to raising funds is still somewhat ad hoc, but it is highly focused. We do have a strategy, but we also let our approach go with the flow. If we hear of an opportunity, we may drop everything and go for it. Or, if it seems we are barking up the wrong tree, or wasting too much time on a particular donor that is not bearing fruits, we redirect our efforts elsewhere.

Going forward – planning and budgeting for Advancement

As the AHRP wound down at the start of 2012, ProBono.Org realised that it needed to build Advancement work into its budgeting. Budgets should be provided to train your staff and to have reflective periods out of the office. There have to be funds and time made available to ensure that the organisation remains conscious of Advancement priorities. This means being aware of the Advancement needs of the organisation at all times.

We have to remind ourselves to make time to set milestones, to create opportunities to ensure our vision and mission are up to date, and to ensure that we are all working from the same Case for Support.³ We have to remain conscious of our governance structures and ensure our Board is participating in Advancement. We have to make time to conduct all the various activities required to keep Advancement central to our operations. This also requires that we be more focused on Advancement planning in order to consciously continue and maintain the energy and focus that has been provided to the organisation by participating in a sustainability programme such as the AHRP.

³ By Case for Support we refer to a document or set of materials that makes the argument for the existence, mission and values of the organisation. It is used as a basis for soliciting resources through applications for funding and proposals.

Will we survive?

After receiving significant Advancement support through the AHRP, having restructured our operations to free up capacity to do Advancement, and after undertaking all this work, can we now say we are financially sustainable with a secure future ahead?

The honest answer is no. We still do not have a reserve big enough to carry us for a year. Our ultimate aim is to grow the reserve to a point where we are able to operate off the interest. But this may be a little ambitious right now. A reserve big enough to sustain us at our current budget level for a full calendar year, would be sufficient.

In common with many other social justice NGOs in South Africa, the major hurdle we face is that we are unable, except with a few exceptions, to sell our story or gain committed financial support from the South African donor community. While research shows that South Africans contribute to social and charitable causes, it appears they prefer to focus their support on what are considered more tangible projects, such as those that provide direct material benefits. Social justice is not yet seen to have the same level of importance to donors, as, for example, supporting HIV/AIDS treatment, bursaries or orphans.

Mobilising local donor support for social justice remains a challenge. Although ProBono.Org currently has more than 20 donors, Atlantic still remains by far the largest, followed by three other international donors. Our South African donors tend to make comparatively small donations. In the long term, there is a strong argument to suggest that social justice organisations should work together to mobilise and attract support from local philanthropists, local Foundations and corporate social investment (CSI) departments. This requires that we build a Case for Support for local donors, who should, one would imagine, be committed to protecting our democracy and our Constitution.



... social justice organisations should work together to mobilise and attract support from local philanthropists, local Foundations and corporate social investment (CSI) departments.

SECOND TAKE

Knowing what you're about

The establishment of the Studies in Poverty and Inequality Institute (SPII) was a dynamic and exciting undertaking. Isobel Frye, Director, looks back to assess impacts on the early growth of the organisation and the process of honing an emerging organisation's identity around objectives which straddle research and advocacy.

SPII was formally constituted in July 2006. The organisation was formed out of discussions held among a group of people from civil society and labour, and a variety of activists, who all expressed concern for both current and future social, political and economic transformation within South Africa. This concern was based specifically on an apparent failure by the state and other social actors to tackle the complex dynamics driving and resulting from poverty and inequality in a post-apartheid South Africa.

The group constituted the founding Trustees, from whom the first Director was appointed, and SPII was born.

Getting off the starting blocks

As soon as the idea of the institute took root, we began to approach funders and potential partners to understand what appetite there might be to support a research-driven non-profit organisation (NPO) in this field. The first three funders approached all expressed in principle support for the work of the organisation prior to its legal formation. It is important to note, given the embryonic nature of the institute at that stage, that two of the funders were prepared to pledge project-based support rather than core cost support. The Atlantic Philanthropies (Atlantic)

was the exception, agreeing to provide an initial three years' contribution to core cost funding.

The impact of having the bulk of SPII's early funding tied to project deliverables had a significant bearing on the manner in which SPII grew as an organisation. This arrangement meant that SPII had to hit the ground running to meet deliverables virtually from the outset, and staff and resources were built up in more of an ad hoc manner than would have been the case if we had been able to secure more general, core cost funding. With hindsight, one of the clearest effects of this was the way that staff terms and conditions of service varied quite considerably according to the available funding that each project was tied to. Staff furthermore saw themselves as being almost exclusively employed to undertake that particular funder's work, with institutional and related un-funded work in broader civil society advocacy being de-prioritised. While delivering on contractual obligations to donors should always be prioritised, perhaps in this illustration lies a take-home message for funders, namely, that new institutions and organisations would benefit from a slightly higher risk investment into core funding rather than project funding. Despite the potential impact on risk of investing in start-up organisations, this would allow for an earlier embedding of an organisation's architecture than project-related funding might do.

Again looking back, the element of building an institution rather than merely organising project-related delivery requires dedicated time and effort and investment. Where management's primary focus is driven by project management rather than organisational development, the medium- to longer-term pace of growth will more than likely be retarded, and change might become more difficult, once practices and expectations have become entrenched. Likewise, building up an organisation piecemeal on activities,

SECOND TAKE *cont.*

while these might support the institutional vision, also detracts from the ability of an institution to interrogate at an earlier stage of its development whether in fact there is a sufficient coherency between its vision and its practice – in other words, to interrogate the validity of its theory of change.

Finding our niche

As a not-for-profit research institute committed to social change, SPII straddles in effect both research and advocacy. It was crucial at the get-go that we were able to communicate this to partners who were used to working with distinct stakeholders in this regard. At the time of its formation, SPII was concerned by the apparent dearth of new knowledge and analysis that was being fed into a number of mainstream advocacy campaigns and interventions. This pointed to a lack of contemporary empirical research with over-stretched campaigners relying instead on reiterations of statistics and analysis from previous civil society statistics and policy briefs. However, while SPII's primary vision had centred on providing the empirical evidence to support campaigns, we soon had to acknowledge that due to a weakening of the sector for a variety of reasons, SPII would have to step more actively into the advocacy arena. In 2012, there are an increasing number of organisations that straddle both research and a variety of other advocacy tools, which is warmly welcomed. However, in 2005-06, this multi-disciplinary approach to advocacy was contained to a relatively small number of actors, and to communicate this effectively to other stakeholders proved very necessary.

The dual nature of SPII certainly influenced the manner in which funders reacted to approaches for funding. For those funders who had traditionally funded rights-based advocacy initiatives, it was quite a challenge explaining the high proportion of salary costs over and above activity costs such as workshops and the publication of training material. Research is labour intensive, and it is also quite a challenge to retain quality research capacity at civil society organisation (CSO) salary levels, given the attractive remuneration packages that both government and the private sector offer. On the other hand, funders who were interested in supporting the collation of empirical evidence and knowledge generation wanted to know why we had chosen not to align ourselves with an academic institution, and why we felt so committed to grassroots dissemination of our research findings. While our independence permitted us the necessary space to be able to present our work and our enquiries as that of 'honest brokers', it has restricted the pool from which, separately, the diverse elements of our comprehensive work might have attracted support.

Honing an identity

Each organisation will have a complex tapestry of primary and secondary objectives and identities. For SPII, it was critical for us to decide which of the two main objectives took precedence – research or advocacy, given our mission of research for social change. It was important for us to clarify this internally for a number of reasons. Firstly, beyond undertaking a series of activities, supported by

donors, we really needed to understand what our theory of change was as an institute. What did we think that we could change and through what tools? Given the issues SPII had been established to tackle – namely poverty alleviation and reducing inequality – what did we really think that the initial complement of three staff members could effect, and why? In addition, while it might have been immediately apparent where current gaps in policy and research knowledge lay, once we had worked to address those, what would drive our ability to develop longer-term strategic plans that we could ask funders to invest in?

For SPII, battling in the trenches, without the wisdom of stepping back to answer these questions, but driven instead by a honed knowledge of the environment, we concluded that research was our primary activity – a contribution to a sector-specific advocacy drive to push for pro-poor transformative policy development and implementation. Our empirical evidence and secondary analysis could strengthen the training, the campaigns and the engagements by coalface advocacy practitioners, and we should focus on the production of excellent research and knowledge towards this goal. Having agreed on this, we also understood that identifying our primary objective in no way prevented us from joining advocacy initiatives and campaigns in addition to providing the research and analysis. This conclusion was also important for enabling us to have a clearer view of the skills and experience component that the institute required for future expansion, for developing our own impact indicators, and also for enabling us to identify the partners and donors that had a better ‘fit’ with the work of the institute.

Finally, in the absence of a clear Theory of Change, we found ourselves more defensively pushed into justifying why we thought it was important for us to exist, rather than being able to bring on board other stakeholders, including funders. We had not realised it was critical for us to be able to explain to donors why, as the new kid on the block, we should also receive support. This was of particular relevance in the case of donors that had been funding similar work done by similar organisations to ourselves. An organisation needs to be driven, in very concrete ways, by its own understanding of change, what part of that change it seeks to catalyse, and what support it will need to do this.

The establishment of SPII was a dynamic and exciting undertaking. The development path of any organisation is a continuous process, one that hopefully is able to build on past lessons, however organically learned, in an iterative manner. The external environment within which an organisation is located should also be regularly evaluated against selected strategies and tactics. The Case for Support, however, needs to be driven from within, and not developed to fit funders’ criteria for support. The ability to share your vision and your drive, which is really what fuels the work within the social justice sector, and to convince other actors that your strategies are appropriate to the challenges correctly anticipated, is crucial.

On organisational voice and visibility



Initially, my concern was with profiling an organisation working on human rights and poverty using the realities and the issues which are of national importance to advance our own ability to raise money for ourselves – and ultimately for our salaries. What has really made me more comfortable with profile and brand is the acknowledgment of the need to build the gravitas of the Studies in Poverty and Inequality Institute [SPII] as being a player or stakeholder with legitimacy.

*Isobel Frye, Director,
Studies in Poverty and Inequality Institute*

Our media work is content driven ... I'm very conscious of not trying to use the media as our marketing partner but rather offering them useful content, something substantial, a good story. If we just offer them 'PR' without substance, they will tell us to contact their advertising department. For a good spokesperson, South Africa is a dream. If you're articulate and available, it's not difficult to get into media. And that's why they phone us, you see, because they know they'll get what they need, when they need it, from the Black Sash. You do, however, need to be careful not to become a 'dial-a-quote' organisation. Only comment on the issues that really matter to you, otherwise you lose your identity.

Sarah Nicklin, former Media Officer, Black Sash

MARCELLA NAIDOO

Black Sash

Leadership in challenging times

At a moment when human rights organisations (HROs) in South Africa face immense challenges due to changes in the funding environment, Naidoo reflects on the roles of Board members and the Chief Executive Officer (CEO) in organisational leadership and governance, respectively. She identifies opportunities for Boards to provide better support to CEOs in the pursuit of organisational sustainability, as well as ways for CEOs to leverage optimal input from Boards in these efforts. Naidoo also highlights some crucial conversations that need to be taking place both inside and outside the boardroom.

What should the strategic role of the governing Board and the CEO be in creating possibilities for an organisation's sustainability?

Let's consider the leadership of an organisation as a whole for the moment. In addition to understanding and embracing their fiduciary and governance responsibility, Boards and the CEO need to have a good grasp of the changing environment within which they're functioning. And that changing environment relates both to shifts in the political world and shifts in the service provision arena, as well as to changes in funding practices and opportunities in the funding world. A further issue – and this might be more related to governance – is that Boards need to understand more about the impact of compliance on the sustainability strategies of their organisations and the concomitant commitment of resources. They also need to understand how shifts within their fiduciary and governance responsibilities impact on, or interrelate with, other roles. Unfortunately, but quite understandably, our slowness in becoming compliant sometimes constrains our access to resources and limits our ability to undertake the work we should be doing. These are some of the things that the Board and CEO perhaps need to engage with more closely.

Speaking now as a Board member myself, rather than as a CEO, I sometimes feel that Board members don't keep up sufficiently with the issues I've just outlined. Instead, we get caught in the minutiae of the organisation. We want to see spreadsheets of expenditure, which is of course about fiduciary responsibility. But in doing so, we almost transgress into the management space because we don't know how much to be in that space and how much to let the managers do what they must do.

In regard to the relationship of Board members to the CEO, as well as the general role of the Board, members need to bring insights to the CEO. This is one of the valuable contributions they can make rather than expecting the CEO to somehow have the definitive picture. But then, Board members need to take seriously where they are in the world and the things they do in their daytime jobs, so as to be in a position to make a worthwhile contribution to Board meetings.

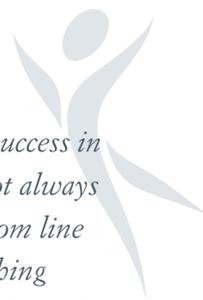
When you're working in areas of advocacy where there's a lot of politics – politics both with a big 'P' and with a small 'p' – it is very useful to have Board members who understand that environment and can have a good conversation with the CEO about it. But that kind of conversation mustn't happen only at Board meetings; there must be ongoing discussion between the CEO and Board members. It's not the CEO's job to keep Board members current in those areas; that's what they are supposed to bring to the Board! The CEO is supposed to bring to the Board her or his understanding of where the organisation is in relation to the political environment, the service environment, the financial environment, and the governance environment.

Another issue is that Board members should ideally be people who can speak for the organisation in places where the CEO can't be or get to. Yet I don't think Board members always understand the work of the organisation sufficiently well to see where the opportunities lie. That's surely because, when you're *in* an organisation, you can truly see the gaps in the big picture. What Board members might have, which the CEO won't always have, are relationships with the right people who can perhaps open the right doors. But when all is said and done, CEOs perhaps need to help Board members to develop the kind of understanding of the organisation that will enable them, and empower them, to see the right opportunities and speak meaningfully for the organisation.

How might the CEO enable the Board to offer the kind of support that is needed?

Once again, understandings of what the organisation is about are critical. Language is shifting. The language of funders, the language of civil society, and the language of the world – all of this is in transition and Board members don't always keep up with these changes. On the other hand, maybe the CEO or organisational management haven't found the right words to engage and develop common ground with the Board.

Another lesson I'm learning is that Boards get stuck in detail. Partly, this is the fault of CEOs because we provide them with too much detail in an effort to convey a sense of the correctness of what we do and the depth of what we do. That also undermines a common understanding. But then again, I don't know how a CEO is supposed to develop a common understanding with a Board that she or he sees once a quarter.



... measuring success in our game is not always easy. The bottom line is often something intangible, such as when we say we're going to change the attitudes of people and we're going to build a culture of human rights.

It's also difficult for the Board of a non-profit organisation (NPO), because measuring success in our game is not always easy. The bottom line is often something intangible, such as when we say we're going to change the attitudes of people and we're going to build a culture of human rights. These are difficult things to measure.

In the current, highly challenging context of funding reductions and contraction of the democratic space, how should Boards be engaging with the organisations that they are governing and the CEOs who are leading them?

There really is a need for HROs to come together, as it were. It would help CEOs if they and other CEOs, as well as Board members, could get together outside of their own crisis zones and help each other to understand what it is we are all facing. Because if, as organisations, we scatter to try to deal with our own crises, we must inevitably be presenting disparate pictures to funders. Everybody is saying that their approach is the panacea – the way to make change happen – but we all know it can't be. So in a way, we need to almost be like business, where businesses get together when the environment isn't working for them. They band together before they come to a Nedlac (National Economic Development and Labour Council) meeting so they can say: 'These are the three or four key things that we must get government to shift on.' Somehow, we in civil society don't quite get it together like that.

I don't know if it is because we had a kind of moral high ground for a while, when we thought things would be fine because of our Constitution, because of our relatively independent courts, because of our independent media, and so on. Maybe we have been complacent? And so I haven't heard us, in civil society, *really* trying to address this question of what it means to ensure that human rights are indeed enshrined in South Africa and the world. We never speak about that, maybe because we see it as a *fait accompli*. But of course it isn't, nor should it ever be regarded in this way.

What kinds of competencies should Board members have and how often is change in the composition of a Board necessary to keep it vibrant and alive?

Boards need to have a combination of people, at least some of who understand clearly the environment within which the organisation operates. So if we are talking about human rights NPOs, even if they are from the corporate world, Board members must have a sensibility about human rights, about constitutionalism, about citizen participation, about what the courts are there for and about what the media is supposed to do. There's got to be that level of understanding and sensitivity.



... even if they are from the corporate world, Board members must have a sensibility about human rights, about constitutionalism, about citizen participation, about what the courts are there for and about what the media is supposed to do.

The other side is that Board members must have an understanding of the funding environment. In the old days, the Black Sash used to do pickets; but can those same strategies work in the contemporary world for the kind of organisation we have become? It's the environmental things that Board members have to understand. All Board members must have basic understanding, and at least some must have a sufficient level of current understanding to be in a position to have a real conversation with, and actually push, the CEO about funding strategies in the contemporary environment.

The other element you need is someone like an accountant, or an auditor, who understands the sorts of compliance to which the organisation must adhere. Whether the person has to sit on the Board or in a committee to support Board decisions is not important. But you do need this kind of expertise.

On the Board you also need people who understand the notion of fiduciary responsibility. It's not the same as just knowing that the books are fine. It is about knowing that the organisation is spending on the correct trajectory, that it is saving enough, and all of those kinds of things. For similar reasons, we need Board members who understand human resources, and not just theoretically.

And then you need a lot of people who understand how to obtain money, how to obtain support for the organisation. Each of the Board members must be willing to actually go and obtain support. They must come to the meeting every quarter and say: 'I have found another contact for you and this is what I think you can do about it, and I will set it up for you.'

The Board needs to recognise that the CEO is their chosen person to run the organisation and that their job is to support the CEO absolutely, not just by finding out about how your health is doing, but by saying sincerely: 'So how is our plan unfolding for fundraising and what can I do to help you?'

Lastly, as part of our developmental trajectories, we still need to understand what race brings to our discussion. Inequality and race are still issues, even at the level of Board operations. We haven't properly addressed this yet.

To what extent, if any, should Boards have contact and relations with the other staff of an organisation beyond their interaction with the CEO?

This is tricky. Boards and staff certainly need to engage in discussions about future direction and should be viewed as equals when discussing the world we're all working in. The Board needs to understand the context in which the staff work and they need to have this understanding from the point of view of the staff. Yet when Board members enter this terrain, there is a tendency for them to want to manage. Some Board members clearly want to tell the manager and staff what to do, and I don't think that's the role of Board members.



It's not just about what an organisation does, it is also who the world thinks it is.

The Board's role is to be supporting partners and to highlight what is most important for people to be looking at. Such a role should be more about the outside rather than the inside. The Board must engage with the context.

What is the role of the Board and the CEO vis-à-vis organisational identity?

Every CEO has to feel fully in line with the identity of the organisation. Identity is constantly evolving, and the Board must be ever-vigilant of what it is that the organisation is trying to do in the world. And then we must constantly be asking ourselves, and help the CEO to ask, 'Are we still supposed to be doing that?' ... And then as the CEO accepts and processes this, it is the job of the Board to help bring new ideas and new inspirations for the CEO to sift through and see what she or he can take on. It is the role of Boards to help their CEOs to understand what the core mandate of their organisations is and then to prepare them for, and help them to deal with, the shifts that will sometimes occur in this core mandate.

As the identity of our organisations evolve, so Boards have to help shape it. But they don't have the definitive word on these evolving identities, in a way – because who the organisation currently is will largely help to shape the action. And that's what the Board must understand. It's not just about what an organisation does, it is also who the world thinks it is.



The Board's role is to be supporting partners and to highlight what is most important for people to be looking at. Such a role should be more about the outside rather than the inside. The Board must engage with the context.

On leadership



I don't think a leader is going to be an effective leader if he or she doesn't give credit to that big cadre of personage that underpins the work. A leader's presence, and who the leader is, is important. But I don't think that leader stands out, or is going to be important, if he or she doesn't have a solid foundation within the organisation ... For me, succession planning is about the way you create space within an organisation for lots of strong people to occupy the centre stage.

*Janet Love, National Director,
Legal Resources Centre*

Leaders should think about how to value what is already there and bring in everyone's contributions, rather than about the legacy they are leaving behind. How do we bring in everyone's contributions, so that you are planning for success rather than just your success?

Marcella Naidoo, Director, Black Sash

ODETTE GELDENHUYS

ProBono.Org

Board matters for sustainability

Based on the experience of ProBono.Org during its first six years of existence, Geldenhuys – founding Director and now Director of the organisation’s Durban office – shares key insights into why Boards matter when it comes to organisational growth and development. Following Marcella Naidoo’s hands-on observations of the Board’s role in organisational governance, in the previous section, Geldenhuys offers a more legalistic perspective on the place of the Board in the life and sustainability of non-profit organisations (NPOs).

Broadly speaking, how do you understand the role of the Board in the life of ProBono.Org?

In order to appreciate the pivotal role of NGO (non-governmental organisation) Boards, it is important to understand the legal and moral obligations of Board members (see the text box on p. 83). As an NGO is a corporate entity, separate from the people who work for it, and who it serves, it must have a Board¹ that is responsible for its conduct. Depending on whether the NGO is registered as a Non-Profit Company (NPC) or a Trust, the NGO will have a Board of Directors or a Board of Trustees, respectively. The specific legal obligations of Boards are determined by the underlying legal entity of the organisation, in other words, whether it is a Board of Directors in terms of the Companies Act (71 of 2008)², or a Board of Trustees in terms of the Trust Property Control Act (57 of 1988).

It is often said that NGO Boards have ‘fiduciary’ duties. But what does this mean?

Because Board members oversee the business of an NGO in its broadest sense, they do not represent their own interests, but in fact have an obligation to act for

1 The term ‘Board’ is used to refer to both a Board of Directors of a Non-Profit Company (NPC), as well as to a Board of Trustees of a Trust.

2 The new Companies Act (71 of 2008) came into force on 1 May 2011. Among the main features of the new Act is increased legislative liability for the Board of Directors. Read together with the King III report, Boards now find themselves in a far more responsible (some would say onerous) position than before. The revised *King Code and Report on Governance for South Africa* (‘King III’) came into effect in March 2010. King III gives content to the duties of corporate directors and provides guidance to determine what is regarded as an appropriate standard for corporate governance.

another's benefit – they must manage and protect the resources of the NGO.³ A fiduciary duty is made up of a number of different and interrelated elements or duties: the duty of care, the duty of impartiality, and the duty of accountability. In addition, the fiduciary duty must be exercised with the skill, diligence and utmost good faith that can reasonably be expected of a person who manages the affairs of another.⁴

What are the considerations facing Chief Executive Officers (CEOs) in maximising the role of the Board in organisational leadership and Advancement?

While Boards of NPOs have similar legal obligations and responsibilities to corporate Boards, there are some key differences. Firstly, the role of corporate Board members is more clear-cut; basically, they are concerned with how to maximise and disburse profits. Secondly, corporate Board members are usually paid for their time.⁵ The import of these key differences is that the CEOs of NGOs often feel grateful simply when persons accept invitations to serve on a non-profit Board. As the NGO CEO remains aware of these key differences, he or she is cautious so as not to overburden the Board members with tasks or activities outside of set Board meetings. In the instance of ProBono.Org, as the founding Director I was concerned that I would compromise their willingness to attend Board meetings and lend their name, or that of their firm, to ProBono.Org should I or the organisation appear to be demanding. I also wanted them to feel confident in the organisation and my leadership of it, and hence developed an arm's length relationship with Board members. For the first year this meant that they were only called upon to attend the four Board meetings.

Because it is the right thing to do in the non-profit sector context, non-profit Board members should continue to participate on an unpaid basis on NGO Boards and should continue to have broader roles than their corporate counterparts. What can and must change is the CEO's thinking in relation to Board members. It is the responsibility of the CEO⁶ to involve Board members more fully from the outset, particularly when it comes to the financing of the NGO. CEOs must not be unnecessarily concerned about burdening members of the Board at the outset with challenges concerning sustainability. CEOs must engage them, individually and as a group, particularly in the initial phases. If they have agreed to join the Board because they have a strong passion for the



It is the responsibility of the CEO to involve Board members more fully from the outset, particularly when it comes to the financing of the NGO.

3 See *West's Encyclopedia of American Law*. 2008. 2nd ed. Farmington Hills: The Gale Group, Inc.

4 Rahman, L. Year unknown. "Defining the concept of 'fiduciary duty' in the South African law of Trusts". Thesis. University of the Western Cape. Online at: http://etd.uwc.ac.za/urfiles/modules/etd/docs/etd_gen8Srv25Nme4_2065_1205415668.pdf.

5 See <http://managementhelp.org/Boardss/index.htm>.

6 In this paper, the term 'CEO' is used to refer to both the executive or national director of an organisation, as well as its management.

mission of the organisation, then they have a direct and immediate interest in its sustainability. It is important for the CEO to bear in mind that the Board members are there voluntarily; they have not been forced to accept the invitation to serve on the Board. Also, the work of the NGO is important, and it is a privilege for the Board member to be involved in it. Lastly, and crucially, the CEO must operate from the understanding that what Board members are involved with in relation to sustaining the activities of the NGO is not fundraising (a charitable concept) but financing (a business concept).

How can Board members be mobilised to participate more keenly in organisational leadership and Advancement?

