



**THE SOCIAL CHANGE ASSISTANCE TRUST (SCAT) AND
LOCAL DEVELOPMENT AGENCIES (LDAS)**

Case study summary

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RATIONALE

This case study was compiled as one of a series of case studies on “Exploring and Developing Case Studies as Tools for Change” commissioned under the Case Study Project supported by The Partnering Initiative, Alcan and SEED.

Social Change Assistance Trust (SCAT) entered the Alcan Prize for Sustainability and was selected as a bursary winner. At that point, the Case Study Project commissioned the compilation of the case study on SCAT. As a funder partnering with the organisations it funds, SCAT was seen as providing a potentially interesting learning case of how a grantor-grantee partnership works: agreeing on and implementing a common agenda, managing the balance of power, identifying and managing risks, dealing with issues of accountability, measuring impact, etc.

THE CONTEXT FOR THE SCAT-LDA PARTNERSHIP

The South African government's integrated sustainable rural development strategy (ISRDS) describes the condition of the country's rural areas as characterised by high levels of poverty, low or no income for the population and lack of economic vibrancy. HIV/AIDS poses extensive challenges to the country's rural development, impacting on a range of developmental factors including economic stability and long-term sustainability, in a context where there are generally more limited resources (such as HIV/AIDS education and health care) available. Farm workers are among the poorest and most vulnerable households in the rural areas. Their vulnerability is increased by their dependence on their employers not only for employment and wages, but also for services such as housing, electricity, schooling, access to medical facilities, water and transport. Wages in the agricultural sector fall well below the minimum living level and seasonal workers (who make up a large part of the agricultural labour force) have the added disadvantage of earning approximately 10% less than permanent workers

THE SOCIAL CHANGE ASSISTANCE TRUST (SCAT)

The Social Change Assistance Trust (SCAT) is an independent fund-raising and grant-making development agency located in the city of Cape Town, in the Western Cape province of South Africa. It was established in 1984 as a response to the resource needs of marginalised, mainly rural, communities. SCAT provides small grants to around 60 small community-based organisations active in human rights, HIV/AIDS and development work in rural communities. In addition to administering grants, SCAT provides training and capacity building grants to its partners and has a fundraising incentive scheme (FRIS). SCAT also provides support to partner organisations through visits by SCAT fieldworkers to carry out monitoring and provide input and advice on partner activities. To qualify for funding, partners must meet a set of criteria and, once funded, must meet reporting and accountability requirements. SCAT is actively involved in formulating rural development strategies and implementation programmes at provincial, national and regional forums. SCAT also participates in and influences public debate on poverty eradication.

LOCAL DEVELOPMENT AGENCIES (LDA)

LDAs are small entities, mostly with one or two staff members and a handful of volunteers, operating predominantly in small rural towns. Most of the local development agencies started as community advice offices in the early 1980s, to organise communities around daily, mainly political, issues such as detention of political activists, as well as other community problems related to infrastructure, quality of education and quality of life in general. Although many funders thought that after the advent of democracy in 1994 the role of advice offices would fall away given the apartheid-era genesis of most of them, their role, while largely different to pre-1994 days, has actually increased. Under the new, democratic, dispensation advice offices needed to access state resources for their communities: dealing with access to water, local economic development issues, improved educational facilities, access to health services and access to a number of other social services. Because of their new developmental focus, SCAT started calling the advice offices local development agencies (LDAs). Today LDAs play a new, developmental role in their communities, which includes:

- Bringing administrative justice to their communities through paralegal casework
- Educating members of the community on their rights based on various pieces of legislation
- Resolving conflicts
- Initiating various kinds of community upliftment projects
- Attracting resources to their areas.

FORMING AND MANAGING PARTNERSHIPS BETWEEN SCAT AND LDAs

SCAT is currently in partnership with and supports more than 60 LDAs in five of South Africa's nine provinces. LDAs get to know about SCAT principally through word of mouth, either from LDAs already receiving assistance from SCAT or from other funding information sources. The partnership between the two entities typically starts off as a funding relationship, with SCAT providing a certain amount of funds to cover the operations of the LDA. The approval or rejection of a funding request is determined by whether the applicant meets SCAT's funding criteria which stipulate that the LDA should:

- Be governed by members of the community
- Be accountable (to the community and funder) and transparent
- Have women participating at all levels in the organisation
- Open membership to all
- Have a constitution
- Provide plans and objectives

Accountability plays a key role in managing partnership relations. Partner LDAs have to account regularly to SCAT and their communities. LDAs have to re-apply for funding annually and for funding to continue, LDAs have to meet SCAT's accountability criteria.