The CEO must use Board members strategically in relation to financing and Advancement. Board members, whether they represent themselves personally or serve on the Board in an ex officio capacity, are individuals from different backgrounds, with different contacts and leads, and with differing expertise. Therefore, the CEO must be strategic about how each individual Board member can best contribute to the organisation's financing. Let's face it, most people are fundraising shy, and why should Board members be any different? To present them all with a uniform request or challenge to 'please fundraise for the organisation' is likely to fail. Instead, the CEO must tailor his or her finance-related request to Board members according to their expertise and interests.

An example of a tailor-made request that can be made of Board members is to ask them to e-mail, call or visit a grantor to say thank you for a grant they made to the organisation. Not only is stewardship incredibly critical generally, but, if thanking is done by a Board member in person, it carries tremendous weight. Another request that can be made of Board members is to provide intelligence to the CEO on prospects. When the CEO's approach to a potential grantor has been informed by information received from a Board member, such as the potential donor's interests, what they have already given, at what level and so on, there is a greater likelihood of success. Board members can also be asked to accompany the CEO to certain meetings with potential grantors, where the purpose of the Board member's presence is to inform the potential grantor of his or her voluntary and unpaid participation in the organisation, and why they feel compelled to serve the organisation in this way. Hearing about such voluntary giving directly from a well-placed Board member, who may have a certain public profile, is likely to impress the prospective grantor, and possibly persuade him or her to give by way of financial support.⁷



... the CEO must operate from the understanding that what Board members are involved with in relation to sustaining the activities of the NGO is not fundraising (a charitable concept) but financing (a business concept).

⁷ For these and other ideas, see "9 ways board members can raise money without fundraising", Nell Edgington's article from www.socialvelocity.net, republished online at: <http://www.inyathelo.org.za/ngo-and-npo-sustainability/361-9-ways-Boards-members-can-raise-money-without-fundraising>.

What are some of the lessons that ProBono.Org has learned about the Board's participation in the financial affairs of the organisation?

From our experience, we have been able to extract a number of lessons. No doubt, as ProBono.Org grows, and our approach to financing is adapted accordingly, we will be able to add to this list. Firstly, the CEO must have clear expectations of the Board in relation to financing and Advancement. Of course, these expectations will change as the organisation grows and matures over time. Also, the CEO must communicate these financing and Advancement expectations directly and unambiguously to the Board on a regular basis, at least annually as a standing item on the AGM (annual general meeting) agenda. Advancement or financing must be a standing agenda item for all Board meetings, and Boards must expect, and indeed demand, budgets, cash flow projections and the like from management from the outset. Importantly, management must make Board members partners in their financing efforts from the outset: you are not asking for money for yourself, you are seeking finance for socially relevant work. The CEO must use Board members strategically in relation to financing and Advancement. Lastly, when accepting an invitation to serve on a non-profit Board, the future Board member must accept that he or she will have to play a role in securing the financial stability and future of the organisation. It comes with the territory.

Responsibilities of NPO Boards

Basic responsibilities of a non-profit organisation (NPO) Board include taking legal charge and responsibility for the organisation's affairs, ensuring that it has sufficient resources to carry out its activities, providing oversight over its affairs, and giving strategic direction to the organisation. Also, the Board has an oversight duty to hold the Chief Executive Officer (CEO) accountable and ensure responsible and ethical direction and management of the NPO and its resources. It must also make sure that policies and systems are in place to govern finances, employees and all operations.

Boards have both general and specific legal responsibilities. At the most general level, Boards must ensure that NPOs operate within the confines of the law. This means the Board is responsible for ensuring that the NPO's activities are lawful, and that the organisation meets its legal responsibilities towards other parties (for example, towards donors, with whom it has contractual obligations, and employees).⁸

- Inyathelo, along with other civil society organisations (CSOs), has developed *The Independent Code of Governance for Non-profits in South Africa*, a voluntary code specific to the needs and realities of non-profits. It consists of a set of principles and values intended to guide and inform the way NPOs are governed and conduct their affairs.⁹

⁸ Source: Wyngaard, R., Mellet, P. & Gastrow, S. 2006. *Governing Boards in the non-profit sector*. Cape Town: Inyathelo: The South African Institute for Advancement.

⁹ For more on this and to download a copy of *The Independent Code of Governance for Non-profit Organisations in South Africa*, see <http://www.governance.org.za>.

SECOND TAKE

The challenges to sustaining a rural-based activist organisation

Simbongile Kamtshe, Executive Director of the Transkei Land Services Organisation (Tralso), reflects on the particular challenges to their rights faced by members of rural communities, and the difficulties associated with sustaining an activist organisation working in rural areas.

A perennial issue for Tralso through all the years has been how to sustain its existence and continue to pursue its social mandate. A key condition for this sustainability was always understood to be the relevance of Tralso's work to its stakeholders and constituency. There was a time when the organisation could almost take for granted that donor funding would continue to stream in nearly indefinitely, this flow being linked somewhat to the then internationally recognised status of South Africa as the home of a multi-faceted struggle which enjoyed the solidarity of the international community.

Tralso has always projected itself as an activist organisation that models innovative developmental solutions and progressive positions on land rights. The organisation has historically aligned itself with a particular kind of politics. In the case of land rights organisations, things are further complicated by a perception among the elite that tends to minimise the land problem in South Africa. This perception is linked to the historical compromise, associated with lack of a coherent strategy on the part of the ruling party, which underplayed the land question. All of this has made it very difficult for the work of an organisation like Tralso to resonate well with the interests of the elite, who perceive a disjuncture between the land rights of rural people and their class aspirations.

To boot, in rural contexts, the phenomenon of crass materialism sits side-by-side with grinding poverty, creating a juxtaposition of scarcity, on the one hand, and concentrations of state resources in the coffers of municipalities (which often get

siphoned off in much-publicised corruption scandals), on the other. Modernity confronts rural people via the medium of the state, religion, markets and culture. Much of this interface has impacted on the social values of, and distorted power relations within, households and communities. This situation has tended to be aggravated by the emergence of a consumer culture fed by crass materialism.

Furthermore, in Tralso's experience of land rights activism, there has been a propensity on the part of leaders, bureaucrats and some community members, to draw a dichotomy between 'development' and 'land claims', the latter being projected as impediments to the former. It was against this background that many land rights activists and community leaders began to ask, 'development on whose land?' This fascination with developmentism¹ at all material points was premised on the notion of displacing communities from their land in exchange for insecure job opportunities.

There is also the question of Tralso's catchment area and client base. Colonial subjugation sought to establish and perpetuate the position of black people as disenfranchised subjects without a voice in public affairs. This began to be more subtle and nuanced over time as the state sought to project itself as a liberal democratic one, but the subjugation of rural people was perpetrated via the agency of so-called traditional leaders in what Ugandan scholar Mahmood Mamdani has called decentralised despotism². As South Africa thrust itself into a democratic order in 1994, a new constitutional regime embracing a progressive Bill of Rights ushered in *de jure* equality for all, with the Chapter 9 institutions³ set up to support and promote equality in practice. The reality of rural people, especially the vulnerable ones, however, is that they live under a fourth sphere of government as subjects of an order which does not appear to subscribe to the modern constitutional framework. This is at least borne out in Tralso's experiences with people whose land and human rights are violated on a daily basis. It affects people who

mostly lack the means to engage and project their plight in the public domain. Many of the people in these rural areas are bombarded with messages encouraging them to look up to the machinery of the state and the ruling party in order to achieve the dream of a better life. In the experience of Dwesa-Cwebe⁴ and other areas, it appears that the said machinery is captured by elite interests which seem to derive benefit from the ongoing vulnerability of rural people who form the base of their power. Where in urban contexts such abuses are easily or at least eventually exposed in the media spotlight, this is extremely difficult in rural areas without, for now, the intervention of some external agency.

A further matter is that in the early to mid-1990s, the shoots of a rural human rights movement had developed, spurred on mainly by the work of non-governmental human rights organisations (HROs) (advice centres, legal aid organisations, and the like) and others operating in the literacy space. These organisations and their services have since been rolled back by the funding crises which began with the establishment of bilateral arrangements between the state and donor organisations and countries, which effectively cut off direct funding to the nascent rural human rights sector.

Over the past 20 years, Tralso itself has accumulated vast amounts of information on rural conditions, community perceptions, land struggles, stakeholder scenarios and failure – at state, community and NGO levels. The constructive use of that information is what, essentially, defines successful programme impact. A key challenge in that regard is Tralso's dislocation from basic communications infrastructure and access to networks of state and private sector players, as well the donor community. This is doubly felt because of our remoteness from the major urban centres which tend to be the base for industry, government and donor organisations. Coupled to this, the remoteness of Tralso's location works to isolate it from the mainstream media so that what messages eventually reach the broader public are, in fact, filtered and lensed. This in itself has tended to add to the difficulties of cultivation and stewardship of donors at Tralso.

Another problem that has revealed itself over the past is the challenge of capacity: namely, the ability

to attract to Mthatha and the rural communities served by Tralso, and retain there, the human resource skills required for the performance of the organisation's mandate. The need to attract particular skills types to maximise Tralso's positioning and resource base must be understood against the threat of sectarian tendencies which tend to exclude 'others' who are perceived to be outside of a given generational, class, political, and regional affinity.

So, why does sustainability of the organisation in particular matter? Tralso is about secure land rights as a means to economic freedom and enabling communities to author their own destinies. This is linked to the goal of supporting smallholder farmers to achieve, in practice, an income stream from agrarian activities.⁵ It offers them the opportunity to enter the mainstream economy and provides an incentive for rural people to stay in rural areas, if so desired. Approaches such as these will remain impossible if the broader environment – land rights, human rights, and appropriate state support – continues to undermine the necessary foundations for sustainable development.

1 From a land rights perspective, 'developmentism' refers to a tendency on the part of the state, and other actors, to emphasise the rolling out of 'economic' investment initiatives, with little or no regard to land rights and other socio-cultural impacts on communities and livelihoods.

2 Mamdani, M. 1996. *Citizen and Subject: The Legacy of Late Colonialism*. Princeton University Press.

3 This term refers to state institutions that are established in terms of Chapter 9 of the South Africa Constitution, of which the explicit purpose is to support constitutional democracy. They include the Public Protector, the South African Human Rights Commission and the Commission for Gender Equality, among others.

4 See the footnote on p.35.

5 Tralso is uniquely positioned to demonstrate models that achieve this goal based on extensive research and work already started in Ntlenzi, as a model for smallholder farming systems in a communal context.

Boards and debacles: A hard but valuable lesson

SECOND TAKE

Erica Emdon, Advancement Director at ProBono.Org, tells the story of how the working relationship between senior management and the Board of the organisation evolved over the first few years of the life of the organisation.

ProBono.Org opened its doors in October 2006 in Johannesburg. In terms of its original donor agreement with the core donor, The Atlantic Philanthropies (Atlantic), the organisation undertook to spread its wings and move into other cities and into rural areas in the future, if successful.

In the first few years, the Board of Directors met every quarter and members glanced through a few reports that were submitted, had some discussion on the work of ProBono.Org, and often concluded these meetings within an hour. Most major decisions were taken by the Executive Director (who serves on the Board *ex officio*) and one other senior staff member who was appointed to the Board in 2010.

The Director of ProBono.Org and the senior staff member mentioned began to plan the expansion of ProBono.Org to Durban. One of the major motivations for this was that the city is situated among rural and semi-rural communities. The rural reach of ProBono.Org would thus be increased, which was desirable from Atlantic's point of view. In light of this, when it applied for a renewal of its first four-year grant from Atlantic, ProBono.Org requested additional funding to open a Durban office.

This was agreed to by Atlantic in the new grant agreement for 2010 and 2011. Consequently, at the next Board meeting, the Director reported to the Board that a new office would be opened in Durban the following month in accordance with the new donor agreement. As if that was not enough of a surprise, the Board had also been invited to say farewell to the Executive Director who intended to relocate and run the Durban office. The Board was told that the other senior member of staff would then head the Johannesburg office.

Needless to say, the Board responded very negatively to the news that had suddenly been thrust upon members, without prior knowledge or consultation. They raised a number of concerns. Firstly, they had not been properly consulted or informed of the decision to open a Durban office,

nor had they been party to any decision regarding appointment of a new head of the Johannesburg office.

Such a major strategic decision could not, under any circumstances, be taken internally by the Director and a senior staff member. Decisions of this magnitude clearly have huge implications for an organisation and, as such, are not operational, but Board decisions. The Board, quite rightly, refused to back the resolution to open a new office and did not support the idea that the Director move to Durban and be replaced in Johannesburg by a senior member of staff.

What lessons did ProBono.Org learn from this experience? On the operational side, the Director and senior staff member who were involved learned that plans of such major import need to involve and be guided by the Board from inception. They learned, too, the importance of working more closely with the Board on many other aspects of the organisation's work, including its Advancement strategies, financial management, and overall strategic planning.

It became very clear that the Board could offer a great deal of expertise and support. The Board, for instance, made the operational staff understand the implications and possible risks of quick decision-making, and the need for careful consideration to be given in regard to any major changes, such as the expansion of operations. This would require, among others, a comprehensive report on the viability and feasibility of opening a new office. The Board would also need to approve proposed staffing changes and ensure that such changes were economically feasible and donor approved.

For its part, the Board learned to become more hands on in its role as a governance structure. Since the 2010 debacle, a number of changes have been made by the Board. Three sub-committees were formed and chairs were appointed to each.¹ There has been a marked increase in the number of reports submitted to each Board meeting by management; the Board has become more discerning in the types of reports it requires, and the overall level of Board involvement in the organisation has increased notably. This has been a highly positive outcome for all role-players.

1 These sub-committees are: finance, audit and risk; human resources, remuneration, governance and transformation; and structures.

ADRIENNE HALL

Sailing the high seas

Integrated planning for organisational sustainability

I am an Advancement professional who has worked with non-profit organisations (NPOs) in a range of sectors – from universities to smaller organisations in the civil society, arts and educational sectors. In my experience, the single greatest challenge to Advancement reaching its full potential to promote advocacy¹ and investment for these organisations has been the lack of clear strategic and financial frameworks which outline a planned route to deliver on the aspirations of the organisation.

With some exceptions, a primary barrier has been the absence of a clear sense among organisational leaders that such frameworks are desirable and necessary to build investment from donor sectors other than those on which the organisation has traditionally relied: government funding in the case of universities and grant funding from Trusts and Foundations in the case of smaller NPOs.

Much has been written about the shift from ‘fundraising’ to ‘Advancement’ cultures, and organisations like Inyathelo continue to make enormous strides in enabling this shift within NPOs in South Africa towards an integrated understanding of the difference. In reality, however, even fairly sophisticated organisations, including those which begin to embrace the notion of Advancement, retain the sense that Advancement people are those whose role it is to ‘fetch the money’ while others in the organisation are able to continue with ‘business as usual’.

¹ Advocacy here denotes the complex of activities in which stakeholders might engage to protect and promote the value of the organisation as an asset to society. Those organisations with the greatest number of stakeholders who advocate the value of the organisation as worthy of support are those which attract the highest number and levels of donor investors. Such activities may be as casual as conversations at dinner tables and promoting the organisation’s activities through social media, and extend to becoming Trustees who give and champion giving, lobbying, and other activities that promote the organisation’s cause and worth.

In this paper, I attempt to map the counterpoints which contribute to successful Advancement; the counterpoints between organisational culture and healthy donor relationships, and between integrated strategic, financial and budget plans and gift opportunities which donors can support and which link them directly with the successful outcomes and impact of the organisation's work.

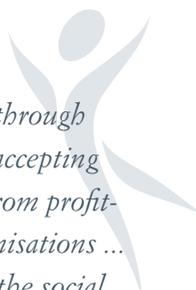
The port to which we steer: strategic planning

In the first century, Seneca wrote, "if a man [sic] does not know to what port he is steering, no wind is favourable." This holds true for all organisations, whether for-profit or non-profit, which set out on a journey with the purpose of making a difference by delivering value – shareholder value in the case of profit organisations, and stakeholder value in the case of non-profits. Both types of organisation are partners in making a difference to society at large and both define themselves in terms of aspirations which they seek to fulfil for certain sectors of that society.

While driven by the profit motive, for-profit organisations articulate their activities in the context of an ethical code and reflect their social conscience through reinvesting in non-profits to serve those sectors of society which do not directly benefit through share dividends. Non-profits, through seeking and accepting investment from profit-making organisations (and individuals and/or their private Foundations that distribute), add value to the social fabric in ways which both profit-making organisations and government do not.

Philanthropy and codes of philanthropy² are mechanisms by which wealth and social value are 'cross-pollinated' in capitalist economies. This is the complex and busy sea in which NPOs must identify their ports; chart their courses, their fleet formations and their resources, and route the nature of their mutual engagement, its profitability and its objectives. Those embarking into uncharted waters with leaky vessels, unprepared crews, map-less commanders and officers, few reserves, and poor knowledge about sources of replenishment, are unlikely to stay the course and will almost certainly flounder.

If one is unsure of what lies beyond the horizon, how long it will take to reach the next port, or whom one will meet or with whom one should partner, making intelligent assumptions on the basis of available information is preferable to making none at all. Through charting and resourcing a course in this way, an organisation creates a basis on which to learn and map experience.



Non-profits, through seeking and accepting investment from profit-making organisations ... add value to the social fabric in ways which both profit-making organisations and government do not.

2 By this I mean the coded practice of relationship-building around shared values and objectives, and between causes and their supporters, and how the integrity of these relationships is played out through gift commitments, agreements, and protocols.

Strategic plans embody choices made in the context of what one knows and what one does not know, the quality of those choices, and the basis on which they are made. It is about designing, building, and resourcing one's boat, in accordance with the anticipated needs of the journey and its destination. It is also about having confidence in that which one has created, its chosen route, its ability to engage with partners, and its potential to make a difference to all it meets on that journey and at its destination.

Strategic plans protect organisations against the tyranny of good ideas and the sway of powerful personalities and interest groups within and without organisations, both of which can divert it from its charted course. Successful strategic plans balance the interests of individuals with the interests of the collective to drive an organisation forward in a clear direction and in a way which ensures that all who are involved, either as actors or investors, can share in its success.

Wind in the sails: financial planning

Financial plans give substance to how long-term strategic plans will be realised. Financial plans define the desired financial architecture, how the organisation will be structured and funds will be allocated. This would include the kind of funds the organisation seeks to attract in relation to, for example, the ratio of endowment or reserve funds to revenue; the size and shape of the organisation; and how it will be rigged and resourced with people and equipment and positioned to catch fair winds to reach its objectives efficiently.

NPOs, which are largely service organisations,³ are by their nature people-intensive and the units of financial measurement in such organisations are an important decision. Does the organisation, for example, charge out units of people's time involved in delivering activities? Or does it undertake project costing in which all costs, fixed and recurring, are accounted for in the context of projects and their intended outcomes?

An important, and, I would argue, ethical issue in service organisations is the scale of salaries, how these are distributed up and down the organisational hierarchy, and what this reflects about the values of the organisation. For example, should remuneration in human rights organisations (HROs) which advocate equality of access to resources in the external environment reflect that principle in their salary and benefits structures? Should salary scales be transparent to donors seeking to invest in the articulated values of an organisation as a credible measure of how the organisation itself reflects these values internally?



Strategic plans protect organisations against the tyranny of good ideas and the sway of powerful personalities and interest groups ...

³ These are organisations whose activity is intangible, is not stored, and does not result in ownership. A service is consumed at the point of sale. Delivery of legal advice, for example, is a service.

The balance between fixed costs and unfixed costs in service organisations must be geared towards ensuring that salaried people (whose costs are fixed) are allocated sufficient operating budget (unfixed costs) to permit them to do their jobs effectively. An example encountered in some NPOs is how good people can be recruited on the basis of competitive salaries and then frustrated by the lack of investment in the infrastructure required to support their work. In these cases, through over-investment in salaries and under-investment in operational budgets, the organisation is in effect wasting money which will impact on what it is able to achieve, the quality of staff it is able to retain, and the case it is able to make to donors.

An example of balancing the costs between people and infrastructure lies in the disputed value of customer relationship management databases (CRMs). In for-profit service companies, CRMs record, track, and drive the company's interactions with its customers, clients and constituents. In NPOs, CRMs perform a similar function, particularly for the recording and management of the organisation's information about donors, but can and should be extended to the management of the organisation's relationships with all of its stakeholder groups. A CRM, properly located in the context of the organisation's strategic plan, functions to provide management with intelligence on the success of its programmes and stakeholder engagements and to inform decisions about delivery and return on investment (which could relate to the allocation, as well as the acquisition, of resources).

A CRM supports, retains and drives the relationship capital of non-profits. Investment in a CRM is arguably the single most important investment a non-profit can make and is often the area where least is made. Sometimes CRMs are absent altogether or staffed by interns or other short-term employees. When such people move on, the organisation suffers the loss of their knowledge and has to retrain the next short-term employee, creating a cycle of efficiency losses. Another common scenario is that CRMs are acquired but are then unsupported by resource plans to sustain their implementation. Financial planning of this kind demonstrates a lack of appreciation of the importance of relationship capital to the NPO financial model. Donor relationships keep the ship afloat and a CRM is the infrastructure that enables this.

Financial plans which recognise the necessary balance between fixed and non-fixed costs, the ethical basis on which resources are allocated, and the need to stabilise sources of insecurity, stay the course of the envisaged journey. They should also reflect the vision and confidence of an organisation's ability to attract investment from a wide range of sources. Healthy organisations are those which have a diverse donor universe and a financial model which provides opportunities for gifts to be made in diverse ways (annual gifts, capital gifts, gifts in kind, endowment gifts, legacy gifts). Financial plans that will complete the



Healthy organisations are those which have a diverse donor universe and a financial model which provides opportunities for gifts to be made in diverse ways.

journey are those which support diversity in income and source such income by crafting gift opportunities that are linked to annual budgets (see below).

How organisations plan for a diversified donor universe, and whether they do so, will determine whether the boat can create a buffer against changing winds and financial tides. This brings us to the integration of budgets and financial plans.

Between short hops and long hauls: budgets

Budgets cater for the series of short hops which organisations make to complete the longer haul. There should be annual income and expenditure plans integrated with long-term financial and strategic plans.

Planning with only the short hops in mind provides potential partners with little belief in the foresight of an organisation to meet the demands of its longer-term goal. Short-term hop budgeting provides opportunities for organisations to become becalmed or stuck in mid-journey ports, and puts the success of the entire venture at risk.

Organisations which rely on annual budgets to define their strategy, rather than on strategy to define their budgets, sail close to the wind of failure because, by their nature, budgets are about what an organisation has to spend in a year. Where budgets are used as a basis for shaping strategy and what is possible, the financial manager becomes the driver of what the organisation is able to achieve, rather than the person who creates the architecture by which the aspirations and success of the programme staff can be supported. When budgets support strategy and the financial plans which underpin them, and are viewed in a context of three- to five- to ten-year horizons, they enable professional creativity and bolster good governance.

Strategic planning against a budget with the limitation of an annual horizon nurtures a culture of job insecurity “where employees operate from a basis of fear, blocking new ideas and entrepreneurial spirit.”⁴ This encourages bureaucracy and internal hierarchy, both of which stifle creativity and confidence. A short-term, crisis management approach to funding needs and shortfalls limits the opportunities available to those responsible for Advancement to build relationships and engage donors in long-term priorities. It overlooks the fact that strategic and financial goals are rarely achieved in a year.

Healthy Advancement operations are evident in organisations which provide the oxygen to support delivery over longer cycles – typically three to five years. Donors are more encouraged by and likely to support organisations which organise themselves and their objectives on this basis. In the context of clear, longer-term objectives and an understanding of how gift opportunities link with



A short-term, crisis management approach to funding needs and shortfalls limits the opportunities available ... to build relationships and engage donors in long-term priorities.

4 Barratt Values Centre. Online at: <http://www.valuescenter.com>.

their delivery, Advancement teams are able to effectively underpin financial goals which are transparent and mutually understood.

Rigging up: shaping gift opportunities

An organisation's voyage should offer many points of engagement for donors. Do they want to invest in building the ship itself and in maintaining it for a multitude of journeys, by contributing towards an endowment or through capital giving? Are they more interested in rewarding the people who will do the work – the captain and crew? Or are they the ones who will provide food for the crew or tools to mend the ship on its voyage in the form of revenue income? A gift opportunity is an opportunity which links the donor directly with an element which will make the completion of the voyage possible.

The strategic plan will define the intended life of the ship and the direction and number of its voyages; the financial plan will define the size, sails, rigging, stores, and number and level of crew needed; the budgets will ensure that these are co-ordinated for units of time, usually annual, and the Advancement plan will identify and outline a course for engaging with prospective donors at each of these levels.

All hands on deck: attracting donors and delivering on investment

The engine of an NPO is the cohort of talented, driven, and committed professionals who generate its output and impact, whether it be research and teaching at universities, cultural richness from arts organisations, or social, economic and political development or justice from civil society organisations (CSOs). These are the people whose work attracts investment and who deliver on the core organisational mission.

A missing link is often the recognition, among this cohort, of the professionalism of so-called support staff and the need to work co-operatively to attract and engage the interests of stakeholders. In turn, there is often a lack of understanding among the support staff themselves of their role in promoting a culture which makes it attractive for people to want to engage as partners and investors.

In NPOs where Advancement is integrated into the fabric of the organisation, other support functions (such as marketing and communications, finance, human resources, administration, and the front desk reception) all understand the importance of their role in building the organisational brand. The concept of brand in NPOs is often misunderstood and may often be seen in a derogatory way. Why should values-driven organisations, such as human rights NPOs, be sullied by a commercial aspiration? If one takes HROs as an example, how people distinguish them from one another, and how they assess them collectively as a



Fundraising is the measure of the brand of the whole organisation, not just the measure of the work of one unit in the organisation, such as the fundraising unit or the Advancement team.

sector worth supporting, is key to the ability of HROs to attract the confidence of clients, policy-makers, professional staff, and investors, in order to deliver on their mission.

The associations which people make about an organisation (thoughts, feelings, perceptions, images, experiences, attitudes, media profile, resonance and reputation) are all created by the behaviours of people within the organisation. The brand experience of an organisation will determine whether people continue to want to engage with, or be influenced by, it as a client, a staff member, a policy-maker, or a donor. An organisation which is able to ensure that its values are matched by the brand experience on the part of the people who engage with it has created Advancement cultures which encourage investment. Ultimately, fundraising is the measure of the brand of the whole organisation, not just the measure of the work of one unit in the organisation, such as the fundraising unit or the Advancement team.

As South African NPOs sail into high seas amidst a climate of increasingly precarious financial conditions, the integration of organisational plans, strategies and behaviours in charting the desired course of the organisation becomes all the more pressing. A lack of engagement internally with the fundamentals of relationship-building by any member of the organisation imperils the journey. The effort, rigour, and investment of everybody in the organisation is required to reach the desired destination. Ultimately, people want to meet with and engage the programme staff – those at the heart of organisation – about their work and aspirations. This means moving away from the safe position that ‘it’s the fundraiser’s job’ to one in which programme staff personally have to make the case for what they do. This means pursuing the opportunities created by the Advancement team to talk with passion about what they do; it is not their job to talk about costs, nor are they expected to do so. On the basis of the quality of the conversations they have or are permitted to have with the programme staff, donors will make their own choices about how and at what level they may wish to engage financially.

Setting sail: the Advancement plan

Kay Sprinkel Grace has said that “people don’t give you money because you have needs; they give you money because you meet needs”.⁵ The Advancement plan is the map which is carefully navigated to attract investment from identified partners by making a compelling case for the purpose, outcomes and impact of the organisation’s intended journey.



Amidst a climate of increasingly precarious financial conditions, the integration of organisational plans, strategies and behaviours in charting the desired course of the organisation becomes all the more pressing.

5 Grace, K. S. 2005. *Beyond Fundraising: New Strategies for Non Profit Innovation and Investment*. 2nd ed. Hoboken, New Jersey: John Wiley & Sons Inc.

Strategic plans articulate what needs the organisation hopes to meet. Operational plans, which feed into financial plans, articulate how the organisation is going to meet them. Gift opportunities arise out of financial plans, which are linked to strategic and operational plans, and provide a basis upon which the Advancement team can link donors with the activities they will fund to achieve the desired outcomes and impact, and in so doing deliver against mutually held priorities. They work with leadership and the programme staff to identify endowment, capital, project, gift-in-kind and annual giving opportunities, as well as opportunities for discretionary or project-linked giving – all of which are directly linked with strategic change. Without making the connection between what is being supported and why – the outcome and impact – the approach is merely an ask for money that is empty of the promise of partnership for the pursuit of shared priorities.

The Advancement plan sets the course for identifying donors and stakeholders whose advocacy of the organisation is crucial, for engaging stakeholders, and, where stakeholders are also prospective donors, for matching their capacity to give and their particular interests with investment opportunities. The plan will seek to attract the interest of donors nationally and internationally, whether in their individual capacities or as representatives of corporate organisations, development aid organisations, or charitable Foundations.

Most of the organisations I have worked for are more comfortable with Foundation funding than individual giving. Underpinning this, it seems to me, is an old-fashioned embarrassment about what is still perceived as asking people for money and a lack of confidence in the donor will of individuals to give. This is despite ample evidence that the most prolific source of income to NPOs worldwide is the modest sums given by individuals on a regular basis. An example of the power of individual giving is the Barack Obama election campaign, which achieved its target through small gifts averaging US\$25 each and a massive promotion through online giving.

Organisations seeking endowment income⁶ and the security it brings for long-term sustainability need to consider creating robust individual giving programmes as a first port of call. It is individuals rather than organisations who will give in this way (even if it is through their personal Trusts or Foundations). As already mentioned, individual giving programmes demand significant investment of time, people and other resources, particularly in the first three years. If properly managed as relationship-building advocacy, these programmes can begin to reap the rewards of regular revenue generation once firmly established.

6 I refer here to an endowment as a capital sum where the amount is of sufficient size to be invested, and the interest on it spent. Endowments help to maintain a financial ‘cushion’ and a foundation for strategic and financial planning over longer-term horizons.



Without making the connection between what is being supported and why – the outcome and impact – the approach is merely an ask for money that is empty of the promise of partnership for the pursuit of shared priorities.



Leadership which is visionary, charismatic, accountable, context-sensitive, demonstrates integrity and promotes morale among staff, is the single most powerful driver of success in positioning an organisation for investment.

In times of scarcity, efficiency gains need to be considered and what distinguishes your ship and its journey from others should be reviewed. Would your Case for Support be strengthened by merging with another ship or approaching others to merge with you? Profit-making companies do this on a regular basis. Given the shrinking resources available for non-profits globally, thinking about mergers between non-profits with similar agendas and goals is an option which is favoured by donors but not yet embraced by the NPO sector itself.⁷

Captain! My Captain: the importance of leadership

Leadership is key to the success of any enterprise but is particularly crucial to the success of Advancement programmes. Leadership which is visionary, charismatic, accountable, context-sensitive, demonstrates integrity and promotes morale among staff, is the single most powerful driver of success in positioning an organisation for investment.

All donors ultimately want to meet and have the opportunity to engage with the leadership of the organisation to which they have chosen to give. Endowment giving, in particular, demands confidence in an organisation's leaders. Leadership is not only about the Chief Executive Officer (CEO). It is about the quality of interaction the CEO has with Trustees, staff, donors and other stakeholders in facilitating consensus around the shared direction, values and programmes in which the organisation offers donors investment.

Endowments are effectively legacy gifts and carry that weight for the people making that commitment. People giving capital at this level need to feel comfortable that the organisation will honour the basis on which the investment was made in perpetuity. Creating opportunities for endowment giving depends on a credible strategic plan which has been based on consultation with all stakeholder groups, reflects a clear understanding of the context in which an organisation is operating, and demonstrates a track record of delivery against objectives and priorities. Endowment giving is an act of faith investment in the quality of leadership of an organisation.

It is the captain who will steer the ship and its crew to their chosen port and it is the allegiance which the captain is able to inspire among all involved that will ensure it stays the course. Who is attracted as crew – who will choose to join you and the quality of the relationship throughout the journey – will be a major determinant of organisational success.

⁷ For more on this see "Time for the non-profit sector to consolidate" by Tracey Henry, Chief Executive Officer (CEO) of Tsikululu Investments, at <http://www.ngopulse.org/article/time-nonprofit-sector-consolidate>.

Advancement culture and ‘authentic’ organisations

The humanist and philosopher, Charles Taylor, posited the notion of “authentic humans” as a state which can only be secured through dialogue. According to Taylor, humans are fundamentally “dialogical creatures”; that is, we can only understand ourselves and define our identity through our interaction with others: “[T]hrough dialogue, we are able to exchange ideas with others and construct our values and beliefs from bits and pieces emerging from the process”. This is how we become what Taylor terms “authentic humans”.⁸

I would argue that for organisations to build successful Advancement cultures, they need to embrace the same process and create strategic plans, backed by financial and Advancement strategies, which are the outcome of dialogue with all stakeholders. Dialogue, properly managed, is a constructive process that sets out to achieve particular outcomes. It builds a knowledge base, encourages accountable leadership by ensuring that conversations are not dominated by one particular group or concern, sets standards for engagement, and encourages action and reflection by all stakeholders. It is about sharing through mutual agreement and has the potential to encourage problem-sharing and develop shared solutions. It has the capacity to change minds and change behaviours.⁹

An example of the success of such a process, and the key role which visionary and accountable leadership plays in it, is the Rensselaer Plan, led and implemented by Shirley Jackson, President of Rensselaer Polytechnic Institute in the United States of America (USA). “The Rensselaer Plan serves as our catalyst for change,” Jackson says:

[It is] a comprehensive strategic plan for the Institute; it defines our core enterprises ... and sets forth our goals for the coming years.... It is comprehensive, complex, and ambitious. It articulates our vision and the means for attaining our carefully defined objectives.... *It represents the best thinking of a wide range of people across and outside the greater Rensselaer community, and is truly a top down and bottom up effort.*

In short, we have listened. We have involved our administrators, alumni, and faculty. We listened to outside educators, corporate leaders, and the scientific community. We listened to an external advisory group in Washington, and to internal groups and individuals. Our only firm preconception was continued commitment to our principles of leadership, excellence, and community.¹⁰ (My emphases)

8 Nelson Mandela Centre of Memory. 2010. *Social Cohesion Community Conversations* (2008-2010). Johannesburg: Flow Communications, p.36.

9 Ibid., p.20.

10 “The Rensselaer Plan: a comprehensive strategic plan for Rensselaer Polytechnic Institute”. Online at: <http://www.rpi.edu/president/plan/index.html>.

The strength of the plan and the quality of leadership which drove it secured a US\$360 million unrestricted gift to the university in 2001, the largest received by a university in the USA at that point. The Advancement campaign which it underpinned “closed in 2009, having surpassed the ambitious goal of [US]\$1.4 billion in gifts and gift commitments, nine months ahead of schedule, exceeding all previous fund-raising at Rensselaer”.¹¹

Arguments can be made about the philanthropic culture in the USA being much further developed than in other parts of the world. Yet developing common cause around an organisation and its mission is not outside the capacity of any organisation in any country. Such organisations energise the development of philanthropic cultures by their own drive to become authentic through dialogue and engagement with the stakeholders to whom their success is important and on whose support they rely. Processes of this kind inspire investment and a virtuous circle of shared support and values is the result.

In conclusion, strategic planning and Advancement are the DNA of an organisation, bound together like two strands of a double helix: mutually interdependent and mutually reinforcing, connected by the counterpoint of financial and operational plans from which gift opportunities and the basis of financial and philanthropic partnerships flow.



... developing common cause around an organisation and its mission is not outside the capacity of any organisation in any country. Such organisations energise the development of philanthropic cultures ...

On building organisational systems



An organisation has a character, a core, a spirit. If you think of it as a body, there are all the systems that are required to keep you going, and so each system talks to the other. The finance speaks to the reporting system. The reporting system and the finance speak to human resources. The database speaks to the reporting system and then to the human resources system. The communication and media speak to each other and speak to the database. It's not always easy to clearly articulate where all the linkages are, but building an organisation is different to delivering services.

Marcella Naidoo, Director, Black Sash

SECOND TAKE

Information at work

Tips on managing and maximising the use of data

Polly Arscott, former Development Officer at the Legal Resources Centre (LRC), provides an account of how centralising and systematising information about supporters can build institutional memory and effectiveness.

The LRC is a human rights organisation (HRO) which receives support for its work from local and overseas grantmaking organisations and individuals and has a range of other stakeholders such as partners, legal service providers and the press. Engagement with supporters is managed by the organisation's Advancement Unit (AU). The AU identified a need to centralise and systematise the information held electronically about the organisation's supporters and in 2010 the LRC established a new Information Management System (IMS) which is still in use today.

An IMS is a systematic way of organising, standardising and clarifying the different pieces of knowledge or information which an Advancement team generates and gathers in the process of planning and implementing Advancement activities. This information can range from contact details of the people in an organisation's external environment, which are so essential for many Advancement activities, to complex negotiations with a donor about the details of a grant implementation plan. One of the most basic benefits of an IMS is information-sharing: instead of this information being scattered around the team with one person knowing, for example, who is on the newsletter mailing list, and another how much each individual donor has given in the last year, all this knowledge for each stakeholder is entered into

a central database so the whole team can access it. Systematically saving this information centrally means that when a staff member moves on, they do not take all the knowledge of the relationships they have formed with donors away with them. It means that over time, all Advancement staff will be part of documenting the relationship each supporter has with the organisation as a whole, thus building up institutional memory and mitigating loss of knowledge.

Another key benefit of an IMS is data analysis, which can enhance Advancement functions at many different levels. Once information is being reliably entered into the system, this can be searched and the data then analysed. This could help with operational planning. For example, you can generate a list of all reports due in a particular month so that you can schedule your work flow, or you can find all the supporters living in Durban so that you can set up meetings when you visit. However, an IMS can also be used to support the development of an Advancement strategy as you analyse historic giving patterns to establish what has worked in the past or identify areas for potential growth. You can then use the IMS to monitor and evaluate both the progress and effectiveness of Advancement activities as you implement them. For instance, you can track the progress of your appeals by generating a breakdown of who is, and is not, responding. This analysis can then help you to evaluate the success of the appeal and make improvements to your next appeal, informing your future strategy.

The LRC's AU identified developing an IMS as a priority in 2010 because the team was expanding, which meant more staff generating, collecting and needing to share information. The purpose initially

was to build a system which pulled together a wide range of disparate information, improving the quality and consistency of the LRC's donor and stakeholder records, building up a complete picture of the relationships, and facilitating the sharing of the information in these records between team members. Knowing who has and has not heard about and supported you in the past, and what their experience was, is central to positioning your organisation. Also, in contemplating establishing a new individual giving programme, an IMS was seen as a key platform to help to support, implement and grow this particular activity which would involve and generate important new information such as lists of prospective individual donors and stewardship details for regular givers.

The IMS is proving to be extremely beneficial to Advancement activities at the LRC. It enables staff to access a relatively complete picture of a supporter's relationship, and to view linkages between supporters. This ensures that communications with potential donors are better informed by the relationship history. As a live system, changes made by one team member are instantaneously reflected in the information available to the rest of the AU. Furthermore, the system sends reminders for future reports, helps us identify prospective donors, and is becoming increasingly important for planning events, compiling guest lists and recording attendance and follow-up.

A requirement of the IMS was that we could centrally save different types of donor information, from e-mail addresses and meeting notes to the date or amount of donations received. We also needed to ensure that information was standardised and fully searchable. This was important because a key benefit of an IMS is data analysis, which is only possible when

information is entered according to guidelines and the system allows searching or querying on key data fields.

The LRC had already purchased Raiser's Edge¹, and chose to revive this as the backbone of the new IMS. A 'Policies and Procedures Manual' was drafted, which details each field, outlines policies like avoiding shortenings or abbreviations and provides security settings and backup procedures. The manual also specifies other elements of information management complementing the database, such as paper-based filing. Without a detailed manual there is a risk that users will forget their training and the decisions made and that data entry will become inconsistent, reducing search capabilities and compromising the quality and completeness of the information.

A limitation of buying an 'off-the-shelf' database is that we cannot always tailor it to the LRC's specific requirements. This means we have had to compromise, finding creative ways of capturing certain data.

In closing, it is important to note that while the IMS is one of the tools we use in our work, it cannot replace staff experience and creativity. Although the database can help generate thank you letters and remind you to make a phone call, it cannot, of course, craft inspirational wording, replace personal interaction or judge how to make 'an ask'. It also cannot replace the processes of developing strategy, highlighting important information internally, and learning from each other and our work.

1 Raiser's Edge is a commercially available Information Management System (IMS) designed specifically for Advancement in the non-profit sector.

SECOND TAKE

Measuring impact

Quality, quantity and demonstrating difference

Organisational and programme monitoring and evaluation (M&E) is increasingly being demanded by donors. Erica Emdon, ProBono.Org Advancement Director, reflects on the need for M&E that demonstrates her organisation's transformative impact.

ProBono.Org is frequently required by its donors to report on the impact of its work. This information is critical in order for donors to assess whether or not to support the organisation. The Board of Directors also needs to assess the effectiveness of the work that is done in order to judge staff performance. One way to satisfy both donors and our Board is to try to measure our impact.

Our core work is to assist clients and beneficiaries by hearing their legal problems and, where appropriate, referring them to *pro bono* attorneys and advocates for assistance. We are able to quantify the number of clients we see and keep statistics on various important aspects of our work. This gives us a quantitative picture of our impact to report on. For example, we saw about 3 000 clients in 2011, of whom 60 percent were women, 10 percent were disabled, and 40 percent were refugees.

Every quarter we also contact the attorneys and advocates to whom we refer *pro bono* matters, to find out how many hours they have spent on each case. In this way, we are able to quantify and cost the time that has been spent, *pro bono*, as facilitated by the organisation.

Every so often when cases are finalised, either because the assisted client has obtained relief or because

the matter has been heard successfully in court, we write up these success stories for our newsletters. As a means of demonstrating impact, this method relies on case examples rather than quantifiable results as we do not have the capacity to track the final outcome of all cases taken on by our panel of attorneys.

What none of these devices measures is the qualitative impact of ProBono.Org on both our beneficiaries and the lawyers who undertake the *pro bono* work. By failing to measure this we ignore a very important element of our impact, which is the ways in which the people we assist, as well as those who give *pro bono* time, are affected by our work. The risk of not measuring impact in this way is that we are unable to report and reflect on a significant dimension of what we do, this being our transformative impact.

The impact that doing *pro bono* work has on lawyers is frequently enormous, and the long-term shift in values and perceptions intrinsic to the legal profession is great. We know this, but are not measuring it. Occasionally, when we interview lawyers for our newsletters, they make comments about the impact that working for poor clients has on them and how meaningful the work is. However, we have no way of measuring if we are embedding a deep-rooted and sustainable *pro bono* culture within the legal profession.

In future, we have to consider ways to measure these less obvious and more qualitative, rather than quantitative, aspects of our work. This will satisfy our stakeholders and donors, and will assure them that we are in fact a valuable organisation within the legal landscape.

HELEN WHITE

Twenty principles for developing an effective brand

In a society characterised by increasing technical sophistication and competition for scarce resources, more and more non-profit organisations (NPOs) are beginning to ask whether marketing principles can be applied within the non-profit sector to build competitive advantage and enhance brand recognition.¹ Since 1994, The Children's Hospital Trust² has developed a reputation for professional, ethical and effective fundraising and donor stewardship. Our success is strongly rooted in a robust marketing strategy and deliberate and consistent brand building that has provided a strong platform for the effective mobilisation of individual giving. The lessons learned from this experience can be distilled into 20 principles that can impact the effectiveness of non-profit brands (and indeed many brands within the for-profit sector as well) and enhance the voice and visibility of NPOs.

1 "A brand is a set of perceptions and images that represent a company, product or service. A brand is the essence or promise of what will be delivered or experienced. Brands enable a buyer to easily identify the offerings of a particular company. Once developed, brands provide an umbrella under which many different products can be offered, providing a company [with] tremendous economic leverage and strategic advantage in generating awareness of their offerings in the marketplace." From <http://www.persuasivebrands.com>.

2 The Children's Hospital Trust is an independent organisation that fundraises for the world-famous Red Cross War Memorial Children's Hospital and paediatric health care in the Western Cape, South Africa. The organisation was established in 1994 and is funded from an endowment, ensuring that 100 percent of all donations received goes directly to prioritised projects and programmes at the hospital and specific paediatric health care projects beyond its doors. Not a cent is used for administration or operational expenses. For detailed information on The Children's Hospital Trust and the Red Cross War Memorial Children's Hospital, visit www.childrenshospitaltrust.org.za, www.facebook.com/childrenshospitaltrust and [Twitter@chtrust1](https://twitter.com/chtrust1).

1. People buy into people

Effectively marketing an NPO to potential individual givers requires evoking an emotional response. Marketing material should therefore go beyond facts and statistics and show the human face of how the organisation has succeeded in having a positive impact on people's lives. An organisation needs to conjure emotion if it hopes to inspire an individual to progress from interest to empathy and finally to action, i.e., to making a donation. Questions to be asked might include: What are your success stories? What is the human factor that underlies your cause? Who are your beneficiaries – the people impacted by your work – who could evoke emotion and nurture support? The Children's Hospital Trust often uses patient cases to profile the lives impacted by donors who have elected to support the Red Cross War Memorial Children's Hospital and other paediatric health care projects.



An organisation needs to conjure emotion if it hopes to inspire an individual to progress from interest to empathy and finally to action ... making a donation.

2. Never compromise your core values

The nature of non-profits is that they are values-based. Givers want to be sure that the organisation is founded on strong values that will not change. These values must be communicated consistently in all brand messaging and through every person associated with the organisation, from Board members and the Chief Executive Officer (CEO) through to staff at all levels. Important considerations are: What is your enduring purpose? What will your brand always stand for and what will it never support? The Hospital Trust, for example, will never accept direct funding from donors who represent offerings or products that negatively affect children and their health, such as tobacco companies.

3. A 'smashable' brand is an unforgettable brand

There must be a common thread running through every element of an organisation's branding. Consider whether your brand is consistent and whether any one element is unequivocally representative of your brand? A Coca-Cola bottle exemplifies a smashable brand. Even if it has been smashed into smaller pieces, the bottle is readily identifiable as a Coca Cola container from almost every piece of glass.

4. Even non-profits need a competitive advantage

Simply put, a competitive advantage is the unique value an organisation offers. Its 'competitors' are all the other NPOs seeking to raise funds from the same sources. Due to the benevolent nature of non-profit sector activities, many NPOs are reluctant to view as competitors other organisations that serve a similarly valuable function. Resources are becoming increasingly stretched and,

like it or not, NPOs can no longer afford to take an ambivalent attitude towards other organisations vying for donor support. Whether or not they accept or even recognise it, NPOs compete for far more than just funding; they compete for clients, recognition, exposure, ideas and more. An organisation's marketing is based on communicating its unique selling points (USPs) to potential givers, that is, on making it stand out from its competitors. One of the Hospital Trust's key USPs is that 100 percent of the funds it receives goes directly to the intended project. Nothing is spent on administration costs – a situation that is possible as we are fortunate to have a healthy working capital fund that finances all running expenses. Maintaining a competitive advantage requires:

- Positioning the organisation's brand by making clear what unique contribution it brings to the field
- Continually monitoring developments in the field to ensure the relevance of the organisation's work and to identify emerging needs.

It is imperative that NPOs engage in 'industry' analysis in order to review their offerings and relevance to the market. At times, an analysis of the industry may lead to organisations reinventing themselves to retain competitive advantage and relevance. In his discussion of mission and strategy in NPOs, James A. Phillips³ argues that the leaders of both for-profit organisations and NPOs need to understand their environments to succeed, since it is the relative scarcity and abundance of resources in the environment that determine an organisation's potential. In Phillips' view, "[i]t [industry analysis] is important because an effective strategy cannot be developed without a clear sense of an organisation's competitive environment and dynamics". Industry analysis is useful not only for identifying opportunities that are worth pursuing or activities that should be exited or excluded, but also for shaping the strategy of the organisation as not all strategies will work in all environments.

5. Even brands need a personality

Organisations need to be intentional in creating and managing a desirable brand personality; an organisation is a *who*, not a *what*. Your organisation will be viewed in particular ways regardless of whether you engage actively in managing its brand. A positive brand personality will ultimately result in positive perceptions. The brand's 'personality' must be evident in every element, from branding to e-mail communications to the way the receptionist answers the telephone. A potential donor may lose interest if the telephone is answered in an offhand way and may, as a result, characterise the brand as disinterested and unprofessional.

... NPOs need to understand their environments to succeed, since it is the relative scarcity and abundance of resources in the environment that determine an organisation's potential.



³ Phillips, J. A. 2005. *Integrating Mission and Strategy for Nonprofit Organisations*. Oxford: Oxford University Press, p.72.

6. Pro bono is not always first prize

A non-profit may be offered free marketing and advertising services in the form of a gift-in-kind donation as a gesture of goodwill. Although this may seem generous, an organisation accepting such an offer risks, first, losing control of its branding and messaging, and second, having to accept that the agency's paying clients come first. You could sacrifice brand ownership for creative genius as advertising agencies often use *pro bono* clients to let their creative juices run free in order to win awards. However, by accepting *pro bono* services without any fee component, you risk compromising your level of priority as a client and the purity of your brand. Owing to its experiences of *pro bono* relationships in the past, The Hospital Trust now elects to pay an advertising agency to do its work. Although the agency charges us a lower rate than its commercial clients, being a paying client means we are able to brief the agency with confidence and insist on brand consistency. We also enjoy the same level of client service as other paying clients. Let it also be said that once your brand is in the measured and strategic care of your advertising agency, winning an award or two is never a bad thing!

7. Online direct marketing has a higher return on investment (ROI)

Traditional paper-based methods for direct marketing⁴ have become increasingly costly and the breakeven point can span years due to high production and delivery costs. Even then, the response rate is nominal and results are not immediate. If resources are limited and an organisation wishes to achieve relatively fast results, then online marketing should be included in the marketing strategy. This is not to say that traditional direct marketing has become obsolete but rather that marketers need to use a combination of methods to suit their budgets and timelines. Keep in mind that a portion of your target market may always prefer paper-based communication and should not be excluded. As shrinking budgets, rising targets and the need for quicker ROIs progressively shift communication with donors online, organisations need to adequately resource their online functions and employ a staff member, or even a team, dedicated to managing all marketing, branding and resource mobilisation activities of an online nature.

⁴ Direct marketing is sending a promotional message directly to individual consumers, rather than via a mass medium, and includes methods such as direct mail and telemarketing.

8. Thanking reigns supreme!

Thanking donors at every opportunity and giving them feedback on what their funding has created builds loyalty and increases giving. Does your organisation have a strict ‘thank you’ protocol that is adhered to by the whole team? Every organisation needs to establish a well-defined system that ensures donors are thanked quickly and effectively with tailored, personalised communication.

9. Donors want ownership and recognition

All donors want to feel that they have made a difference. Traditionally, fundraisers worked on the premise that most donors wanted recognition for their contributions, but over time it has become evident to the team at the Hospital Trust that many donors in fact want to feel a sense of ownership of the projects and the achievements of the organisation. In light of these findings the hospital Trust launched special programmes to recognise two unique categories of givers: the Circle of Life Programme and the Guardians Programme. The Circle of Life Programme brings together caring, like-minded individuals who have chosen to leave legacies in their wills to the hospital Trust for the benefit of future generations of sick children who are treated at the Red Cross War Memorial Children’s Hospital. The Guardians Programme was created for individuals, Trusts and Foundations that donate R5 000 or more per annum. A Guardian is a donor with a personal commitment to promoting and celebrating the Red Cross War Memorial Children’s Hospital as a centre of paediatric excellence.

What sets these two programmes apart from one another is that they engage with the donor groups each targets in an emotive yet relevant way. From special Guardian pins to membership certificates, naming rights⁵ and annual functions, each element is strategically executed to build loyalty and a sense of programme ownership. Creating ownership is not without its challenges, including the risk that, once a strong affiliation has been established with a particular programme, donors may be less apt to move on to a new one. Yet the benefits of creating donor ownership and the loyalty it generates far exceed the risks and are well worth the challenges.

These are just two examples of how an organisation might offer donors a sense of ownership. What opportunities of this kind does your organisation provide? Does your organisation have a clear donor recognition policy? Do you customise communication for each donor group?



Traditionally, fundraisers worked on the premise that most donors wanted recognition for their contributions, but over time it has become evident ... that many donors in fact want to feel a sense of ownership of the projects and the achievements of the organisation.

⁵ In their simplest form, naming rights can be broadly defined as the privilege of associating a donor’s name with a building, project, or programme that they have supported.

10. Regular giving is a matter of trust

In order to become loyal, regular donors, people must feel able to trust that their money is being spent properly. This requires regular feedback and transparent reporting. Having a strategy to grow your regular giving base through consistent feedback and reporting is extremely important. A newsletter, for instance, can serve as the medium for this feedback to donors and supporters. Our newsletter, *Newsflash*, is sent to supporters every quarter. Keep in mind that individual donors may need more personalised communication and reporting whereas Trusts, Foundations and corporate donors often only require facts and figures. Of course, the executives, grantmakers and other staff you deal with in organisations or companies may themselves appreciate personalised and ‘good news’ reporting.

11. Social media is word of mouth – the conversations have simply moved online⁶

So many NPOs seem to fear entering the world of social media. Yet what they may not realise is that social media finally enables them to hear firsthand what people are saying about them. Even better, they are now able to engage in conversation with them, alter perceptions and diffuse any negative situations. To establish any level of competitive advantage, every organisation should be actively using social media marketing channels. Through effective use of social media, organisations can mobilise people to communicate the messages they care about to their own social networks. Critical to remember is that an organisation cannot always control what happens in its social media marketing channels, but it has more control over the way people perceive it than would be the case if it were not active in this sphere. Organisations need to have staff dedicated to driving this medium – people who are equipped to craft messages carefully and who ensure that content is relevant, engaging and interactive. Jennifer Aaker, General Atlantic Professor of Marketing at the Graduate School of Business, Stanford, California United States of America (USA), believes that people only advance the message about something they care about.⁷



In order to become loyal, regular donors, people must feel able to trust that their money is being spent properly. This requires regular feedback and transparent reporting.

⁶ Social media is web-based or relies on mobile technologies that turn communication into an interactive dialogue with user-generated content. Examples include Facebook, Twitter, Myspace, and blogging.

⁷ Aaker, J. & Smith, A. (with Adler, C.) 2010. *The Dragonfly Effect*. San Francisco: Jossey-Bass. Organisations wishing to embrace the power of social media would do well to read this stimulating and insightful work.

12. Planning is everything

Communication strategies are the building blocks of successful fundraising campaigns and ultimately of completed projects. An organisation's communication strategy needs to be comprehensive and should include all aspects such as objectives, key messaging, mechanisms, partners, budget, resources and timing. It is imperative that NPOs create communication strategies before launching fundraising campaigns. Equally important is that buy-in is obtained from all internal stakeholders and decision-makers for a particular campaign or project which requires funding so that everyone involved speaks with one voice and is committed to ensuring the success of the campaign. Ask yourself: does your organisation have contingency plans and are you able to be flexible should aspects of the project change, such as messaging or budget?

13. Strong and consistent messaging is an effective tool for overcoming obstacles

An organisation must develop consistent messaging to overcome obstacles to fundraising. Obstacles vary and could include a multitude of barriers such as the perception that the NPO does not need the money, or that donating towards the cost of bricks and mortar is not good use of money. Which merits does your organisation frequently have to justify and is your whole team equipped to answer difficult questions? An organisation continuously needs to identify obstacles to giving, anticipate these in advance, and should craft persuasive, honest arguments that will placate its most staunch critics. As far as possible, all staff should be able to articulate these arguments and should rehearse doing so before a fundraising project or campaign is launched.

14. Prepare Frequently Asked Questions (FAQs)

An organisation should prepare FAQs and construct standardised, well-constructed answers to these and any other questions it might be expected to answer at short notice. FAQs are those questions that an organisation can predict from past experience are likely to be raised when a certain project or campaign is discussed. For example, questions could be raised about whether a project or programme is sustainable or what percentage of donations will go directly to the project or programme as opposed to fundraising or other costs. In a similar vein, 'holding statements' are vital to the positive perception of any NPO and should be created before an organisation is set to engage in an activity that may spark criticism or commentary, such as accepting funds from a controversial donor.⁸

⁸ A holding statement is a succinct yet detailed written explanation of an organisation's view or standing on a specific matter or issue.

Every member of the NPO needs to know the organisation's official stance on every potentially controversial encounter with which the organisation might be associated.

15. Editorial exposure is more effective than advertising

While the effectiveness of advertising as part of an overall communication strategy should not be denied, an article published in the editorial section of a media channel is often more persuasive and has more impact than paid-for advertising. Editorial mention holds credence and gravitas as it is widely perceived that media coverage is driven by the choice and the free will of a news company rather than in return for monies received. An instance where paid-for advertising is a must is when the information is overtly self-promoting and the content is not newsworthy. NPOs need to capitalise on all aspects of their work that are newsworthy and submit editorial content for feature in the media, be it print or electronic. The skill is to identify what it is about your brand and its activities that are genuinely appealing to the media. An organisation must vigorously pitch editorial ideas to the media proactively, strategically and consistently, without compromising on newsworthiness. Repeated submission of uninteresting content can irritate the media, leading to its refusal to even consider your contributions.

16. 'No comment' is never an option

All organisations have to be prepared to deal with the media. As media specialist Marion Scher has noted, virtually no organisation exists today that has no need to deal in any way with the media, whether print or electronic.⁹ Saying 'no comment' to a media query that holds an element of controversy does not serve an NPO's interests and only makes the media more determined to find the story with or without your comment. The best option is to provide a statement such as 'we don't have the information now and will get back to you by this afternoon' and then to be sure to call back as promised. The key to dealing with controversial or negative publicity is always to be honest and proactive in getting information into the public domain and to provide insight into how the organisation plans to rectify or resolve the problem. Negative news can be a catalyst for asking for help and can be used for positive effect.



The skill is to identify what it is about your brand and its activities that are genuinely appealing to the media. An organisation must vigorously pitch editorial ideas to the media proactively, strategically and consistently, without compromising on newsworthiness.

9 Scher, M. Online at: <http://www.mediamentors.co.za>.

17. Have realistic expectations – give yourself permission to say no

An 80:20 rule holds for fundraising: often 80 percent of the money required is raised from 20 percent of the people. With this in mind, it is perfectly acceptable to decline projects or initiatives that will require high input with little return. To ensure fairness and consistency, an organisation needs to establish criteria to guide decisions about suitable partners and partnerships. For some time the Hospital Trust has grappled with the public's perception that it is over-supported because of its past inclination to partner with every individual or organisation who wished to hold an event or take on a cause-related marketing campaign. Since we have cut back on initiatives with high input and low output, this public perception has begun to alter and there is an increasing recognition that our need is, in fact, far greater than our success. Initiatives to avoid are those that require substantial input and resources from the NPO but reap very little in the way of financial reward in return. Some high profile events enjoy substantial levels of exposure and involvement but very little income is actually cleared once hard costs have been covered.

18. Put systems in place to manage crises

Systems are lifelines, particularly when an NPO faces a crisis. An organisation must have protocols for dealing with public relations emergencies. Protocols need to be defined clearly and must be observed by the whole team. We have a protocol document, known as Red Alert, which details the exact steps that need to be taken when the organisation faces a crisis requiring special communication, both internally and externally. The document includes a call-out tree and is updated periodically to ensure details are current. Outside of times of crisis it is imperative that every NPO has a brand manual to govern the look of its brand identity and keep it consistent and pure.

19. Invest in your brand and reap the rewards

Managing perceptions requires investment in an NPO's communications capacity. Consider whether your organisation allocates sufficient budget and resources to marketing and whether your key decision-makers believe in the importance of communications. Often NPOs neglect those aspects of their organisation that can have the most impact: communications and branding. Remember that perception is reality and brand is the primary influence on perception.



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20. Big brand does not need big budget

Building a network of brand ambassadors and partners can be a valuable part of an NPO's fundraising efforts and can help to build voice and visibility for the organisation. An ambassador is a public representative who supports your NPO's vision and is a role model in the eyes of the local community and the public in general. Ambassadors can be used to add value to events, generate media exposure and access a hitherto untapped donor base from among their loyal followers. Small marketing budgets may be overcome by developing strategic partnerships, leveraging high-profile ambassadors and ensuring high levels of brand consistency. Where organisations have negligible marketing budgets, a viable solution is to secure the maximum amount of editorial coverage: it's free and yet so effective.

Considering that NPOs have brand personality, whether intentional or not, it makes perfect sense to allocate resources and time to building a brand identity that best serves your organisation and its objectives. Perhaps a first step is to ask others how they view your brand. You can then work at building it if you are happy with what you hear, or at making changes if it's creating the wrong impression. Don't avoid building your brand because it seems too overwhelming – just start building, one step at a time.

On measuring performance

Organisations must consider how they judge their own performance and indicators. That's not about how you're spinning yourself as being effective, but how you know, institutionally, that you're effective as a human rights organisation. What is lacking in the human rights sector is an understanding of what our theory of change is and translating that into activities, and then being able to set up indicators – which not only reflect whether activities have happened, but also whether the change they were meant to effect has taken, or is taking, place and whether those activities need to change.

Isobel Frye, Director, Studies in Poverty and Inequality Institute

RUENDREE GOVINDER

A much-needed status update New media and non-profit organisations

From the Arab Spring, where people used Facebook to organise and mobilise a revolution, to a person in Pakistan inadvertently tweeting the events leading up to the assassination of Osama bin Laden, the pervasiveness of online media can no longer be ignored. The world is increasingly using social media to connect, share and mobilise. Furthermore, studies¹ show that individuals who contribute the most money to non-profit organisations (NPOs) are 50 years of age and older. This means that in about 10 years' time, the first surge of Facebooking, blogging, tweeting and 'pinning' donors (those using the social media phenomenon, Pinterest) are likely to start making contributions to those organisations that have reached out to them effectively.

Yet the South African non-profit sector has, for the most part, resisted engaging with the medium despite mounting evidence of its power and relevance. Why is social media not a standard feature of a non-profit communications and Advancement strategy?

The first obstacle may be simple technophobia. Many non-profits are still struggling to get their websites in order, seeing them as an incredibly technical tool that requires inordinate skill to build and maintain. Organisations that do attempt to tackle a web project do so the only way non-profits seem to know how: they hold many 'planning meetings' over several months – which often deteriorate into lengthy discussions of colours and fonts because that is the only aspect of website planning they can wrap their heads around. Scant attention is paid to actual content development, the heart of the website. Still others developed websites years ago, often at considerable cost to the organisation, but do not regularly update the site because they either are not able to, or do not have the necessary staff resources. It does not have to be this difficult.

1 Bhagat, V., Johnstone, M., Persaud, S., Bickford, D. & Wills, J. 2010. *The Next Generation of Canadian Giving: A Study on the Multichannel Preferences and Charitable Habits of Generation Y, Generation X, Baby Boomers and Civics*. Online at: <http://hjc.ca/nextgencanadiangiving/downloads/nextGenCanadianGiving.pdf>; Fritz, J. "Why older donors matter: philanthropy flourishes as people grow older". Online at: <http://nonprofit.about.com/od/fundraising/qt/olderdonorsmatter.htm>; *The World Giving Index 2011: A global view of giving trends*. 2011. Charities Aid Foundation. Online at: <http://www.cafsouthernafrica.org/downloads/WorldGivingIndex2011.pdf>.

Modern websites are (or should be) simple for a web developer to build. All the organisation needs to do is develop content that clearly communicates the cause that the organisation is working towards, what they are doing to achieve their goals, and how the user can assist or learn more. A competent web developer can manage the rest. With the increasing popularity of free, open source content management systems like WordPress, Drupal and Joomla, it is now easier than ever for an organisation to manage and update website content itself, with minimal technical intervention. These systems also substantially reduce web development costs as a basic website can be developed in just a few weeks. A web developer with experience in the non-profit sector should be able to source low-cost, or free, open source solutions for most organisations' needs.

Non-profits may be aware of the importance and potential of a website, but are quick to write off online fundraising as a failure because their website has a 'donate button' but they have received no donations. A donate button is not a fundraising campaign, it is merely a tool of such a campaign. All of the basic elements of a fundraising campaign also need to be in place: an effective Case for Support; a compelling call to action; a simple mechanism for people to donate or help the campaign; tools to share the campaign online; a marketing strategy to drive traffic to the website using social and other media.

If social media is used at all, it is often seen as an extension of 'website duties', and left to the office 'techie' or an administrator to manage. Yet these staffers are not trained communicators and would not be asked to communicate on behalf of the organisation in any other realm. Would you ask your office techie to take phone inquiries, speak to the press, or manage fundraising campaigns? Why then put him or her in charge of your crucial online presence? Effective use of online media can only be achieved when an organisation understands that it is a communications channel and needs to be managed as part of a broader communications strategy, by people who are capable of communicating on behalf of the organisation.

Another common complaint is the lack of resources or time to invest in social media. However, with a well-developed communications plan, social media channels like Facebook or Twitter can be managed in as little as two hours per week per channel. One of the greatest benefits to using social media strategically is that minimal input can achieve a wide reach.

Social media can be used for fundraising, but the potential goes beyond merely raising money. Social media is an essential media platform to build awareness and engagement with issues and causes, so raising awareness and building support for your mission. Non-profits with the most successful online communities share a few common strategies: they all have a staff member assigned specifically to online media work; a budget is allocated for online media, and social media



A donate button is not a fundraising campaign, it is merely a tool of such a campaign.

A social media strategy must be intrinsically linked with an Advancement strategy, one which sows the seeds in an online community today to reap the rewards of this engagement tomorrow.



components are integrated into fundraising appeals.² The *2012 Nonprofit Social Network Benchmark Report*³ lists the factors for success in online media as strategy, prioritisation, and dedicated social media staff. All these factors require an organisation to first understand the potential benefits of using social media, and then be committed to following through. This is where most organisations fall short. While many non-profits are excited about the idea of social media, taking the next step to develop a strategy and allocate resources eludes them.

Too many non-profits seem stuck in the traditional fundraising approach of contacting major international donors or responding to calls for proposals, all to serve an immediate need for funds, instead of developing an Advancement strategy that encompasses a long-term approach to organisational sustainability. When addressing the voice and visibility of an organisation, a key building block of an Advancement strategy⁴, online media cannot be ignored. A social media strategy must be intrinsically linked with an Advancement strategy, one which sows the seeds in an online community today to reap the rewards of this engagement tomorrow.

Social media analyst, Frank Barry, says: “The key is to infuse your current fundraising activity with social media rather than try to dream up a totally new way of raising money.” In other words, the art of fundraising has been invented already, you are not doing anything new. The most effective campaigns are creative, yet simple. Free The Children⁵ raised US\$500 000 in three months with the help of celebrity endorsements and a sponsor to donate US\$1 for every ‘like’ on their Facebook page. Tyson Hunger Relief⁶ donated 100 pounds of food to the Monterey County Food Bank for every new ‘like’ on their Facebook page, resulting in not just a major food donation, but more than 900 additional members in their online community. These campaigns used a traditional sponsorship model, but with a social media twist.

In just over three years, the NPO charity:water⁷ has raised more than US\$15 million to bring clean and safe drinking water to more than a million individuals. This was achieved with an extensive social media effort, and the active engagement of their 1.3 million plus Twitter followers. A campaign of

2 Barry, F. 2011. “Social media for social good: 3 secrets to raising big bucks”. Online at: <http://www.frogloop.com/care2blog/2011/12/5/social-media-for-social-good-3-secrets-to-raising-big-bucks.html>.

3 NTEN, Common Knowledge & Blackbaud. 2012. *2012 Nonprofit Social Network Benchmark Report*. Common Knowledge. Online at: <http://www.nonprofitsocialnetworksurvey.com/download.php>.

4 ASK Inyathelo. Online at: <http://www.askinyathelo.org.za/index.php/about-ask-inyathelo-sub/about-this-site>.

5 See <http://www.freethechildren.com>.

6 See <http://www.tysonhungerrelief.com>.

7 See <http://www.charitywater.org>.

that scale does not happen without planning and development of a social media community. While only a small percentage of organisations can claim this level of success in online fundraising (less than 1 percent have raised more than US\$100 000 using social media), a recent study showed that using social media as part of your fundraising campaign could increase donations by as much as 40 percent.⁸

Donors who give through multiple channels have higher average donations and are more loyal than those donating through a single channel.⁹ Furthermore, social media is immensely useful in peer-to-peer fundraising, where people alert their friends in their own online communities to a cause and encourage them to donate. These donations may not be made online, but social media networks are used to engage a much wider audience of potential donors than an organisation could achieve on its own. And the intangible benefits should not be ignored: active, engaged, online communities can assist organisations in advancing their cause through advocacy, rights education work, campaigning and volunteering.

While the examples of social media success are largely international, South African social media usage continues to grow at a phenomenal rate. Fuseware and World Wide Worx's 2011 survey on social media use in South Africa showed that there are more than 10 million active users on MXit, more than 4.2 million on Facebook and more than a million on Twitter – which increased its following twenty-fold from the year before. All these networks, and several new ones, continue to grow.¹⁰

Our non-profit sector needs a paradigm shift in how it communicates and engages with its communities, donors, potential donors and the public. Otherwise, it runs the risk of falling behind and becoming increasingly disconnected from the world it is trying to change.



... the intangible benefits should not be ignored: active, engaged, online communities can assist organisations in advancing their cause through advocacy, rights education work, campaigning and volunteering.

8 Sicola, A. 2011. "Using social media Increases fundraising by 40% [Study]". Online at: <http://www.netwitsthinktank.com/friends-asking-friends/using-social-media-increases-fundraising-by-40-percent.htm>.

9 NTEN, Common Knowledge & Blackbaud. 2012. *2012 Nonprofit Social Network Benchmark Report*. Common Knowledge. See footnote 3 above.

10 Goldstuck, A. & Wronski, M. 2011. *South African Social Media Landscape 2011*. Fuseware and World Wide Worx.

SORAYA JOONAS

Inyathelo: The South African Institute for Advancement

Financing for sustainability

One of my greatest challenges as the Financial Director of a non-profit organisation (NPO) over the past five years has been to ensure that I develop and maintain a systematic approach to financial management that fosters financial sustainability. Cannon and The Open Society Foundation define financial sustainability as:

... a component of sustainability where an organization is able to raise resources from a variety of sources (for instance, local, national and international, private and public) and should include increasing amounts of local funding and earned income, to move the organization away from dependency towards foreign donors.¹

This paper provides reflections and tips on how financial sustainability of the kind advocated above can be pursued in the South African context.

Industry experts recommend that an organisation should maintain at least 90 days of operating costs as a reserve fund. This is to guard against unforeseen cash flow problems. At the same time, an organisation must also consider how much is too much in a reserve and establish policies around this.² A reserve, in a sense, is your insurance policy. Invest in it.

At Inyathelo, having a reserve has eliminated cash flow stress and, in some instances, has enabled us to support new projects temporarily until further funding has become available. The following are several financial management techniques that we have used to build our reserves and strengthen our financial sustainability.

1 Cannon, L. 2002. "Mobilizing resources and sustaining the organization: defining sustainability". In Edwards, M. & Fowler, A. F. *The Earthscan Reader in NGO Management*. London: Earthscan. The Open Society for West Africa (OSIWA) has used an identical definition in its Grantseeker Guidelines (see www.nabuur.com/files/attach/2008/10/.../doc_45209289b79e7.doc).

2 For a good example of a policy on reserve management see The Colorado Nonprofit Association online at <http://www.coloradononprofits.org>.

Income generation

Inyathelo does not rely solely on donor funding. In some respects, we operate our NPO much like a business. Can an NPO generate income from sources other than donations and grants? The answer to this is: unquestionably. There is no reason for NPOs not to make a profit. In fact, it would be irresponsible for them not to do so if profit-making opportunities arise or can be created. The difference is that, unlike a for-profit company, an NPO's profit is not distributable to shareholders. It must remain within the organisation. Profit-making activities thus present a prime means of supplementing other forms of income. If they help to generate a surplus, profits can help to build financial reserves.³

None of this is to suggest that we frantically run a separate fish and chips outlet or sell used clothing as a side business to our non-profit activities. Our income generating activities are aligned with, and complementary to, our founding purpose and vision and mission statements.

There is always likely to be some ethical debate about the entrepreneurial or mixed model of NPO funding. As non-profit practitioners, we are often drawn to this sector for heartfelt reasons. Our overriding mandate is to deliver social services or engage in various ways with issues of human rights. At Inyathelo, our primary purpose is to strengthen civil society and it is critical that we do not deviate from this mission.

While I appreciate the sentiments questioning the mixed model of funding, as an NPO Financial Director my view is that there is nothing wrong with delivering what are sometimes termed 'soft' or 'humanistic' services in a hard financial shell. The NPO sector is highly skilled and offers a vast array of excellent services. Sometimes there is a market for these services, either among other NPOs or in the public or private sectors. Sometimes, too, we have expertise in this country that others elsewhere in the world are prepared to pay for. Where such a demand exists, it is surely to the benefit of all concerned that an NPO offers these services. What is important is that this is done at a reasonable rate and, provided that staff do not benefit unduly, that any profits remain within the organisation and the integrity of the organisation is not compromised in any way.

Budgeting

The most important lesson I have learned in non-profit budgeting is that every programme must pay its way. Essentially, if an NPO runs five programmes, then each programme must bear 20 percent of the running costs of the organisation. This ideal split may not work exactly, but the principle should nonetheless



Our income generating activities are aligned with, and complementary to, our founding purpose and vision and mission statements.

³ A reserve can be defined as the balance of unspent funds that can be kept aside, and usually invested, to fund future expenditures.

be pursued as a matter of policy. To ensure that the organisational structure necessary to house a project is supported, our proposal budgets make allowance for contributions to cover all overhead costs, including percentage contributions to strategic planning, organisational reviews, Board meetings and maintaining our website. To achieve this, it is important to maintain a consistently updated donor budget model so as to be on top of allocated spending and identify gaps so these can be accommodated in future proposal budgeting.

In addition to costing out proportionate time for salaries, we include an administration line item (as a percentage of the total project cost) that can contribute to accounting and auditing fees and other indirect administrative costs. The amount allocated for administrative costs generally ranges from between 10 percent and 15 percent of the total project or programme costs. For the most part, our donors accept this contribution because they understand that every new programme incurs an increase in associated costs. In other words, adding a new programme to an organisation's portfolio, for example, could increase staffing and other expenses which, in turn, lead to a greater number of banking transactions and more time spent on accounting and auditing. These increased activities carry direct costs which proposal budgets must, in some way, incorporate. Our own approach to budgeting, which is based on these principles, has been instrumental in helping us to build financial sustainability.

Matched funding

Historically, our organisation has benefited from matched funding schemes in which donors have agreed to match funds raised from other sources on a rand for rand basis. Of course, it is sometimes necessary to channel raised funds and matched funds towards a particular project or programme. If the total of raised and matched funds results in a surplus, however, the balance can legitimately be channelled to a reserve fund. In the first few years of Inyathelo's operations we were able to raise additional funds through income-generating consulting services and these went into the reserve while the matched funding covered operational costs.

Diversifying the grant funding mix

At Inyathelo we have made a concerted effort to diversify our donor mix so as to avoid over-reliance on any one sector or geographic zone. Although this has not had a direct effect on our reserves, it has supported our sustainability efforts because we are less reliant on just a few donors. These attempts to diversify our funding have also enabled us to negotiate different terms with various donors for payment, reporting and other requirements, and provides a risk balance with differing exchange rates that apply to our funding. Despite this, we are



... we have made a concerted effort to diversify our donor mix so as to avoid over-reliance on any one sector or geographic zone.

increasingly conscious of the need to grow our support from local donors as the vicissitudes of the market and other factors are causing at least some international donors to cut back on funding to South Africa.

Timing of income and grants

The timing of receipt of grant income is extremely important and can have major positive or negative consequences, depending on the circumstances. In some cases, we have been able to negotiate upfront payment of multi-year grants, which has been a major boon. The advantage of a multi-year grant, as opposed to a twelve-month grant that may or may not be renewed annually, is that it allows us to budget and map our future over a five-year period. This provides a foundation for core operating costs and also enables us to predict future gaps and make suitable adjustments for other proposal budgets. In contrast, no NPO is likely to be comfortable with a situation where it has to start paying for a project or programme, and possibly carry these costs for some time, before funding is received. Not only is this bad practice, but it is a threat to financial sustainability and should be avoided.

The timing of the receipt of funds can also impact on the amount of interest accrued. While some donors require interest to be tracked and spent on the project or programme, and a few even ask for it to be returned, others are content for any interest earned to be ploughed into reserves. When grants or tranches are large, and particularly when a multi-year grant is received in advance, interest can be a lucrative means of building an organisation's reserve fund.

Payment dates and the dates of expiry of grant funds can also be negotiated with a donor, which can assist with cash flow. Generally, we request that our grant funding should match our financial year. This is not always possible as many disbursements are aligned with grantmakers' own financial timelines. There are thus instances where a one-year grant straddles two financial years. Although this requires additional administration and more detailed budget modelling, it can be advantageous to an organisation's cash flow as income is received at various times throughout the financial year.

Investments

Investing reserve funds in equities on the stock market will certainly entail a shift in thinking for some NPOs, but it is a perfectly legitimate strategy if managed correctly. Our Board of Trustees has tended to prefer placing our reserve in a diversified investment portfolio. With the assistance of an investment advisor who specialises in philanthropic Trusts, we attempt to invest our funds smartly in portfolios which show a good return. Of course, we are fully aware that we operate in a non-profit environment and therefore invest the excess of our long-



Investing reserve funds in equities on the stock market will certainly entail a shift in thinking for some NPOs, but it is a perfectly legitimate strategy if managed correctly.

term undesignated funds in low-risk balanced equities. The largest portion of our reserve is in cash and fixed capital funds. Governance of the investment process is strict and transparent, with regular investment reports submitted to, and approved by, our Board. The value of the reserve and changes to it are published in our Annual Report.

Undesignated donations

Undesignated donations refer to giving that is not dedicated to a particular organisational activity.⁴ Undesignated funds most commonly emanate from individuals, the private sector and some forms of Trust. It is less forthcoming from private Foundations and very rare from governments, or bilateral and multilateral grantmakers. If a donor has not specified exactly where donated funds should go, then we will often use these funds to make up for any shortfalls. In the absence of shortfalls, we will invest undesignated funds in our reserve to help build and sustain our organisation into the future.

Non-profit mergers

Some years ago, an important NPO was due to close as a result of funding issues. Just prior, Inyathelo had started an initiative that was in line with the mandate of the other NPO. It was important to our sector, and especially to one of our major funders, that the valuable skills and intellectual capital vested in the other NPO were not lost. After negotiations with the funder and the said NPO, we integrated its human and other resources into our own organisation. In doing so, we were able to harness a small amount of funding left in the reserve of the old organisation and shift it to our own reserve fund.

Sponsorships and partnerships

Inyathelo has made use of sponsorships, especially when holding events, which enables us to make savings and thus direct more undesignated income from events towards our reserves. We also offer administrative services to project partners. This is not only expedient in that it locates financial management in one organisation, but it has saved our partners a proportion of these costs while allowing us to leverage a small fee. In our experience, centralised administration is less expensive for all involved and can, at the same time, produce a small income for one of the partner organisations.

⁴ Broadly speaking, the key difference between undesignated funds and other types of donations is that the latter are generally regulated by an agreement or contract of some kind. Undesignated funds, however, can be used for purposes unspecified by the donor but in line with the mission of the organisation to which such funds have been allocated.

Sound financial management

It is imperative for an NPO to engage the services of a properly qualified professional whose dedicated role it is to integrate financial management functions across the activities of the organisation and to maintain financial accountability systems and structures. Ideally, an organisation should have capacity for both financial accounting and financial management. Financial accounting involves recording, classifying and summarising transactions, as well as reconciling records and presenting financial data. Financial management involves forecasting, planning and analysing information. It is a critical function when it comes to comparing results against goals, determining reasons for variations, and identifying corrective action. It also plays an important strategic part in ongoing consideration of the financial health of an organisation.

Being entrusted with funds from grantmakers who have invested in your organisation is a big responsibility. Making sure that your organisation is here tomorrow to carry out the important work that you do is equally important.

Budgeting for Advancement

Identifying a standard proportion of an organisation's budget for Advancement activities would be rather meaningless as all organisations approach Advancement, and indeed structure their Advancement operations and activities, in their own ways. Still, it is important to incorporate these costs into the various projects and programme budgets so that the overall organisational budget can make a strong contribution to Advancement. The points below are simple examples of how to budget to support the key elements⁵ of Advancement:

- **Governance structures and practice:** Be sure to include amounts for Board meetings, legal advice and educational forums on ensuring good governance practices.
- **Strategy and planning:** Dedicate a line item in the budget for annual strategic planning and allocate a proportion of this to various project and programme budgets. These costs may entail break-away sessions from the office or an external facilitator. Donors are aware that supporting a going concern also involves support of its strategic and organisational development.
- **Leadership:** The qualities and skills of leadership need to be grown and nurtured on an ongoing basis. Include costs for your executive and senior management team to attend leadership forums and conferences and for any other activities that will help to strengthen leadership capacity in the organisation.

⁵ See p.45 for an overview of the key elements of Advancement.

- **Human capacity:** Always include a budget for recruitment costs and remember that this could involve flying potential candidates from other parts of the country for interviews, as well as, possibly, accommodation. Also budget for staff development costs to grow the skills of your existing staff. An organisation that invests in its people, invests in its future.
- **External relationships:** Include a budget for the cost of your organisation to build its networks. This could mean budgeting for an international fundraising and networking trip. Also, determine how you could use your organisation as a hub to disseminate information and bring people together. These events should be costed and included in your budget and will assist in broadening your organisation's reach. Certain small projects which are not financially viable may be worth carrying if they help to build networks.
- **Voice:** Secure a media budget to help establish your voice. You can do this with assistance from media experts who specialise in helping you to build a voice in the sector and broader community. Again, this is a line item that should be apportioned to different project and programme budget proposals.
- **Visibility:** This is also achieved through a media budget to permit your organisation to publish and produce promotional and other marketing materials. Budgeting to attend events and conferences, and indeed to host them, also adds to your organisation's visibility.
- **Financial management:** It is important not to lose sight of the infrastructure and costs that service various grants. The personnel and related costs need to be included in budgets. Be honest and realistic about costs and include absolutely everything needed to maintain the necessary infrastructure. Donors expect you to account properly and you need to have the necessary people and systems in order to do so.
- **Monitoring and evaluation:** Donors increasingly require organisations to have a monitoring and evaluation system in place. Make sure that your budgets include the costs associated with setting up, maintaining and reporting on these systems.

SECOND TAKE

Individual giving as a long-term strategy for sustainability

As international donors shift their priorities away from South Africa and local giving assumes more significance, the development of individual giving programmes is touted as a critical part of the sustainability strategy of non-profit organisations (NPOs). Shelagh Gastrow, Executive Director of Inyathelo, emphasises the significance of individual giving and outlines how it might be approached.

Most non-profit fundraising strategies in South Africa focus on corporate social investment (CSI), international and local philanthropic Foundations, international aid agencies and international and national government support. Very few have explored the potential of raising funds from private individuals, namely individual giving.

In the current context, it is clear that international financial support for South Africa is waning, whether through bilateral agreements with government or through direct funding to the non-profit sector. It is therefore critical that South African NPOs shift their approach towards finding local support for their work. This shift requires a recognition that the time and costs associated with fundraising will increase as a result. Whereas international donors have tended to provide multi-year grants which are released in large tranches against reports at agreed junctures, South African philanthropic Foundations and corporates tend to make smaller grants and seldom fund on a multi-year basis. Therefore, organisations will need to attract an increasing number of grants in order to fulfil their budgetary requirements. This will mean more meetings, more proposals, more reporting, and more attention being paid to donors to sustain their interest.

One area of potential support that could be sustainable in the longer term is individual giving, a donor sector where few organisations have strayed before. However, there are South African organisations that have excellent individual giving programmes and these generate substantial income. All the research on philanthropy in South Africa has indicated that, although South Africans are very generous across all communities and classes, civil society organisations (CSOs) are not tapping into this resource.

There are two key forms of individual giving: major contributions from a small number of wealthy individuals, and small donations from many individuals. Both are important. The key to developing individual giving is to build personal relationships. Donors who are passionate about the work of an organisation, and feel connected to it, will maintain their support even if the organisation is going through trials and tribulations. Donor loyalty is quite unique to individuals, if they are committed to the organisation's cause. Tapping into individual giving streams means changing an organisation's fundraising paradigm towards Advancement, which focuses on building relationships with people and combining marketing, communications, positioning, voice and visibility together with the fundraising skills required for individual giving.

The main objective of starting an individual giving programme, in the form of an Annual Fund, for example, is to ensure *long-term* support for the organisation. There is no quick fix when dealing with individuals and it takes time to see results. In order to develop such long-term support, it is useful to see individual donor development in a number of phases. These are:

- Research, identification and attraction of potential individual donors
- Retention of those donors
- Increasing donor commitments
- Setting up a bequest programme.

An individual giving programme is underpinned by an effective and efficient database and a disciplined process to ensure that the required input is maintained and updated regularly.

Many organisations do not know where to start with building a database of potential individual donors. This can be done firstly by brainstorming a list of existing stakeholders, such as members, beneficiaries and their relatives, suppliers, Board members and clients. The organisation can raise awareness through events, the media, social media platforms, the website, pamphlets, newsletters and personal meetings. An organisation may elect to design its own database, but there are also good South African products available for the non-profit sector. The function of a database is not only to record names, contact numbers and donations, but also to record and reflect information about the relationship that the organisation has with a particular donor over time. As such, it should also record all the events the donor has attended, as well as all meetings and contact the organisation has had with the donor.

The process of acquiring individual donors is slow, but once the organisation has secured these donors, it is important to maintain their interest by continuing to inspire them to provide support. Their experience with, and relationship to, the organisation needs to be an important part of their lives. A plan is required to develop this type of donor relationship and should include a range of cultivation activities such as sending thank you letters following a donation, invitations to events and activities, distributing a regular newsletter, and mechanisms for ongoing, but not overwhelming, communication with this donor sector. A donor pack for each individual giver could be provided and could include a thank you letter, the Annual Report and financial report, a pamphlet on how donor funds are making a difference, further avenues for participation in organisational activities, a list of Board members, and possibly other publications produced by the organisation. Strategically, an annual campaign focusing on individual giving is a key mechanism to inform and cultivate organisational stakeholders. It creates awareness about the organisation, its activities, its supporters, its leadership, and its beneficiaries. Many organisations only focus on the money that is raised, whereas the campaign is much more than that and should be seen as part

of the organisation's cultivation process, integrating it into communications and marketing functions.

The key to individual giving strategies is to create real, lasting commitment on the part of donors. If individuals have had a good experience of investing in an organisation, it might be possible to encourage them to set up a monthly stop order. Stop orders are extremely valuable as they provide an ongoing source of financial support, allowing the organisation to begin its annual financial planning on the basis of guaranteed income. Individuals that invest small amounts in the organisation collectively have the potential to provide a substantial source of undesignated funds. Commitment can also mean a 'stretch' donation which is when people who have given to the organisation over a number of years are asked to make a special donation towards a particular event or a campaign. Individual donors who are committed to the organisation might be willing to make a larger donation than usual to ensure that the organisation succeeds, or meets a particular challenge.

Finally, individual giving is the backbone of any bequest programme. Bequests are a wonderful source of income and are usually made by people who have long-standing relationships with the organisation and who are impressed by and passionate about the work it undertakes. In all organisational communications there should be some mention of how to make a bequest to the organisation. Organisations that have no established relationships with individual donors are very unlikely to be the beneficiaries of bequests.

Starting an individual giving programme does require financial input, time and effort, and many organisations therefore shy away from implementing this type of fundraising. In addition, there are rarely quick returns, as impact is generally only seen over time. Such a programme requires long-term thinking – cultivating a relationship for a bequest can take years – but the individual giving campaign itself, if well implemented, is a major form of cultivation to this end.

The decision about whether to implement an individual giving programme is a strategic one as it involves a very different way of mobilising resources. In the current funding context, it is critical that organisations review their Advancement approaches and give serious consideration to individual giving as a key contributor to long-term sustainability.

SECOND TAKE

Why finance matters in fundraising

Prudent financial management of an organisation goes hand-in-hand with constant monitoring. The Legal Resources Centre (LRC) has developed a financial monitoring tool which they call a 'dashboard'. Koop Reinecke, Financial Director, explains how this tool aids management planning and fundraising.

The strategic positioning of finance

The financial department of a non-profit organisation (NPO), like in any company, is responsible for the prudent financial management of the organisation. It must ensure that the funds of the organisation are applied in an effective and efficient manner and also safeguard the assets of the entity. The financial department serves a dual role in co-ordinating operations (spending) and development (fundraising) to attain alignment of available resources and delivery of planned activities.

Balancing available resources and delivery

The budgeting and planning process culminates in defining what the organisation is planning to achieve with the potential resources available. The intended outcomes translate into what can be termed the *demand side* of the budget, these being the intended activities that are presented in a cost line item format having a monetary value assigned or attached to each activity.

In a second level of classification, the cost line items and amounts are categorised under specific focus areas that the NPO works in, for instance, children,

environment, gender or access to justice. The provision of resources to fund these activities can be termed the *supply side* of the budget. For sustainability purposes, it is therefore necessary to recognise that the supply side will be the main driver in determining the attainable level of activities within the specified planning period, which in most cases would be a 12-month period.

To ensure a smooth integration between the balancing of available resources and the delivery of planned activities, management, both operational and financial, needs to understand the importance of adhering to the approved budget guidelines and prudent financial management, as well as ensuring the delivery of outcomes to fulfil the mandate of the organisation.

Aligning budget, fundraising and donor requirements

Most NPOs do not engage in normal market-related trading activities and therefore are dependent on fundraising to provide the main income stream to support operations and activities. As a result, it makes sense to approach the budgeting process from a demand and supply side basis. However, to align or balance the two sides, the time lag that exists between submitting a funding proposal and its outcome, whether positive or not, must be factored into the model. This is achieved by approaching the budget on a multi-year basis of at least three periods. This will allow for adequate forecasting as it provides for a reasonable average of 18 months that any application might be in the proposals pipeline, this being the time period between a proposal being submitted to a funder and the outcome of that submission. This

approach allows the organisation to explore and harvest fundraising opportunities as it will already have an estimate of the demand side, namely focus areas and the activities within each of these focus areas.

The result of this approach is that there is, firstly, an alignment of the organisation's needs, the demand side, with that of its donors, the supply side. Secondly, it aligns the proposals pipeline with the short- and medium-term demand as well as with the cash flow forecasts. This will ensure that the outcomes and impact sought are organisation driven. Internally, this approach creates the environment within which there can be systematic monitoring and evaluation of the budget, fundraising and grant management.

Monitoring tools that are effective

The LRC is an NPO of long standing and has, over time, developed a monitoring tool – which we call a 'dashboard' – that is used as a reporting and planning aid by various stakeholders within the organisation (see below).

The dashboard not only provides a snapshot of the financial position of the organisation at a specific date, but also serves as an early warning system for fundraising and grant management operations.

By viewing the dashboard at a given time, generally monthly, management can ascertain what the position is regarding the budgets and fundraising. By checking the variances on the dashboard, discrepancies are immediately highlighted, for instance, in areas such as fundraising and availability of cash flow. Management can then act to determine whether enough proposals have been submitted or if the funding mix is developing as forecasted.

Financial monitoring assists management planning and control. No individual aspect of the activities of an organisation exists in isolation. All activities affect one another to a greater or lesser extent. The integration of balancing available resources and delivery of planned activities – supply and demand – entails prudent financial management and constant monitoring. This ensures that the organisation can and will meet its mandate within the constraints of available resources.

Income received	Actual January	Budget January	Actual YTD January	Budget YTD	YTD Variance	Actual 1998/99
Individual donations (ZAR)	23,196	16,667	118,443	166,667	-48,224 ▼	129,672
Organisational funders internal: Local (ZAR)	450,000	525,000	5,552,608	5,250,000	302,608 ▲	3,157,256
Organisational funders external: Foreign (ZAR)	796,880	2,094,524	18,507,785	20,945,243	-2,437,458 ▼	18,657,725
Other income streams (ZAR)	-	175,417	235,061	1,403,333	-1,168,272 ▼	1,064,335
Cost recoveries received (ZAR)	-	125,000	1,631,148	1,000,000	631,148 ▲	6,674,196
			26,045,045		-2,720,198 ▼	

Fundraising	Complete/Sent	Awaiting Outcome	Unsuccessful	Successful This Cycle
Proposals in the pipeline: Local (ZAR)	2 ☺	1 ☺	0	1
Amount expected: Local (ZAR)	5,500,000	4,000,000	0	1,500,000
Proposals in the pipeline: Foreign (ZAR)	13 ☺	5 ☺	2	6
Amount expected: Foreign (ZAR)	18,784,378	7,854,344	893,000	10,037,034
	24,284,378	11,854,344	893,000	11,537,034

On making the Case for Support



If you don't understand where the organisation is, what you want to do, and where you want to go, then how can you approach donors to ask them to fund your work?

Hyun-Jung Kim, former Development Director, Legal Resources Centre

What has emerged over the last couple of years is an understanding of the critical importance of being able to explain what we do, of being able to distil the essence of what we do, not only to have it pat when somebody asks you, but also in terms of how you portray your work. And then also of critical importance is to be able to know the value of the work, and to be able to quantify that value – to make the Case for Support.

Isobel Frye, Director, Studies in Poverty and Inequality Institute

I was invited to give a presentation on what it is ProBono.Org does – our Case for Support. The audience was other non-governmental organisations [NGOs] and corporate donors. The idea was that we would give our presentations and then the donors would critique us. I put together this presentation ... it had orange and yellow in it, lots of photographs, and 40 slides. Another NGO gave a nine-slide presentation, which was absolutely perfect, and it had these gorgeous little drawings, and it showed exactly who they were, what they did and how they functioned. Then a guy stood up after my presentation, he was from a corporate Foundation. He was sweet and he felt guilty afterwards, but he just ripped into my presentation. He said it was too long, and then he said, "What do you do again? What is it you said you do?" No-one knew what we did! That was an 'ab-ha' moment.

Erica Emdon, Advancement Director, ProBono.Org

PART THREE

A change
of rhythm

Thoughts towards
the future



On the role of human rights organisations



In any period of transition, there's no time when the need is greater to hold people to account. It is the time when holding people to account is the sharpest. And human rights non-governmental organisations tend to hold people to account in one way or another, and to me that's a critical role ... and it really has to happen now.

Janet Love, National Director, Legal Resources Centre

Post-1994, the thinking was that now people have rights under the Constitution, all you need to do is have workshops so that people understand what their rights are and then non-governmental organisations, as intermediaries, can fall away as people will be empowered to enforce their own rights. Rights have now changed to expectations of delivery, and so the agency to enforce that right, as a right in itself, has been eroded. Now you have the right to have your name put on a list for a house, not the right to have shelter and housing. I'm not sure whether human rights organisations have internalised this sufficiently in our own theories of change, about what it is that we want to do. I think that linking litigation to mobilisation is perhaps the new frontier of a more defined human rights sector.

Isobel Frye, Director, Studies in Poverty and Inequality Institute

What is our role in society? We are not a development implementing organisation. We are a land rights organisation. Where you see us doing development work it's because it is linked to our advocacy work. We believe that you cannot implement a democratisation agenda, and you cannot achieve economic freedom and democracy, without working from a rights culture, without starting from a rights basis. So to that extent there remains an uphill battle in terms of projecting our agenda, and in fighting for our space in the domain of a public discourse.

Simbongile Kamtsbe, Director, Transkei Land Services Organisation

After 18 years of democracy, our society is challenged with particular issues that really need to be engaged with. It will be a serious pity if organisations that have been able to keep that flame alive are not going to make it now, as we have a very particular role in civil society as human rights organisations.

Marcella Naidoo, Director, Black Sash

We've had 18 years of democracy, but what have we done in that space? And, what does democracy mean? People are tired of the rhetoric. They are looking for results. If you are talking about socio-economic rights, how are people accessing those, and can that be measured? The Studies in Poverty and Inequality Institute is on the ground. We do evidence-based research and engage in policy-making. We look to bridge the gap, so if the issues facing the poor can't get to government, we'll bring them to the government. I think that's why our work remains very critical at this juncture.

Brian Mathebula, Researcher, Studies in Poverty and Inequality Institute

We need to ensure that local Foundations understand why it is important to enable people to become active citizens. If you're an active citizen it means you not only know your rights, you also know how to exercise them and you've got the support with which to do that.

Janet Love, National Director, Legal Resources Centre

Every participatory democracy requires civil society as a sort of third space in which people engage. But it is critical to define progressive civil society, rights-based civil society organisations. And a heterogeneous civil society is necessary because, unless you have the ability to organise around communities of interest, you're not going to have that mediation within society which will lead to a better understanding of divergent views.

Isobel Frye, Director, Studies in Poverty and Inequality Institute

GERALD KRAAK

The Atlantic Philanthropies

The uneasy face-off¹ Making the case for business to invest in social justice

South Africa, in the midst of grinding poverty and inequality, and an incipient erosion of a hard-won democracy, faces the conditions for a ‘perfect storm’ of instability reminiscent of the final days of apartheid. The country’s corporate sector, the wealthiest on the continent, has a direct stake in stability and therefore in ensuring that the conditions for it are secured. It is not alone in that. Civil society also has a role to play in securing stability.

Yet the corporate sector’s response to this situation has been largely passive, engaging in ameliorative corporate social investment (CSI) that addresses symptoms of the malaise rather than root causes. Civil society, for its part, has stepped up to the plate and is largely responsible for the more far-reaching social transformation that has occurred over the last 18 years. These initiatives for social change have largely been funded by Northern donors and Foundations.

Possibilities for partnerships between corporates and civil society engaged in promoting social justice have been ignored largely because of the lack of trust between the two sectors dating back to apartheid; stances now surely outdated, given the challenges the country faces.

This situation is unsustainable given the exponential reduction of international support to civil society over the last decade. It is also morally indefensible and politically and economically irresponsible. We need to create domestic resources for the funding of social justice initiatives. This is the responsibility of both the corporate sector and civil society.

Eighteen years after the momentous elections of 1994, democracy is failing South Africa’s people. Despite progressive policies and the investment of almost a quarter of the annual budget in social spending (health, education, housing and welfare), South Africa has become the most unequal society in the world. Falling standards in primary health care, education and other key areas of service delivery (exacerbated, rather than ameliorated, since the advent of democracy) point to severe capacity constraints within government.

1 This paper includes edited extracts from a previous published article, “CSI and social justice: towards partnership with Northern donors”. In Du Toit, C. & Kraak, G. 2010. *CSI Handbook*. Cape Town: Trialogue.

A key lesson of the post-apartheid period is that government alone cannot be expected to deliver on the socio-economic challenges that increasingly threaten the country's stability, and government partnerships with civil society and the corporate sector are only a partial solution. What is required is a cultural shift: from a status quo in which the population is largely un-engaged in the business of change, to one in which citizens re-engage in what Mamphela Ramphele calls the "championing of the Constitution which enshrines social justice".²

For international Foundations such as The Atlantic Philanthropies (Atlantic), which has invested more than US\$181.4 million in social justice causes in South Africa, an imperative is a shift in patterns of local giving. Notwithstanding generous investment by South African corporates and private Foundations towards the broad developmental goals identified by government, the impact has been largely palliative rather than transformational. This approach addresses the symptoms rather than the deeply rooted systemic causes of poverty and inequality. The reluctance of corporate social investors and private Foundations to engage in social justice – and this means, in essence, in facilitating citizen engagement in social change – is a key failure of our democracy.

Much has been achieved in South Africa, 18 years into our hard-won democracy, including political stability, one of the most progressive constitutions in the world, a burgeoning middle class, and significant delivery on housing, access to water, electricity and other essential services. The South African government has spent more than most developing economies on education, health and welfare. The quality of life for millions of poor South Africans has changed immeasurably. The country has survived a global financial meltdown which devastated economies far more advanced and sophisticated than our own.

Yet there is cause for grave concern. *The Diagnostic Overview* released by the National Planning Commission in November 2011³ concludes that inequality, as measured by the Gini coefficient (which gauges the degree of inequality in the distribution of income in a given society) – at 0.67 – is higher than ever before. South Africa now has the dubious distinction of being the most unequal society in the world. The irony is that, as Ramphele has remarked elsewhere in this volume, "Even at the height of apartheid, this level of inequality was never recorded."

The quality of delivery of many essential services such as health and education has actually declined in real terms since 1994. And for the first time since the anti-apartheid struggles of the 1980s, there is now growing, often violent, social unrest around insufficient and poor quality service delivery.



The reluctance of corporate social investors and private Foundations to engage in social justice – and this means, in essence, in facilitating citizen engagement in social change – is a key failure of our democracy.

2 Paton, C. 2012. "Active citizen for active citizenry". *Business Day*. 1 March. Online at: <http://www.businessday.co.za/Articles/Content.aspx?id=166255>.

3 National Planning Commission. 2011. *Diagnostic Overview*. Online at: <http://www.npconline.co.za/MediaLib/Downloads/Home/Tab/Diagnostic/Diagnostic%20Overview.pdf>.

There are also emerging threats to our fledgling democracy, both imagined and real. These include:

- Endemic corruption in government at all levels which undermines economic development and sound, accountable governance.
- The manipulation of the South African Police Services (SAPS), the intelligence services, and other state departments such as the National Prosecuting Authority (NPA) for political ends. The contest for leadership within the ruling Africa National Congress (ANC) is an example.
- Frequent attacks on the independence of the judiciary by ministers and politicians who are of the view that the judiciary is encroaching on the prerogatives of the executive. This includes the recent proposal to appoint a commission to investigate the powers of the Constitutional Court.
- Attacks on freedom of expression and the independence of the media as typified by the proposed Protection of State Information Bill (popularly dubbed the ‘Secrecy Bill’), which will make it an offence to disclose classified information, which is very widely defined in the Bill, and which is seen as a means to stop whistle-blowers from exposing state corruption.
- The re-militarisation of the police, a rise in deaths in detention and a more authoritarian response to public gatherings and demonstrations.
- A rise in xenophobic and homophobic violence against migrants and lesbian, gay, bisexual, transgender and intersex (LGBTI) people, compounding unacceptably high levels of gender-based violence.



The best defence of the Constitution in the long term is to make it relevant in the lives of the poor majority.

While civil society has used constitutional litigation to make significant gains, the poorest and most disadvantaged in South Africa often lack knowledge of their constitutional rights. The best defence of the Constitution in the long term is to make it relevant in the lives of the poor majority. Many human rights advocates, most prominently Dikgang Moseneke, Deputy Chief Justice of the Constitutional Court, have noted that litigation for socio-economic rights has been rare. In this regard, opportunities exist to deepen democracy and advance constitutionalism by developing strategies to exploit this aspect of constitutionalism, while at the same time building popular support for the Constitution among poor people by showing how it can improve their lives.

In her paper in this volume, Ramphele attributes many of the present problems to the ANC having taken “control over an unreconstructed state which had been designed for creating division and inequality”. In other words, an early failure to transform the way in which key ministries and departments were managed militated against the new government’s ability to redress deep-seated socio-economic problems.

She describes it thus:

Poor quality education and lack of exposure to modern management systems in both the public and private sectors made it difficult for black people to assume the difficult roles of transformation of the complex system they inherited in 1994. In addition, the iniquitous racial discriminatory system that required the dehumanisation of black people to justify its existence has left deep scars on many black people's psyches, undermining even those with the technical capacity to govern. The legacy of being treated as inferior undermines self-confidence. The burden of a superiority complex in many white people nurtured by the same apartheid system has also disabled a significant proportion of white South Africans from developing empathy for poor, black people. (See p.8)

Given all of this, the overriding lesson of the last 18 years is that, despite well-crafted policies and adequate financial resources, government alone cannot be relied upon to drive the level of social change needed to overcome inequality and poverty. Worse still, confronted by the enormity of the problems it faces, government has become defensive. None of this is good for democracy; nor in the long term is it good for doing business, attracting foreign direct investment and continued economic growth.

Sustaining democracy and economic growth in the post-apartheid era, therefore, requires the participation of other agents – civil society, business and the media. One wonders, though, if the corporate sector has come convincingly enough to the table. Under apartheid many businesses colluded in the system and benefited from discriminatory labour laws that ensured cheap labour. By way of recompense, the corporate sector is now heavily engaged in CSI, but there are several problems associated with this.

It is now widely accepted that successful companies assume a role in contributing to the sustainable development of society. This is illustrated in South Africa through such mechanisms as the Socially Responsible Investment (SRI) Index, an initiative of the Johannesburg Stock Exchange to measure the 'triple-bottom-line' performance of listed companies. A further important means toward social equity through business is Black Economic Empowerment (BEE), now legislated through an act of Parliament and codified in various sector charters as well as the Department of Trade and Industry's BEE Codes of Good Practice. In the words of Women's Investment Portfolio Holdings (Wiphold) Chief Executive Officer (CEO), Wendy Luhabe: "We are experimenting with the spiritual transformation of capitalism, shifting the emphasis from greed



Sustaining democracy and economic growth in the post-apartheid era, therefore, requires the participation of other agents – civil society, business and the media.

to enlightened self-interest, from elitism to economic democracy, from the fundamental doctrine of profit at any cost to a conscious capitalism that espouses money and morals.”⁴

Yet support for social justice does not appear on the menu of many CSI programmes. With some exceptions, most companies have invested in their own backyards, to the benefit of their employees and the communities in which they live, or in less immediate, high-end infrastructure such as tertiary education and health.

Financing the building of a school or a clinic, or founding an HIV/AIDS orphanage, are laudable initiatives but have little sustainable socio-economic impact in the context of failing education, health and welfare systems. Think how much more valuable this support could be if invested in citizen engagement in social justice. Indeed, some of the most trenchant social changes of our democracy have come about precisely through civil society engagement with issues of human rights and social justice. Perhaps the most prominent example of this was the success of the Treatment Action Campaign (TAC) in compelling government to provide life-saving antiretroviral (ARV) medication to people with HIV/AIDS through the public health service. South Africa now has the largest ARV programme in the world. It is this example that inspired Atlantic to become involved in ‘social justice funding’ in South Africa to the tune of R1.3 billion since 2002.

So, what do we mean by social justice funding? According to the former President and CEO of Atlantic, Gara la Marche:

A social justice framework puts a premium on addressing the causes of inequities that prevent people from participating fully in society and that perpetuate disparities in power and access. It seeks institutional or systemic change to eliminate the sources of continuing inequities rather than focusing solely on the symptoms of those inequities and addressing them with charity. Put another way, a social justice frame asks not only who is disadvantaged and vulnerable and what their needs are, but also why that group of people is disadvantaged and vulnerable.⁵

4 In Du Toit, C. & Kraak, G. 2010. “CSI and social justice: towards partnership with Northern donors”. In CSI Handbook. Cape Town: Trialogue.

5 La Marche, G. “The Atlantic Philanthropies embrace of a social justice approach to grantmaking”. Address to the Ford Foundation Convening on Philanthropy for Social Justice and Peace, Cairo, February 2009. See: <http://www.atlanticphilanthropies.org/learning/speech-atlantic-philanthropies%E2%80%99-embrace-social-justice-approach-grantmaking>.

In short, social justice funding entails the following:

- A focus on root causes of inequity rather than symptoms
- Striving for lasting systemic and institutional change
- Employment of a combination of tactics such as policy advocacy, grassroots organising, litigation and communications, that together are more likely to yield enduring results
- Strengthening and empowering disadvantaged and vulnerable populations to advocate on their own behalves.

Atlantic therefore supports organisations, mostly non-profit organisations (NPOs), which aim to help the poor and marginalised to access the rights and services due to them. Typically, our support is for organisations which carry out research on social and economic problems, lobby and advocate for redress, conduct campaigns, provide legal advice and support to poor people to access their socio-economic rights, mediate with government departments to improve service delivery, and – where all else fails – litigate to force the state to comply with its constitutional and legal obligations.

Some examples of the impacts of this support are as follows:

- The Black Sash and other grantees of Atlantic spearheaded a sophisticated campaign to incrementally extend eligibility for the Child Support Grant from children under the age of seven in 1998 to those under the age of 18 by 2011. This has brought 10.3 million children into the social safety net. A similar campaign increased the number of children eligible for a Foster Care Grant from 40 000 in 1998 to just under half a million in 2011. The need for this has arisen, in part, as a result of the rise in the number of orphans, due to the HIV/AIDS pandemic.
- Through litigation, the Black Sash and the Legal Resources Centre (LRC) successfully compelled provincial governments to remedy delays in the payment of social grants, a routine problem across the country. In 2001, the Eastern Cape government was forced to pay the interest accruing on unpaid pensions to thousands of people, resulting in a flow of R2 billion into impoverished communities, with demonstrably positive effects on small-scale and informal economic enterprises (small businesses, housing construction and so on).
- Approximately 15 million rural women benefited from the decision of the Constitutional Court to strike down the Communal Land Rights Act (11 of 2004), which threatened to limit their right to access, own and inherit land. The litigation was undertaken by the LRC.



... some of the most fundamental social changes of the last 18 years have been funded from abroad.

- The Transkei Land Services Organisation (Tralso) has prevented the illegal evictions from farms of thousands of workers, thereby securing their livelihoods.
- As a result of the efforts of the LRC, hundreds of communities across the country gained access to clean and safe drinking water.
- Probono.Org has leveraged the support of commercial law firms for public interest and civil law cases to assist thousands of people who would otherwise not be able to afford legal fees and access to justice.⁶
- In response to grantee advocacy, notably by the Centre for Applied Legal Studies (CALs), the government put in place a policy to begin closing 3 000 farm schools with sub-standard amenities and poor quality education, replacing these inadequate facilities with centralised boarding schools to provide better quality education in rural areas.
- Faced with a legal challenge by the LRC, the Eastern Cape government made R8 billion available to demolish ‘mud’ schools and replace them with proper structures. Equal Education was *amicus curiae* (a friend of the court) in the case.
- Sustained advocacy work and strategic litigation by LGBTI organisations has resulted in the decriminalisation of homosexuality, the extension of adoption and parenting rights to same-sex couples, equal employment benefits for same-sex couples, and even marriage rights. As a result of these efforts, laws and policies that discriminated against people on the basis of sexual orientation in the workplace, the police and the military were also reformed.

In spite of the importance of work like that exemplified above in demonstrably reducing levels of inequality, improving service delivery and ensuring that poor communities are treated in accordance with the Constitution, there is an inconvenient truth behind these transformative activities: they have *largely been funded by international donors*. Put differently, *some of the most fundamental social changes of the last 18 years have been funded from abroad*.

The work of the TAC has proved transformational, and yet, since its foundation, it has received only 2 percent of its income from local sources! Much the same can be said of the organisations whose experiences are the basis of this book: the Black Sash, the LRC, ProBono.Org, Studies in Poverty and Inequality Institute (SPII) and Tralso all receive the bulk of their funding – in most cases well in excess of 80 percent – from overseas donors.

How can it be that South Africans are relying on outsiders to nurture and sustain our democracy? Why is there such little evidence of engagement in social justice and human rights by CSI and local private Foundations? As Ramphela has remarked at the start of this volume:

... we need to challenge the business community to assume the rights and responsibilities of their corporate citizen status. We are fortunate to have progressive policies enacted over the last decade and a half, intended to promote greater involvement of the corporate sector in the transformation of our society towards greater social justice. Unfortunately, many companies have taken a compliance approach to Corporate Social Investment (CSI) and enterprise development.

There are too few sustainable programmes on the ground to show for the nearly R20 billion annual allocation to these two requirements of the license to operate by our business sector. Imagine how well we could be doing if each industry were to pool its resources and reduce its in-house overheads and invest long-term in development programmes that can have sustainable outcomes. (See p.11)

CSI could significantly enhance both its social relevance and its strategic business value by including human rights and social justice within its purview. This investment should take place within a strategic and co-operative paradigm, adopting ‘accountability’ as an overarching principle. In line with Bonbright and Batliwala’s definition, accountability can be seen as respect for the perspectives and rights of all constituents in the development process, and as an important step in advancing the larger human project of creating more democratic, equitable and just societies.⁷

Corporate South Africa has much to gain by supporting organisations promoting human rights and social justice. These organisations perform a vital social function, the success of which benefits all sectors, including business. Their advocacy for legislative change, women’s rights, children’s rights, legal recognition of LGBTI people, the homeless and refugees, would not be possible without funding. Long-term and systemic social equity, for which human rights organisations (HROs) stand, also happen to create the best environment for business. The assumption that social and economic objectives are dichotomous is false: business operates to maximum efficiency in stable and peaceful societies. The civil society sector, and in this case those HROs committed to ensuring



Corporate South Africa has much to gain by supporting organisations promoting human rights and social justice. These organisations perform a vital social function, the success of which benefits all sectors, including business.

7 Bonbright, D. & Batliwala, S. 2007. “Answering for ourselves: accountability for citizen organisations Annex 1: Citizen sector accountability – initiatives and papers and Annex 2 – NGO accountability: a review of the literature”. Online at: http://www.dochas.ie/Shared/Files/4/Civicus_Accountability_Paper.pdf.

Possibly the most compelling reason for not funding social justice causes is that many corporates regard it as a front for opposition politics and fear that, by becoming involved, they will incur the displeasure of government.



access to justice, cannot operate without financial support. It is time for CSI to step up to the bar here: international funding will not always be available.

We need to understand why CSI and private Foundations are not more involved in supporting social justice initiatives. The larger reasons are related to the “enlightened self-interest” approach of CSI –the narrow interpretation of which is to invest in areas important for the growth of your business. For example, Sasol invests in tertiary support for engineers and scientists, while insurance companies might invest in road safety and other sectors that relate directly to their area of business.

What CSI seldom recognises is that a more integrated approach, one that takes account of the interrelationship of business and society, including matters of human rights and inequity, is critical to our future.

BEE Codes are narrowly defined and interpreted and this has an influence on CSI planning. BEE policy compels companies to spend at least 1 percent of net profit, after tax, on social issues which fall within their definition of Socio-Economic Development (SED). However, social justice and human rights activities do not fall within the BEE Codes’ definition of SED. This is compounded by the fact that CSI contributions are driven by the company’s interest in increasing its BEE scorecard rating, and so the funding of social justice and human rights causes are not a CSI consideration.

Possibly the most compelling reason for not funding social justice causes is that many corporates regard it as a front for opposition politics and fear that, by becoming involved, they will incur the displeasure of government. There is also a fear that if a business is closely associated with such causes, it will no longer be able to compete for government tenders.

Corporates are uncomfortable with the noisier aspects of social justice campaigns – pickets, marches, demonstrations and litigation, which they may deem unnecessarily confrontational. Civil society bears some responsibility for the unease with which the corporate sector regards social justice. While their language can be strident and adversarial, the unease is largely founded on a misapprehension. A social justice approach to funding does not preclude working with government. Grassroots campaigns and litigation should be matters of last resort. The TAC, for example, now works very closely with the Department of Health in rolling out ARVs. The Social Justice Coalition, after a sustained campaign to improve sanitation in Khayelitsha, is now an active partner with the Cape Town City Council in developing and implementing a comprehensive sanitation policy for informal settlements. The Black Sash has been instrumental in persuading government to extend the social safety net. There are many other examples of such collaboration.

The time has come for a more imaginative approach, and it is ripe for the business case for CSI to evolve – both in substance and approach – and to move beyond enlightened self-interest. This evolution should encompass human rights and social justice. As has already been observed above, CSI funding is usually spent in local communities on issues such as education, health, housing and sport. These are important issues which should not be overlooked. In the face of ongoing global conflict, vulnerability of populations, and intractable poverty, however, corporates should also work to strengthen social and economic frameworks for social justice and political and economic stability.

Civil society has a role to play here as well. It needs to review its traditional skepticism, and sometimes animosity, towards corporates. There is very little history of civil society engagement with corporates around the issue of support, either as individual organisations or as a collective. Perhaps the contraction of international funding to civil society will force a reappraisal and spur the need to find more common ground. In this regard initiatives by some HROs, such as the LRC and the Black Sash, to launch individual giving campaigns show foresight and are encouraging.

The time has come for thinking outside of the boxes inherited from the past.



The time has come for a more imaginative approach, and it is ripe for the business case for CSI to evolve – both in substance and approach – and to move beyond enlightened self-interest.

GABRIELLE RITCHIE and MELANIE JUDGE

Inyathelo: The South African Institute for Advancement

Joining the dots Philanthropy, social justice and a sustainable civil society

South Africa is a constitutional democracy born of the struggle waged and won against apartheid by ordinary people. It is a country with a rich history of social justice activism that takes myriad forms. This paper focuses specifically on the experiences and challenges facing registered non-profit organisations (NPOs) that have human rights and social justice agendas as their mission. The paper builds on debates concerned with building the civil society sector¹, particularly in nascent democracies in the Global South. More specifically, it hopes to contribute towards thinking and practice aimed at strengthening civil society movements in developing contexts, growing resources for rights and justice-based activism, and furthering democratic participation.

It is not a given that money is necessary and essential to sustain civil society organising to advance human rights and social justice. Rather, the role of money, and of donor funding in particular, in civil society organising is a hotly contested issue. Debate around what has been critically dubbed the ‘NGO-isation’² of local struggles for equality and democracy, is a case in point. Some argue³ that it is the very reliance on donor funding, and its complicity with the restrictive dynamics of wealth preservation, that militates against the just and equitable redistribution of that very wealth and its associated powers. While mindful of the problematic of the potential reliance of social movements on institutionalised philanthropy and the particular forms of organising it often requires, this paper focuses on the financial sustainability of NPOs operating within the social justice space.

1 For example, see: Community Development Resource Association (CDRA). 2011. *Investing in the Immaterial – An Annual Digest for Practitioners of Development*. Cape Town: CDRA; Edwards, M. (ed.). 2011. *The Oxford Handbook of Civil Society*. New York: Oxford University Press, and Edwards, M. & Fowler, A. (eds.). 2002. *The Earthscan Reader on NGO Management*. London: Earthscan.

2 NGO refers to non-governmental organisation.

3 For example, see: INCITE! Women of Color Against Violence (eds.). 2007. *The Revolution Will Not Be Funded: Beyond the Non-Profit Industrial Complex*. Cambridge, Massachusetts: South End Press.

Funding for human rights organisations

As the global economy contracts, and as South Africa drops down the priority list of many international donors, the resultant ground level impact of dwindling funding sources is very real. The NPO sector in South Africa, which to date has been largely dependent on foreign funding and on donors from the Global North in particular⁴, has felt the pinch. Many NPOs have been forced to reduce their work significantly, and some to close their doors. International funders increasingly view South Africa as an economy with sufficient wealth to support its own civil society structures, and are therefore directing their funding to what are perceived as more pressing needs in other locations. This has been hard felt by South African NPOs – particularly those organisations which work towards human rights and social justice, and are almost completely dependent on foreign funding.

Most critically, an increase in resourcing from local sources to bridge this growing funding gap is yet to be seen. There are no signs of increased funding from private Trusts and Foundations, private individuals, the corporate sector or from the state. The acute lack of domestic support for organisations that advance human rights and social justice causes is a product of multiple factors across the various private, corporate and state funding sectors.

Recent research⁵ shows that South African state funding is being channelled increasingly into welfare-based poverty alleviation projects, including to non-profits that provide direct services to impoverished communities. Unsurprisingly, the state – through its key funding agencies, namely the National Development Agency (NDA) and the National Lottery Distribution Trust Fund (NLDTF) – tends not to fund organisations that challenge its power, that advocate for greater political transparency and accountability, or that advance both democratic participation and social justice principles. Rather, NDA funds are mostly channelled into projects that align with the priorities of the Department of Social Development. So, too, National Lottery funds are increasingly channelled towards welfare-based service delivery, leaving insufficient funds available to make any kind of meaningful dent in the social justice funding gap.

The business sector, as a critical role-player in shaping the economy and in generating wealth, carries significant responsibility for the country's long-term development and socio-economic transformation. With regard to corporate social



The state tends not to fund organisations that challenge its power, that advocate for greater political transparency and accountability, or that advance both democratic participation and social justice principles.

4 Du Toit, C. & Kraak, G. 2007. "CSI and social justice: towards partnership with Northern donors". In *The CSI Handbook – 10th edition*. 2007. Cape Town: Trialogue; Kabane, N. 2011. "An emerging funding crisis for South African civil society". Afesis-Corplan. *Transformer*. January 2011.

5 Benjamin-Lebert, S. & Lebert, T. 2011. *Meeting their Mandates? Research Report on the National Lottery Distribution Trust Fund (NLDTF) and the National Development Agency (NDA)*. Cape Town: Funding Practice Alliance.

investment (CSI), preliminary research indicates that South African corporates are unwilling to fund organisations with an explicit human rights purpose⁶. This mirrors international trends. After all, corporate giving is still driven primarily by marketing and brand-building interests, and, in South Africa, by a national economic empowerment framework that gears giving towards charity-type, palliative solutions rather than towards systemic change. Through the vehicle of CSI, business tends to resource ‘soft issues’ (feeding schemes and primary education, for example) rather than ‘hard issues’ (such as advocacy, lobbying and rights-based litigation). In the South African context, the current focus of CSI is further challenged by the fact that Black Economic Empowerment (BEE) scorecards and CSI frameworks do not explicitly promote or measure corporate investment in human rights initiatives. There is therefore no policy imperative or political pressure for business to invest in these causes. With CSI funding reaching an estimated total of around R6.2 billion⁷, mostly channelled towards education and health, there is a significant resource base that remains out of reach for most human rights organisations (HROs).



Although giving among high net worth individuals is gaining some ground locally, the nature of this giving still tends to be charity-orientated, and, characteristically, risk averse.

Private wealth in South Africa has also been somewhat of a lacuna when it comes to resourcing progressive civil society structures. Here, research indicates that South African individuals (particularly high net worth individuals⁸), as a source of private funding, are generally reluctant to associate with initiatives and organisations that challenge the state or tackle inequality directly.

A recent report, compiled by Merrill Lynch Global Wealth Management and Capgemini, indicates that Africa’s dollar millionaires have a combined fortune of about US\$390 billion and that more than half of these dollar millionaires live in South Africa.⁹ Although giving among high net worth individuals is gaining some ground locally, the nature of this giving still tends to be charity-orientated, and, characteristically, risk averse. Limitations on private giving could be partly a result of high net worth individuals prioritising their own wealth protection and accumulation in a neo-liberal milieu, which emphasises individualism. Many not-so-high net worth individuals believe it is government’s responsibility to make real on constitutional aspirations of social and economic justice, and rightly so. However, the state cannot go it alone.

6 Judge, M. & Ritchie, G. 2010. “Making it their business: an exploratory study of interest levels amongst business to support an LGBTI Foundation in South Africa”. Research paper. The Atlantic Philanthropies. [Unpublished.]

7 *The CSI Handbook –14th edition*. 2011. Cape Town: Trialogue, p.35.

8 BoE Private Clients. 2011. *The Giving Report 2010: A survey on the philanthropy practices of high net worth individuals in South Africa*. Cape Town: BoE Private Clients.

9 Piliso, S. 2010. “Super rich lash out on open land”. Online at: <http://www.timeslive.co.za/business/article579039.ece/Super-rich-lash-out-on-open-land>.

Defining social justice philanthropy

An attempt to join the dots between philanthropy, social justice and the resourcing of NPOs in South Africa, necessitates a definition of terms. Endeavours to define social justice philanthropy reflect the breadth of understanding of ‘social justice’ as an approach and concept, and as a funder practice. Ruesga and Puntteney¹⁰ argue that how people think about social justice has clear implications for the strategies they devise and the tactics they adopt, and also for approaches to organisational resourcing.

Some common features of definitions of social justice philanthropy are¹¹:

- It is focused on addressing the root causes, not just the symptoms, of social, economic and environmental injustices
- It includes, as decision-makers, the people who are impacted by systemic injustices, thereby placing equal importance on the *process of giving* as on where the money goes
- It foregrounds its aim of making the field of philanthropy more accessible and diverse
- It highlights the donor aspiration to be accountable, transparent and responsive in grantmaking
- It encapsulates and gives expression to the donor aspiration to act as an ally to social justice movements by contributing not only monetary resources but also time, knowledge, skills and access.

In our view, for philanthropic funding to have any hope of being transformative (thereby earning its nomenclature, *social justice* philanthropy), it cannot just focus on what causes are funded. Rather, it must reflect, in its own practice, a fundamental shift in the processes and practices of grantmaking – so that these practices are equitable, accountable, transparent, inclusive and fundamentally transformative.

10 Ruesga, G. A. & Puntteney, D. 2010. “Social justice philanthropy – an Initial framework for positioning this work”. New York: Ford Foundation Working Group on Philanthropy for Social Justice and Peace, p.3.

11 These points have been drawn from the Resource Generation website. Online at: <http://www.resourcegeneration.org/resources/resource-library/social-change-philanthropy>.

The non-profit resourcing challenge

The resourcing challenges facing HROs in South Africa, in particular, are highlighted by drawing on the experiences of a multi-year capacity development programme¹² implemented by Inyathelo. The programme approach to financial sustainability was based on the concept of Advancement. Although implemented in other guises elsewhere in the world, Advancement has been further developed and implemented by Inyathelo as a holistic and comprehensive approach by an organisation or institution to engaging with its external environment in order to attract the financial support required to fulfil its mission.

Advancement, as a resource mobilisation effort and as applied by Inyathelo, is premised on the following tenets¹³:

- Building relationships with current and prospective funders is key to attracting resources.
- Strong, identifiable leadership is critical to organisational reputation and profile.
- Communicating about an organisation's work, in savvy marketing-packaged ways, ensures that the organisation builds and maintains a profile that reflects credibility and excellence in its field of work – not only to donors, but to all stakeholder groups.
- Good governance (characterised by a number of key, internationally accepted features) is central to ensuring that an organisation functions optimally. This includes legal and statutory compliance, having governing Board members who promote the organisation and use their networks to mobilise resources for it, and ensuring that Board members and the Chief Executive Officer (CEO) are clear about the lines between their portfolios.
- Strong fundraising skills, and an infrastructure and system to support fundraising, are essential. This includes all phases of the fundraising cycle, namely prospect research, cultivation, solicitation and stewardship.
- It is critical to have an organisational voice on issues of the day. This works to position an organisation socially and politically in a given context.
- An organisation must have, or attract, the resources needed to run Advancement processes and the capacity within existing staff to take on various Advancement roles and functions.

During the AHRP programme, key perspectives on, and approaches to, sustainability surfaced that are beginning to take root in challenging times.

¹² For more on the *Atlantic Philanthropies Sustainability for Human Rights Organisations Programme (AHRP)*, see p.163.

¹³ For a listing of key elements of Advancement, see p.45.

Some broad observations in this regard are of particular relevance and deserve outlining. Individual giving is set to become increasingly important as a source of funding support for human rights causes in South Africa. However, strategies to unlock the potential of individuals to support and sustain rights-based organisations should be informed by an analysis of the various barriers to giving. This analysis will have key implications for the design and development of individual giving programmes in support of human rights and social justice.

There is also a need for cognisance of the often-present tension between advancing human rights work and seeking to service donor agendas, since the two are sometimes at odds.¹⁴ This is borne out in the literature on how ‘progressive philanthropy’, in its United States (US) tradition and elsewhere, has the potential to co-opt social justice organisations to further an agenda that might in effect work against social change. It has been argued¹⁵ that progressive philanthropy may be focused primarily on the sustainability of particular types and forms of NPOs rather than being focused on the sustainability and realisation of a particular social mission or objective. In other words, the sustainability of the organisation or the grantee becomes the end goal.

The development of Cases for Support for the funding of human rights initiatives is another critical step in attracting resources. Such cases need to be value-based, and make clear and accessible the benefits and the potential for philanthropists to contribute to social change work. Knowledge of the rationale behind human rights initiatives, their impact, and their value in building democracy, sustainable livelihoods and equality, needs to be presented, packaged and promoted in ways that advocate explicitly for their relevance and resourcing. The social, political and economic case for funding HROs may serve as the basis for a collective advocacy and lobbying effort that targets high net worth individuals, local Trusts and Foundations, and the state. Such a campaign should hold the state accountable for its particular role in delivering on constitutionally enshrined rights, and in allocating the necessary resources to do so.

There is a need to emphasise that organisations are accountable to their constituencies, not just to their donors. This is particularly pertinent for organisations which, as part of their mandate, mobilise citizens against human rights violations and anti-democratic practices.

In developing strategies to build local giving, South Africa is at a stage where it is critical to track the progress of, and obstacles to, the resource mobilisation approaches of social justice organisations. This should include enabling organisations to critique their own Advancement assumptions,



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Knowledge of the rationale behind human rights initiatives, their impact, and their value in building democracy, sustainable livelihoods and equality, needs to be presented, packaged and promoted in ways that advocate explicitly for their relevance and resourcing.

14 INCITE! Women of Color Against Violence (eds.). 2007. *The Revolution Will Not Be Funded: Beyond the Non-Profit Industrial Complex*. Cambridge, Massachusetts: South End Press.

15 Ibid.

systems, processes, and practices, and to align their fundraising priorities with ever-shifting contextual realities. Equally important is to identify and activate possible and probable sources for future social justice funding in South Africa. In this regard, the extent to which the practices of social justice philanthropy can be used as mechanisms for building civic engagement and democracy becomes relevant. More specifically, how do we mobilise grassroots philanthropy¹⁶ as a form of human rights advocacy in its own right?

The Funders Network Alliance is one example of a funding initiative that focuses on increasing resources and aligning funding practice to support grassroots organising. From this perspective, grassroots organising, supported by community-based organisations (CBOs) and allied NPOs, is seen as a crucial force for transformative social change for the following reasons¹⁷:

- It is rooted in, and accountable to, the frontline communities directly impacted by the issues being tackled
- It builds local power, which promotes democratic participation with an emphasis on the inclusion of those who are oppressed
- It is linked trans-locally and internationally and develops new kinds of alliances and regional, national and international vehicles
- It recognises and builds the connections between individuals and broader social transformation
- It is pioneering and innovative in its approach to form, leadership and sustainability in organising.



Moreover, it is progressive civil society activism that holds the key to the deepening of democracy and to ensuring that constitutional values and principles are advanced and defended.

In South Africa and globally, social movements, trade unions, NPOs and a myriad of other social formations play a critical role in keeping checks and balances on the operations of the state, and on other axes of social and economic power such as business. Moreover, it is progressive civil society activism that holds the key to the deepening of democracy and to ensuring that constitutional values and principles are advanced and defended. Human rights and social justice organisations challenge existing structural injustices, and work for systemic change to ensure access to rights and justice for all. These organisations are often at the forefront of social change in relation to, among others: access to basic rights and services such as housing, water, health care and education; violence against women and LGBTI (lesbian, gay, bisexual, transgender and intersex) people; and xenophobia. However, maintaining and strengthening this

16 Ruesga, G. A. 2011. "Civil society and grassroots philanthropy". In Edwards, M. (ed.). 2011. *The Oxford Handbook of Civil Society*. New York: Oxford University Press, pp.455-467.

17 See the Funders Network Alliance in Support of Grassroots Organising and Movement Building website. Online at: <http://occupyphilanthropy.org/resources/>.

role requires resources, both human and financial.¹⁸

Now, more than ever, there is an urgent need to unlock the potential for local giving in South Africa, not only as a mechanism to resource NPOs, but as a stimulus to bolster citizen action on human rights. In this sense, philanthropy creates the opportunity to bridge (and hopefully close) the long-existing divide between money and social activism.

The value to the corporate sector of adopting a rights-based approach to their social investments has been pointed out in numerous contexts over the last decade.¹⁹ There is a distinction between socially responsible business and good corporate citizens, on the one hand, and South Africa's current version of CSI, on the other hand. As previously mentioned, exacerbated by our country's economic empowerment scorecarding framework, the current approach to CSI is more about scoring points and brand-enhancement than anything else, and is not yet about anything more than palliative, quick-fix solutions to our most pressing social challenges.

Development NPOs are attractive to business only if they enhance corporate reputation by association. The attractiveness of an NPO is improved when the leaders (be it the CEO or Board members) are familiar and trusted faces. In other words, the good standing of an NPO – and its reputation for achievement and delivery – can directly enhance the market profile of a business that chooses to support such a non-profit. It is this profile enhancement potential that is almost always the driving reason for social investment. The obvious corollary is that a business will not associate with a non-profit whose reputation or, importantly, whose cause, is deemed to be too risky in terms of that business's market profile. Is it, then, that human rights and social justice organisations need to package their causes and their 'opportunities for association' in ways that are palatable to risk-averse corporates? And what is the risk and price of this approach for advancing a social justice agenda?

Current NPO sustainability discourse is increasingly hyped about social enterprise as a funding model, along with an insistence (mostly by business) that donor-funded non-profits need to become social enterprises in order to generate



Now, more than ever, there is an urgent need to unlock the potential for local giving in South Africa, not only as a mechanism to resource NPOs, but as a stimulus to bolster citizen action on human rights.

18 It has been suggested elsewhere that this requires a re-imagining by the traditional left of ways of organising outside of donor-funded non-profit organisations (NPOs). See INCITE! Women of Color Against Violence (eds.). 2007. *The Revolution Will Not Be Funded: Beyond the Non-Profit Industrial Complex*. Cambridge, Massachusetts: South End Press.

19 It is proposed by some that co-operative structures are the way forward, with networks that include civil society organisations (CSOs), international progressive philanthropic foundations and funding agencies, and corporates. For more on this argument see Fowler, A. 2000. *The Virtuous Spiral: A Guide to Sustainability for NGOs in International Development*. London: Earthscan; Du Toit, C. & Kraak, G. 2007. "CSI and social justice: towards partnership with Northern donors". In *The CSI Handbook – 10th edition*. Cape Town: Trialogue, and Kabane, N. 2011. "An emerging funding crisis for South African civil society". Afesis-Corplan. *Transformer*. January 2011.



Is it, then, that human rights and social justice organisations need to package their causes and their ‘opportunities for association’ in ways that are palatable to risk-averse corporates? And what is the risk and price of this approach for advancing a social justice agenda?



Collaborative lobbying and advocacy are required to unlock social justice philanthropy and increase resources for, and citizen engagement in, advancing human rights and democratisation.

their own income and thereby secure their long-term financial sustainability. Most non-profits are not established to generate income, but rather to achieve a specific political, social development or transformation objective. While social enterprise may have its place in demonstrating ethical and socially responsible business practices, it is not a model that can simply be imported into, and imposed on, the non-profit sector. Any expectation that this is possible, viable, feasible or reasonable, demonstrates a fundamental misunderstanding of the nature of non-profit work and of social enterprise models.

Conclusion

We need a strong and cogent agenda for a South African social justice philanthropy that finds footing on local soils. Driven by principles of social, economic and political justice, social justice philanthropy calls for support for a social transformation agenda that is about deepening human rights, equality and justice. On the part of donors, this plight demands a conscious departure from charitable giving, since such giving most often manifests as a band-aid solution to a much deeper systemic challenge, and thereby maintains a status quo in which poverty cycles and social exclusions continue. On the part of progressive CSOs, collaborative lobbying and advocacy are required to unlock social justice philanthropy and increase resources for, and citizen engagement in, advancing human rights and democratisation.²⁰ In the efforts to bring philanthropy and social justice in closer alignment, non-profit strategies should include partnering with like-minded donor communities to build common ground in funding priorities and grantmaking practices that, in their own right, reflect a social justice ethic. In addition, non-profits should be encouraged to discard traditional, myopic approaches to fundraising as an internal technical exercise reduced to the bureaucracies of proposal polishing and grants administration.

Instead, Advancement thinking offers a context-based, issue-driven, externally-focused and responsive approach to organisational sustainability.

These strategies open up further potential for collaboration within civil society to articulate a strong case for local prospective donors to support social justice organisations. Importantly, the non-profit sector has an essential role to play in mobilising civil society so that citizens can actively stake a claim in shaping the funding agenda, in guiding donor practice, and in determining the future trajectory of social and political transformation in South Africa.

²⁰ A case in point in developing the potential for a more inherently transformative philanthropy is reflected in the Occupy Philanthropy network (online at <http://occupyphilanthropy.org>). Occupy Philanthropy provides a space for donors and funders to share and develop strategies for supporting the Occupy movement. This is pitched as a move towards a more responsive philanthropic practice focused on systemic change. As a brand new initiative, the extent to which this effort succeeds remains to be determined.

On collaboration



I have learned that as a sector we do actually have to work together. I believe this quite strongly because the argument for human rights organisations, the story that we have to tell, well, we have to really get it right as it has to be a good, strong story. And it has to be told by very important people, lots and lots of times so that we move South African donors into a space where some of them buy into it. We cannot carry on indefinitely having human rights funding coming from outside the country. It's got to become internalised that you need to support your democracy and civil society organisations. And so for me the experience is that you cannot do it on your own. I mean, I can't go out and convince 20 high-end philanthropists why human rights funding is important. But if I'm sitting with 10 other very influential people from strong non-governmental organisations who've done some important work, it makes it a much stronger story.

Erica Emdon, Advancement Director, ProBono.Org

We will remain diverse organisations and we are united by the concerns that we have. To a great extent the challenges that are facing us emanate from the history of this country. This sometimes gets complicated by the implementation, or failed implementation, of policy. And so there will always be the need to project a united voice. But in the process of projecting a united voice, some of us must not be lost. And even those who struggle to resist the impetus to force unity, to force homogeneity, they must be aware of the unintended consequence – that eventually this will shut us down. Marginalised voices need to be heard ... yes, all of us.

Simbongile Kamtsbe, Director, Transkei Land Services Organisation

JAMES TAYLOR

Musing at the crossroads

Civil society and sustainability

The 2008-2011 Global Civil Society Index (Index)¹ summary report undertaken by CIVICUS concludes that “[a] growing sense emerges from the [Index] reports that CSOs (civil society organisations) are facing a crisis and an opportunity, and stand at a historical crossroads”. In her foreword to the report, the Secretary General of CIVICUS, Ingrid Srinath, suggests: “The key finding of this global phase of the [Index] is that there exists a noticeable disconnect between established civil society organisations and the increasing number of citizens involved in both new and traditional forms of activism.”²

This paper aims to encourage those who share the sense of the potential crisis and opportunity, and those who are already in it, to make full use of the crossroads moment. Those who are already at the crossroads will be experiencing how difficult it is, both personally and organisationally, to let go of the old and familiar and venture into uncertainty. Those who are not yet at the crossroads, but who sense its approach, will be looking for ways to avoid it if they can by being proactive. Whether imminent or actual, crises present moments of heightened opportunity. The potential of both the destructive forces associated with these moments and the creative forces of new life are intensified in such times. It is at these crossroads moments, when consciousness is more acute, that civil society organisations (CSOs) can benefit from looking through their own crises of sustainability to the deeper crisis of which they are a part.

Before considering more closely the state of civil society at the crossroads, I must share my understanding of the concept. As the term has a long and complex history, any definition of civil society will be open to contestation. Still, two recent definitions serve as my points of departure. Both definitions focus on the functions of civil society rather than dwelling on the more common debate about which organisations qualify as belonging to it and which do not.

1 The CIVICUS Civil Society Index (Index) is a participatory action research project which aims to assess and improve the state of civil society in a range of countries around the world. The summary report is drawn from 29 Analytical Country Reports – comprehensive, country level civil society self-assessments.

2 Bridging the gaps: Citizens, organisations and dissociation. Civil Society Index summary report: 2008-2011. 2011. CIVICUS, p.5. Online at: <http://www.civicus.org./downloads/Bridging%20the%20Gaps%20-%20Citizens%20%20Organisations%20and%20Dissociation.pdf>.

The first definition of civil society emanates from Srinath in the Index report. She offers the following foundational understanding: “Many definitions have been proposed, but, at its essence, civil society is our species’ response to the basic human need to come together in pursuit of common goals.”³ The second definition is based on the perspective of Beauclerk, Pratt and Judge⁴ who define civil society in terms of what they view as its five major functions, namely to:

- Help to generate the social basis for democracy
- Promote political accountability
- Produce social trust, reciprocity and networks
- Create and promote alternatives
- Support the rights of citizens and the concept of citizenship.

I find these definitions helpful in describing what civil society does, as I arrive at the crossroads after 25 years in the field. I will later in this paper engage with South African and global experiences within civil society, in the hope of prompting us to shake off the old and begin to traverse new pathways of exploration and action.

Srinath’s sense that civil society is intricately linked with the basic human need to commune in the pursuit of common goals is particularly helpful when looking back at recent South African history. It cuts through the dramatic and rich stories of great leaders and political movements, through the volatile moments of uprising, protest, heroism, and sacrifice, bringing us back to the foundations of it all – to the ongoing, innately social process of ordinary people coming together to pursue common goals aimed at meeting needs that are important to all.

Historically, and over time, this built towards the more elaborated functions of civil society as described by Beauclerk, Pratt and Judge. What we referred to as ‘the struggle’ was slowly moulded through hard work and the concerted efforts of people coming together around common goals all over the country. Perhaps the zenith of this process occurred when 400 of these organisations, including civic and student bodies, formed the United Democratic Front (UDF) in 1983. With a founding membership of three million people, the UDF later formalised its relationship with the Congress of South African Trade Unions (COSATU) to establish the Mass Democratic Movement in 1989. “The aim of the UDF, through uniting different organisations such as trade unions, was to make South Africa ungovernable – thereby crippling the apartheid system.”⁵

Our experience in South Africa crystallises the link between ordinary people



... civil society is intricately linked with the basic human need to commune in the pursuit of common goals ...

3 Ibid., p.4.

4 Beauclerk, J., Pratt, B. & Judge, R. 2011. *Civil Society in Action: Global Case Studies in a Practice-based Framework*. Oxford: INTRAC.

5 *South African History Online*. Online at: <http://www.sahistory.org.za/dated-event/mass-democratic-movement-mdm-begins-their-defiance-campaign>.

coming together in communities and the five key functions of civil society, as articulated by Beauclerk, Pratt and Judge: helping to generate the social basis for democracy; promoting political accountability; producing social trust, reciprocity and networks; creating and promoting alternatives, and supporting the rights of citizens and the concept of citizenship, are functions that we have seen happen. What is easy to overlook, however, is the time, effort and resources this took to achieve. In retrospect it is easy to talk of the miracle of the Rainbow Nation⁶, but this glosses over the costs of generations of methodical, directed and dedicated civil society work.

Looking back now it is clear that the way this work was conducted began to change in the 1980s. Prior to this, the minimal support and protection offered to what we now call CSOs came from faith-based, political and trade union organisations with international links and access to small amounts of funding. But work in what we called community organisations or struggle organisations was still driven more by commitment to the struggle than by salaries or conditions of employment. Beyond finding whatever means possible to meet needs, as prioritised by the people themselves, practice was shaped by the intentions implied in the slogan “conscientise, mobilise, organise”. Organisations were held together more by the common cause of challenging and defeating a strong enemy than by sophisticated organisational skills.

When the oppression of the apartheid regime increased in the 1980s, signs of successful conscientisation, mobilisation and organisation began to show and the civil society sector was organising and mobilising much more effectively. During this period, for the first time, representatives of international funding agencies started making direct contact with many of the smaller CSOs. With the in-flows of money came the first big shift in the pathways of many organisations. ‘Professionalisation’ became the quest: new organisational systems, from employment contracts to funding agreements, were sought; relationships and accountabilities were formalised; proposals and plans had to be submitted and reports written.

By the late 1980s the cracks had begun to show in many organisations as they battled to keep up with the growing demand to direct energy into building more effective and efficient internal systems, procedures and practises. Yet they learned quickly. The late 1980s and the 1990s might be considered the heydays of the formal and organised civil society sector in South Africa. The country became a priority for many international funding agencies. The civil society sector played a variety of crucial roles and functions in the final victory over the apartheid regime. Highly professional organisations were in place to



The late 1980s and the 1990s might be considered the heydays of the formal and organised civil society sector in South Africa. The country became a priority for many international funding agencies.

6 The term ‘Rainbow Nation’ was coined during the advent of democracy to highlight the coming together of a multicultural South African society

assist in the negotiations for political change, prepare for the first democratic elections in 1994, and draft policies for the new government. Non-governmental organisations (NGOs) acted as a reservoir of skilled staff for the new government and for the post-apartheid business sector. This change – from supporting a struggle and overthrowing a regime, to being a part of building its replacement – constituted a second major shift for CSOs.

The third shift crept up on CSOs as pressure grew for the government to deliver on the expectations of the people. Organisations were faced by more complex relationships with the state, which raises a range of dilemmas. Many were committed to assisting with the delivery of the programmes and priorities of government, but the honeymoon period was ending. The frustrated voices of people unable to access the resources they required to thrive began to increase in response to non-delivery or under-delivery of services and economic growth. CSOs supported people who were fighting for their constitutional rights and holding the government accountable.

As South African society moved into the new millennium, shifts began to occur in the flows of international development aid. South Africa, once the darling of global funders, was losing currency as the focus moved to more fragile and vulnerable states and other emerging democracies. South Africa was labelled as an emerging market, and more latterly as one of the BRICS⁷ economies. Accordingly, expectations grew for the country to use its own wealth to close the still gaping, and indeed growing, chasm between rich and poor.

Competition for funds increased along with the conditionalities attached to funding. It became more and more difficult for CSOs to secure funding for their own priorities – those defined by organisational charters and the constituencies they served. Development agendas were increasingly set less by organisations and their constituencies and more by centrally planned initiatives, national government needs and global millennium development goals (MDGs). Monies flowed to those best equipped to tender for short-term delivery contracts. CSOs advocating for social justice, calling for policy changes, and lobbying against mismanagement and non-delivery found their relationships with government increasingly strained.

When the international economic crisis struck in 2008, it was clear that many of our traditional international funders were in a predicament caused by the crisis. Many South African organisations had long partnerships with European civil society funding agencies. In the early years these agencies funded our organisations as acts of solidarity between their constituencies (who contributed to the funds) and the people of South Africa. As the years passed, these international NGOs were identified by their governments as well placed to



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⁷ Brazil, Russia, India, China and South Africa constitute the BRICS countries.



And so we arrive at the crossroads: a time to reflect, to dig deep, to commune, to rationalise.

channel large amounts of official overseas development aid. They grew to points where they could access and disburse very significant amounts of funding. But just as had happened to the CSOs further down the line, they too were slowly drawn into dependency relationships with their own donors. The demands and conditionalities that came with the money resulted in these non-governmental agencies increasingly becoming agents of government policies, priorities, and practices. As the governments of Europe grappled with their own economic crises, the international NGOs that had traditionally funded in South Africa approached their own crossroads.

Back in South Africa, those CSOs that have long been honing their skills in competing for local funding have an advantage. But even some of those more skilled in raising funds from private philanthropists, corporate social investment (CSI) sources, private Trusts, and government departments, are struggling to survive. They are in a better position than those who have been long dependent on international funding, have realised late that the pool is now limited and highly competitive, and have little skill and few established relationships to make up their shortfalls.

And so we arrive at the crossroads: a time to reflect, to dig deep, to commune, to rationalise. It is perhaps also a time to revisit both Srinath's definition of civil society as a response to the basic human need to come together in pursuit of common goals and Beauclerk, Pratt and Judge's functions that characterise civil society as the social basis for democracy; promoting political accountability; producing social trust, reciprocity and networks; creating and promoting alternatives, and supporting the rights of citizens and the concept of citizenship.

Having looked at our own experience through the prism of these two definitions of civil society, I have two immediate observations. The first relates to *who* is actually at the crossroads. It is not the ordinary people organising around common needs and purpose in communities; their lives go on. It is the more organised and better funded civil society formations that have 'graduated' out of serving those at community level. A pattern of organising is detectable that begins informally and locally and that formalises as it grows around common need. As it formalises and engages in its work, it starts relating to wider networks and drawing on resources that become available. As nascent formations follow this course, their span of influence increases. So, too, does their inescapable reliance on funding that intended beneficiaries cannot provide themselves. The experience of South Africa shows how relationships with funders so easily become dysfunctionally dependent rather than reflecting the healthy interdependence that might be preferred. This endorses the warning in the Index report that "there exists a noticeable disconnect between established civil

society organisations and the increasing number of citizens involved in both new and traditional forms of activism.”⁸

Experience shows that it is extremely difficult to acquire funding for the much-needed support for community-based organising and activism which is a critical foundation for building an effective democracy. Development work that is driven by community priorities, and that occurs at a pace suited to the community, is a poor fit with the short-term, results-based, project-driven funding which now predominates. Increasingly, funding for non-profit organisations (NPOs) is being made available for delivering projects and programmes shaped and driven by the priorities of the funder rather than the pursuits of people organising around a common purpose. The contracts that accompany the money contain measurable deliverables and fixed time frames. Yet supporting the initiatives of people at community level is a complex, contested, messy business. It is labour intensive and outcomes and impact are difficult to predict and may only be visible in the long term. The results-based planning, monitoring and evaluation approaches now being promoted by many funders further command and control delivery-type systems. They are not designed to support effective development work within complex living systems.

In addition, achieving substantial success in the five functions of civil society as identified by Beauclerk, Pratt and Judge is no guarantee of financial sustainability. Numerous organisations in South Africa that have been particularly successful in these areas are still facing crises that threaten their continued existence. In this highly altered context, organisations arriving at the crossroads are confronted with the challenge to either let go of their old ways and ‘get with it’, or accept that they have ‘passed their sell-by date’ and get out. The most obvious new ways of achieving financial sustainability are to explore possibilities of delivering services for the developmental state or to transform into a social enterprise.

There is much activity around pursuing these options. But before proceeding headlong down one of these obvious and well-trodden roads, there is an opportunity to stand back and look at where we are and what we have learned. Getting too wrapped up in the limited understanding of sustainability and unsustainability that is informed by the misfortunes of previously well-funded NGOs, no matter how compelling, is to miss this opportunity. If we seek a bigger perspective it is clear that sustainability is a much fuller issue than merely the financing of NGOs. Sustainability is the major ecological challenge facing human society at present. If CSOs take seriously their role to ‘create and promote alternatives’, this is the place to start. Before reinventing themselves, it is critical to reflect on past experience and learning.



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⁸ *Bridging the gaps: Citizens, organisations and dissociation. Civil Society Index summary report: 2008-2011.* 2011. CIVICUS, p.5. See footnote 2 above.

It is an inescapable fact that human impact on nature is threatening the survival of life-sustaining ecological systems. The threat to future human generations is potentially catastrophic. There is much evidence from the work of CSOs that human systems are also being exploited, depleted and denied basic resources and services in ways that result in the inability to thrive and achieve their full potential. This, too, is unsustainable. The tendency of human society to organise itself in ways that impoverish all living systems, including our own, is the crux of the challenge facing civil society and society at large. Our thinking for the future must be informed by ecological thinking. We must understand and accept the infinite complexity resulting from the interdependent nature of life. We must take much more seriously our long-held understanding that many of the intractable problems we have been attempting to address are systemic in nature.

We are only now starting to learn our way into the implications of what it means to apply an ecological approach to the work of CSOs. The great difference in applying an ecological perspective to the world lies in seeing it as an infinitely complex, interconnected and interdependent living system. This is a very different starting point to engaging with life as a finite, mechanistic system based on linear cause and effect relationships between parts. One of the fundamental implications for organisations that champion human rights is that they are always a part of the very systems they are attempting to change. The ways in which organisations are organised and operate contribute to giving form to the very society they wish to realise.

Living systems are constantly in development, an ongoing process of realising innate potential, but an end-point that never materialises. When understood in this way, our practice focuses less on fixing broken or incomplete systems, and more on facilitating life-bringing processes to parts of the system that are excluded, impoverished, or stuck on their journey of development.

With this in mind, we stand at the crossroads and look yet again. We look at civil society anew, as a part of a larger system that includes business and government, and we recognise the interdependence between these parts. We also note that civil society is not alone at the crossroads. Both the economic system and the institution of democracy are under pressure and being forced to face their own shortcomings. The ecological view suggests that the health of the total system is dependent on the interaction between the constituent parts. It is not possible for any living system to thrive and reach its full potential if the parts are not strengthening each other in ways that result in the system as a whole thriving.

It is time to take stock and rethink, from a civil society perspective, what the essential contribution of each institution of society should be and how best it can contribute to the challenges of our time. It is important to note that, in South Africa, there is increasing talk of a 'developmental' state and 'social' business.



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While these might be experienced as innovative shifts within these sectors, from a civil society point of view it makes no sense to think of business – the major component of the economic realm – as anything other than serving an essentially social function. In his book *Social Threefolding*, Nicanor Perlas describes this notion very simply: “The economy deals with harnessing nature to efficiently meet human needs. The economy is that subsystem of society or the social world that deals with the production, distribution, and consumption of goods and services for the appropriate satisfaction of human needs”⁹. Looked at this way, the extent of the success (or failure) of the economy is to be measured in the extent that human needs are being met. Perlas describes the essential function of the political realm even more succinctly: “Polity is the subsystem that deals with equity in all aspects of human relations.”¹⁰

If we re-imagine the functions of the state and business, how then would we see the function of civil society from an ecologically interdependent point of view? Paul Hawken¹¹ presents an interesting view:

If we accept that the metaphor of an organism can be applied to humankind, we can imagine a collective movement that would protect, repair, and restore that organism’s capacity to endure when threatened. If so, that capacity to respond would function like an immune system, which operates independently of an individual person’s intent. Specifically, the shared activity of hundreds of thousands of NPOs can be seen as humanity’s immune response to toxins like political corruption, economic disease, and ecological degradation.

To complete his trio of interrelated parts, Perlas views the function of the third realm differently to Hawken. He sees the function of civil society as cultural creativity. “Culture is that realm which intuites the guiding ideas of society. Culture is the realm that gives identity and meaning, the realm that develops the full potential of individuals and enables them to be competent participants in the economy, political life, culture and society-at-large. Culture deals with the entire realm of ideas and includes worldviews, knowledge, meanings, symbols, identity, ethics, art, and spirituality.”¹²

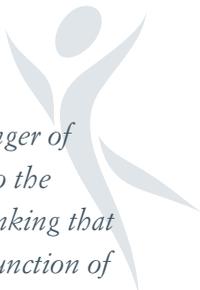
9 Perlas, N. 2000. *Shaping Globalisation: Civil Society, Cultural Power and Threefolding*.

Cape Town: The Centre for Alternative Development Initiatives, Global Network for Social Threefolding, and The Novalis Press, p.111.

10 Ibid., p.111.

11 Hawken, P. 2007. *Blessed Unrest: How the Largest Movement in the World Came into Being and Why No One Saw It Coming*. New York: Viking Press, pp.141-2.

12 Perlas, N. 2000. *Shaping Globalisation: Civil Society, Cultural Power and Threefolding*. Cape Town: The Centre for Alternative Development Initiatives, Global Network for Social Threefolding, and The Novalis Press, p.111.



There is a danger of succumbing to the dominant thinking that the primary function of CSOs is to deliver services to those members of society who fall outside the priorities of business and government. The most critical value of civil society lies in delivering to society at large what civil society has to offer.

While these two ways of describing the function of civil society differ in emphasis, both suggest a very formative role for civil society in shaping society. They show how ordinary people coming together around issues of common concern create the foundational values of society (in the case of Perlas), and protect them (in the case of Hawken). Looking at the role of civil society in South Africa through this prism, the emphasis shifts. Civil society's full contribution was much more than the struggle against the compelling horror of the values that drove apartheid. The people who came together and organised themselves were equally driven by values born of the need to flourish and to contribute fully towards shaping a society that maximises the potential that lives within them. The strength and contribution of civil society is then to be found in the functional qualities of the alternative values around which people organise.

The growing level of activity seen in the protest on the streets of communities today suggests that the immune system is again detecting toxins in society. It is deeply disturbing to see how difficult it has been to transform the economic and political realm into institutions shaped by the values enshrined in the Constitution. The force and tenacity with which greed and self-interest have managed to remain dominant is mobilising people, yet again.

Many NPOs that have supported civil society initiatives and priorities are arriving at a crossroads brought on by their inability to raise sufficient funds to sustain themselves. Looking back over the recent history of the civil society sector, a pattern emerges. Around the spontaneous voluntary action of citizens pursuing common purpose, a myriad of NPOs have emerged as more organised and formalised organs of civil society. As these organisations seek resources to sustain themselves, they forge closer relationships with business and government under whose control the financial resources of society are concentrated. From an ecological systems perspective, these interdependent relationships between parts of the system, shape the system as a whole.

As NPOs arrive at the crossroads, it is important not to be so self-absorbed as to miss the fact that both government and business are at the crossroads, too. This provides opportunities for NPOs beyond simply adapting to the priorities of those who control the funds in order to continue business as usual. The challenge of our time, that faces human society as a whole, is one of sustainability. CSOs have a crucial role to play in contributing to societal transformation. Before re-engaging and re-negotiating a share of society's resources, those organisations supporting the vital contribution of civil society must rethink their own identity and unique role.

There is a danger of succumbing to the dominant thinking that the primary function of CSOs is to deliver services to those members of society who fall outside the priorities of business and government. The most critical value of civil society lies in delivering to society at large what civil society has to offer. In



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justifying their claim to resources, NPOs are challenged to show how support to civil society will contribute towards transforming society into a more sustainable human system. The work of the more formal organisations striving to build a robust civil society is to go to where the alternative values for sustainable society are being lived by ordinary people. On arriving there, organisations should support and facilitate attempts to organise around these values, often against forces driven by constraining counter-values. Through the determination of people to live their values and organise around them in new ways, more ecologically sustainable organisational forms will emerge and grow.

But as a part of the larger system that meets at the crossroads, civil society will not achieve this alone. Its role is not only to counter the toxins that result from the dysfunctions of business and government, but to form new creative relationships at the innovative edges of these systems. Equally, civil society will have to let go of its own dysfunctions and toxins and deliver what it has to offer from its own creative edge, that is, our species' response to the basic human need to come together in pursuit of common goals.



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Glossary of Advancement terms

Advancement

In the context of the non-profit sector, Advancement is about building, maintaining and improving support, skills and funds for an organisation. It is the integrated programme that welds together planning, communication, marketing, public liaison, external relations and fundraising into an engine that both drives and serves strategic thinking in the organisation. Advancement is responsible for developing understanding and support for all of the programmes and activities of the organisation. Its goal is to create a climate that positions the non-profit organisation (NPO) to attract resources.

Annual Fund

This is an organised effort to obtain financial contributions on a yearly basis to support the general purposes of an NPO. By making contributions from year to year, donors provide a consistent stream of support for the mission of the NPO.

Bequest

A bequest is a sum of money or some other form of contribution donated to an organisation upon the donor's death. A bequest, also known as a legacy, is a contribution committed to an organisation in a will.

Board

This refers to the Board of Trustees or Board of Directors of an NPO. The Board is responsible for governing the organisation. The Board's structure and the procedures for its meetings are usually set out in the organisation's Trust deed (in the case of Trusts), constitution (in the case of voluntary associations), or the Memorandum of Incorporation (in the case of NPOs).

Case for Support

The Case for Support is an expression of an organisation's cause and the reasons why prospective donors might wish to contribute to it. It describes the organisation's key priorities, its fundraising efforts; justifies its position, and provides a rationale for its worthiness for financial or other support. This description covers the organisation's goals, objectives and programmes and the services it provides. It is used as a basis for the production of funding proposals and applications.

Cultivation

This refers to the activities involved in building relationships with prospective donors and supporters. Cultivation is about creating awareness about the organisation and building interest in its activities. Its activities aim to inculcate trust in organisational leadership and in the organisation.

Direct mail

Direct mail involves approaching donors or prospective donors directly for funding through mass mail or e-mail appeals. It can take the form of electronic or printed brochures, catalogues, postcards, newsletters and letters.

Endowment

An endowment is a restricted fund that provides long-term security for an organisation, and may be set up by a donor to fund a specific interest, or by an NPO Board. It is an investment that can be built up over a period of time through donations and good financial management. An endowment requires that the principal investment remains intact in perpetuity, or for a defined period of time, or until sufficient assets have been accumulated to achieve a designated purpose. A portion of the income earned from an endowment may be used by the organisation for specific projects (in accordance with donor contracts) or on a discretionary basis.

Foundation

A Foundation is a charitable entity with the principal purpose of making grants to organisations, institutions, or individuals for scientific, educational, cultural, religious, or other purposes. Foundations can be either private organisations or grantmaking public bodies.

In-kind giving

Giving non-cash donations of tangible or intangible property is generally known as in-kind giving. Tangible property can fall into two distinct categories, and its value is derived from its physical existence: (1) objects, such as art, equipment, software, automobiles, printed materials, etc.; or (2) services, such as providing photography or video editing services. The value of a donation of tangible property is typically established by independent appraisals. Intangible personal property is property whose value stems from intangible elements such as patents and copyrights.

Prospect research

The research required to identify, analyse and recommend prospective donors to the organisation.

Solicitation

In Advancement parlance, solicitation is the act of approaching and asking a donor, or potential donor, for funding support. It usually occurs via fundraising meetings and the submission of funding proposals. ‘Making the ask’, as it is euphemistically known, is a form of solicitation.

Stewardship

Stewardship is the process of looking after donors once they have made a commitment to your organisation. The objective is to make donors’ experience as pleasant as possible by thanking and recognising them, reporting properly and in a timely fashion, and maintaining the relationship with them; it entails looking after donors so that they keep on giving. Stewardship also refers to the responsibility of an organisation to ensure that funds received are used as intended by the donor.

Trust

A Trust is an NPO registered under the Trust Property Control Act (57 of 1988) and governed by a Board of Trustees with powers set out in a Trust deed.

About the programme and participating organisations

The Atlantic Philanthropies Sustainability for Human Rights Organisations Programme (AHRP) was a four-year capacity development programme aimed at strengthening the financial sustainability of the participating organisations, namely: the Black Sash, the Legal Resources Centre (LRC), ProBono.Org, the Studies in Poverty and Inequality Institute (SPII), and the Transkei Land Services Organisation (Tralso). The programme was conceptualised and implemented by Inyathelo: The South African Institute for Advancement and funded by The Atlantic Philanthropies (Atlantic).

The programme consisted of a series of capacity building interventions on a range of topics related to organisational Advancement and sustainability, as well as technical support and assistance to enable the participating organisations to develop and strengthen their own Advancement functions, systems and processes. Peer exchange, ongoing mentoring, bespoke one-on-one support and access to conferencing and training opportunities were also features of the programme. In addition, a challenge grant incentive was put in place to reward progress in achieving key Advancement-related milestones on an annual basis. The programme, through its engagement with organisational practice and experience, also sought to contribute to the growing body of knowledge on Advancement in the South African context. *Striking the Rights Chord: Perspectives on Advancement from Human Rights Organisations in South Africa* is one such contribution and draws on the challenges and insights of the participating organisations during the course of the programme.

Programme funder

Atlantic is an international philanthropic agency dedicated to bringing about lasting changes in the lives of disadvantaged and vulnerable people. Atlantic's South African programme works to enhance the strength and viability of the country's Constitution, to ensure that there is equitable health care for all, and to strengthen key human rights organisations (HROs) to protect and promote rights. Atlantic also aims to strengthen philanthropy and disseminate learning to help develop this field.

Programme design and implementation

Inyathelo was established in 2002 with the vision of building a vibrant democracy in South Africa, with a robust and sustainable civil society supported by a strong local philanthropic movement rooted in the African cultural heritage of sharing. Inyathelo fulfils this vision through the development of appropriate, effective grantseeking and grantmaking practices, and through capacity development in the higher education and non-profit sectors in South Africa and on the African continent. Over the past decade, Inyathelo has developed and entrenched its position as *the* leader in the fields of Advancement and philanthropy in South Africa, providing valuable publications, products and services, as well as advice, information, resources and support on how funds can be given and used effectively for the greatest social impact.

Participating organisations

Black Sash

The Black Sash is a 57-year-old veteran HRO, whose current programmes draw on a proud heritage and a rich institutional memory of advocating for social justice. Its mission is to enable everyone in South Africa to recognise and exercise their human rights, particularly their social and economic rights. The Black Sash works towards a South Africa in which the government is accountable to all its people and attends to their basic needs, and in which members of society also take responsibility for reducing inequality and extreme poverty. Four main intervention strategies are employed, which are: educating people about their rights; advising people on how to access their rights; advocating for policies and legislation which promote and protect rights; and monitoring state service delivery to ensure that rights are protected in practice. The Black Sash runs projects in all nine provinces, operating from offices located in four provinces.

Legal Resources Centre (LRC)

The LRC was established in 1979 as an independent, non-profit, public interest law clinic, which uses the law as an instrument of justice. It works for the development of a full democratic South African society based on the principles of substantive equality. The LRC provides free legal services, drawing its clients from the poorest communities and most marginalised social groupings. Clients are representative of vulnerable people who suffer disproportionately by reason of race, class, gender, disability or by reason of economic, social or historical circumstances. In the early years, the LRC challenged the most oppressive aspects of apartheid – such as the pass laws, forced removals and detentions – and helped to lay the basis for creating respect for the rule of law. Since 1994, lawyers employed by the LRC have been active in the protection of civil and political rights, being involved in cases that dealt with the end of the death penalty and corporal punishment; protection against discrimination; treatment for those who are HIV positive; ensuring social grants for the most vulnerable in our society; and securing rights for refugees.

ProBono.Org

ProBono.Org was established in 2006 to leverage the good will, resources and talents of some of South Africa's best law firms and legal professionals in order to provide pro bono legal services to the country's neediest residents and communities. By focusing on recruiting, training, and supporting volunteer lawyers, the organisation

makes an enormous contribution towards provision of legal assistance to low income people. Each year, over 150 law firms contribute hundreds of thousands of pro bono hours by taking on cases, staffing legal clinics and giving advice. In 2011, they assisted over 3 000 low income people, including 600 children, women facing discrimination and hardship, people being unlawfully evicted, people living with HIV/AIDS, refugees and asylum seekers, people requiring consumer protection, workers with labour problems and many others. The lawyers also enabled non-governmental organisations (NGOs), community-based organisations (CBOs) and small businesses requesting corporate governance, start-up and related legal assistance, to find their feet.

Studies in Poverty and Inequality Institute (SPII)

SPII was formed in 2006 to advance new knowledge from a civil society perspective into the lived reality of poverty, and to provide for new solutions to policies to address both the drivers of poverty and inequality and the need for inclusive solution generation. Through undertaking innovative primary research, SPII seeks to engage all spheres of the body politic, from people living in poverty to business and decision makers, and through creating safe spaces, to address awkward questions about power and resource allocation. SPII seeks to realise the vision that was adopted through the Constitution of South Africa and international human rights on a sub-regional level. SPII is also committed to the development of a young cadre of researchers who are able to bring fresh thinking to these current challenges.

Transkei Land Services Organisation (Tralso)

Tralso emerged in 1991 as an activist association fighting forced removals. Today, Tralso is focused on agrarian transformation, land rights and sustainable livelihoods. As a result of the organisation's practice and research, it understands the tensions, dynamics and changing momentums inherent in the countryside. Tralso understands how rural people organise, produce food and survive in the remote areas, and how such processes are constrained or facilitated by state and private sector interventions. For over 20 years, Tralso has provided technical support, participated in advocacy campaigns, facilitated development initiatives and witnessed the triumphs as well as the set-backs and frustrations of rural development, which they attribute mostly to failures of policy and infrastructure support and the flagrant disregard of the aspirations of rural communities.

List of contributors

Polly Arscott

Polly has worked in the non-profit sector for the past six years, in the United Kingdom, South Africa and the Caribbean. She was an Advancement Officer at the Legal Resources Centre (LRC) in Johannesburg, and now lives in London where she is employed by an international non-governmental organisation.

Kisha Candasamy

Kisha was admitted as an attorney in 2006. After working at a law firm in Port Elizabeth for a year, she moved to the United Kingdom to join an international law firm. When she returned to South Africa, Kisha joined ProBono.Org as Head of its General Law Department. She is completing her LLM, specialising in International Human Rights Law.

Heather Clancy

Heather holds a Bachelor of Social Science degree in Politics and Philosophy from the University of Cape Town and an Honours degree in Politics from the University of South Africa. She is currently an intern at the Studies in Poverty and Inequality Institute (SPII). Her work focuses on the implementation of a Southern African Development Community-wide Basic Income Grant which would be funded from extractive tax and the creation of a regional Sovereign Wealth Fund.

Erica Emdon

Erica has worked for ProBono.Org since its inception in 2006. She has been Advancement Director since mid-2009 and is also, currently, the organisation's Acting Director. She has managed the branding, fundraising and communications work and taken a leadership role in transforming the organisation from a little-known legal non-governmental organisation to a key player in the access to justice sector.

Isobel Frye

Isobel left a commercial law practice where she was Director, to work for the human rights organisation, the Black Sash. From there she moved to NALEDI, the research arm of the Congress of South African Trade Unions. As Director of the Studies in Poverty and Inequality Institute (SPII), Isobel undertakes

both primary and secondary research into poverty and social exclusions, and policy analysis in the field of anti-poverty policies, inequality, socio-economic and constitutional rights and social protection.

Shelagh Gastrow

Shelagh was Director of Fundraising at the University of Cape Town before she helped establish Inyathelo: The South African Institute for Advancement (Inyathelo) in 2002. She has worked in the non-profit sector for many years, including with the Institute for a Democratic Alternative for South Africa, IDASA, where she headed its Africa programme. She is also the author of five editions of the *Who's Who in South African Politics*.

Odette Geldenhuys

Odette is a human rights lawyer and a documentary film maker. She established ProBono.Org in 2006 as the first, and still the only, *pro bono* clearing-house in South Africa. She spearheaded the Access to Justice programme of Legal Aid South Africa. One of her documentaries, *Here be Dragons*, is about human rights icon, George Bizos, lawyer to and friend of Nelson Mandela.

Ruendree Govinder

Ruendree decided to combine her computer science training with her social conscience and in 2005 founded Interiority Consulting, a company dedicated to helping non-profit organisations navigate the digital world. She has more than 15 years of experience in e-communications, technology and information management in the civil society sector.

Adrienne Hall

Adrienne has worked in marketing and development in the private and public sectors in the United Kingdom and South Africa for over 25 years as both a Director and consultant. The organisations Adrienne has worked for include the London School of Economics; the Universities of Oxford, Strathclyde, the Witwatersrand, and Stellenbosch, and the Legal Resources Centre (LRC). She is currently a consultant to the Nelson Mandela Foundation and Greenpeace Africa, sits on the Board of Tembeka Social Investments and is a Trustee of the Van Zyl Slabbert Education Trust.

Sean Jones

Sean is an Inyathelo Associate and Managing Director of EduActive Solutions Ltd., who worked closely with the Atlantic Philanthropies Sustainability for Human Rights Organisations Programme (AHRP). He has extensive experience in the fields of university and civil society Advancement and has worked in evaluation, capacity building and project development roles, both for donors and non-governmental organisations, in a variety of fields ranging from nursing, public health and sexual rights to libraries and equity programmes. With a PhD in Social Anthropology, he has published extensively in both academic and non-academic forums.

Soraya Joonas

Soraya worked in multicultural leadership positions in Mauritius and Canada before joining Inyathelo: The South African Institute for Advancement (Inyathelo) as Financial Director. Her current portfolio includes the management of Finance, Information Technology, Human Resources and Facilities. What Soraya values most about her work at Inyathelo is the opportunity to help grow South African philanthropy and to advance civil society organisations by using her business skills and financial expertise.

Melanie Judge

Melanie is an Inyathelo Associate and managed the Atlantic Philanthropies Sustainability for Human Rights Organisations Programme (AHRP). She has worked with non-governmental organisations, both locally and internationally, on lobbying and advocacy, capacity building and strategic communications in advance of human rights. Melanie has been published widely on gender and sexuality matters. She serves on the governing Boards of the Triangle Project and the Gay and Lesbian Memory in Action.

Simbongile Kamtshe

As Executive Director of the Transkei Land Services Organisation (Tralso), Simbongile sees himself as an activist trying to find ways of overcoming the challenges afflicting rural areas, particularly in the former Transkei. He believes part of the answer lies in raising awareness among rural people about the structural causes of poverty and the limits of a nationalist democratic breakthrough when land and natural resources remain tied up in the hands of the white minority.

Gerald Kraak

Prior to joining The Atlantic Philanthropies (Atlantic) in 2001, as Programme Executive for Reconciliation and Human Rights, Gerald worked for the Dutch and British anti-apartheid movements while in exile. He joined the international donor consortium INTERFUND in London in 1988 and returned to South Africa in 1993 as its Deputy Director. Gerald is the author of a novel as well as two books on South African politics. He has also published widely on subjects such as development, philanthropy, and gay and lesbian issues.

Janet Love

As an anti-apartheid activist, Janet was involved in the trade union movement and the African National Congress before and during the years she spent in exile. She serves as a Commissioner on the South African Human Rights Commission and was involved in negotiating and drafting South Africa's Constitution. Janet worked in the South African Reserve Bank for five years as head of strategic analysis and support before joining the Legal Resources Centre (LRC) as National Director.

Fortunate Mabuza

Fortunate worked for the government for many years before she took over the running of the office, conferences and events at the Studies in Poverty and Inequality Institute (SPII). Her experience as a Grants Administrator at SPII has also helped to build a broad knowledge base at the organisation where she works as a researcher and personal assistant to the Director.

Brian Mathebula

Brian is completing his Master's Degree in Public Management and Governance at the University of Johannesburg. He gained valuable work experience at the Department of Economic Development, co-authoring the proposed Second Economy Policy for the City of Johannesburg. Currently at the Studies in Poverty and Inequality Institute (SPII), Brian is researching the links between cash transfers and local economic development.

Thabileng Mothabi

Before joining the Studies in Poverty and Inequality Institute (SPII) as a researcher, Thabileng worked as a consultant for Umhlaba Development Services. He did his internship in the Policy Co-ordination and Advisory Services of the Presidency (now called the National Planning Commission). At SPII, Thabileng brings insightful knowledge on South Africa's policy making processes and procedures, an understanding of South Africa's poverty debates, as well as the issues surrounding the establishment of an official poverty line in South Africa.

Marcella Naidoo

After establishing the Advice Office for the Lotus River and Grassy Park Residents' Association 25 years ago, Marcella went on to set up the Advice Office Forum before joining the Social Work Department at the University of the Western Cape. In 1996, she served on the Truth and Reconciliation Commission before joining the Black Sash as National Director. She sits on the Boards of the Open Democracy Advice Centre, Legal Aid South Africa, National Association for the Development of Community Advice Offices, and the Ditikeni and Sakhikamva Trusts.

Sharon Pillay

Sharon's passion for community development was ignited soon after she graduated with a law degree in 2005. She completed her articles at the Legal Resources Centre (LRC). Before joining ProBono. Org as Head of its Family and Refugee Law Department, she worked as a Refugee Attorney at the Law Clinic at the University of Cape Town.

Mamphela Ramphele

Mamphela is an Inyathelo Patron and the Founder of Citizens Movement for Social Change which promotes engaged citizenship. She was a leading activist in the Black Consciousness Movement after qualifying as a medical doctor in 1972. Mamphela has written numerous books and important publications on socio-economic issues in South Africa. She has also received many prestigious awards, including honorary doctorates acknowledging her scholarship, her service to the community, and her leading role in helping disadvantaged persons in South Africa and elsewhere in the world.

Koop Reinecke

Koop is the Financial Director of the Legal Resources Centre (LRC). Prior to this he was a councillor heading the Finance Portfolio at the City of Polokwane for more than 10 years. Koop has worked for over a decade in the non-commercial financial environment and specifically in the financing of rural incremental housing and shelter.

Gabrielle Ritchie

Before joining Inyathelo: The South African Institute for Advancement (Inyathelo) as Programme Director, Gabrielle set up and managed the Proposal Development Unit at the University of Cape Town. Through this, she gained an in-depth understanding of the Advancement environment in South Africa as well as the dynamics and challenges of institutional Advancement. At Inyathelo, Gabrielle has spearheaded initiatives to grow philanthropy in South Africa.

James Taylor

James has worked in the civil society development arena since 1977 as a fieldworker, organisational development practitioner, facilitator of learning, director of organisations and occasional writer. The Community Development Resource Association in South Africa, where he is now an associate practitioner, has been his organisational home since 1992.

Helen White

Helen is a communications specialist with more than 14 years' experience in strategic communications and senior management. As Communications Manager for The Children's Hospital Trust, Helen works to improve the Red Cross Children's Memorial Hospital and paediatric health care in the Western Cape by sustaining positive donor perceptions locally and internationally. A visit to missionary friends in Zambia in 2004 inspired Helen to quit her senior position at a leading public relations agency to make a difference in the lives of sick children.

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Striking the Rights Chord

is an anthology of perspectives on the resourcing and sustainability of non-profit human rights organisations in contemporary South Africa. With contribution from leaders, activists and donors working in the sector, topics include the funding context, governance and leadership, media and communications, strategic donor relations, and Advancement and fundraising practice. The dominant chord across the contributions is the compelling case for why the strength and survival of civil society organisations is essential to human rights, social justice, and democracy in this country.