Accounting to the community takes the form of regular feedback sessions with the community and presentations of an annual report and audited annual financial statements at an annual general meeting. Committee members are elected at the annual general meeting.

MORE THAN MONEY

Although SCAT remains largely a grant-making agency, its support to LDAs includes training - in the areas of governance, HIV/AIDS, local economic development, access to justice, local fundraising, developing partnerships with local and provincial government and organisational sustainability – and various other kinds of support.

ACHIEVEMENTS

- **Empowering the youth to foster community cohesion and upliftment** – with SCAT funding, training and ongoing support and advice, a youth initiative that was implemented by home-based volunteers was assisted to formalise its operations by employing full-time staff and acquiring premises and office equipment. The rural Eastern Cape-based Peace Action Youth Centre has strengthened social cohesion within the rural village where it operates and given meaning to the lives of the village's young people, both in and out of school. Youth involved in the centre's management committee and day-to-

day operations have been equipped with a range of technical and leadership skills. The local community, impressed by the youth's progress, has embraced the youth centre.

- **Award-winning local fundraising incentive scheme** – to guard against creating LDA dependency on SCAT for funding, LDAs are encouraged to undertake fundraising within their communities. The community has had to mobilise its own resources, no matter how limited, to invest in its own development. In 1996 SCAT introduced the Fundraising Incentive Scheme (FRIS), which rewards local fundraising by LDAs. For every rand raised through local fundraising, SCAT provides a reward of five rand. FRIS incentives are in addition to the monthly or quarterly core grant towards organisational running costs.
- **HIV/AIDS programme** – In May 2001 SCAT convened a partnership meeting with LDAs to review operations and the partnership. At this meeting HIV/AIDS came up strongly as an area of importance. Subsequent consultations with LDAs with existing HIV/AIDS programmes led to the creation of the HIV/AIDS programme in 2002.
- **Changing the status of women** – SCAT took the lead on the empowerment of women. There was initial resistance to empowering women from traditionally patriarchal rural communities, but SCAT fieldworkers, most of them women were persistent. All the LDAs now have women in positions of leadership, serving in their community elected management committees. In other areas women have been assisted to start and run their own income generation projects.
- **Giving rural communities a voice** – The LDA's partnership with SCAT has given them 'a voice' in social matters, particularly in their dealings with local, provincial and national government. This is a far cry from the pre-democracy era where community organisations were silenced and gatherings banned under several states of emergency. The partnership with SCAT has given them the information and the tools, for instance through advocacy training, to engage with the authorities.

VIEWS ON THE PARTNERSHIP

The extent to which there is a real partnership between SCAT and the LDAs is a subject of differing opinions. Within SCAT itself, trustees are largely positive about the existence and functioning of the partnership, while staff have been raising some serious questions about it. The following are comments by SCAT trustees and staff and LDAs on the partnership:

SCAT trustees

- “SCAT has always believed that it's there to support the aspirations of the partner community; that it's there to help people take control of their own lives, so the real agenda emanates from the community with whom we are working. SCAT provides support to help organisations that help themselves, who are true partners of their own communities. We were partners with the organisations we funded and we listened to their concerns. We didn't go with an agenda: whatever we developed we had really consulted with them so there was a genuine partnership.”

SCAT Staff

Staff, on the other hand, has raised several questions about the partnership.

- “In terms of the key principles of a partnership the nature of the relationship is such that there is a high degree of transparency with regards to communication between SCAT and the LDA. [However] this may be an assumption from our part, because the LDA may have a different perception.”

- “The balance of power that exists between the two parties is not equal because SCAT is the funder and the LDA is the recipient of SCAT’s funding. By virtue of this funding relationship there are inequities that exist. Is it possible for a funder to be developmental when there is this imbalance in the relationship?”

LDAs

- “For me partnership should be broader. We (LDAs) should provide input on what we actually need to do together (with SCAT) as partners.” On the issue of SCAT appointing staff in the face of funding cuts to LDAs, the LDA said “We would have liked to have had a say if we were true partners.”
- “With Scat we can’t call it a partnership. If it’s a partnership it’s not equal. They tell us what to change, but if we don’t change we lose our funding. We don’t dare speak out because we can lose our funding.” Although SCAT does not tell LDAs which interventions to implement, “they fit all of us into their model. They subtly force us into their model.”
- “There won’t be any partnership if they (SCAT) don’t have money.”

VIEWS ON THE SUSTAINABILITY OF THE PARTNERSHIP

SCAT staff have raised some questions about the sustainability of the organisation’s partnership with its LDAs. Their biggest concern is the ongoing dependence by LDAs on SCAT grant funding. Even with the FRIS incentive, LDAs have not been able to raise funds locally on a consistent basis. At the beginning of 2005 SCAT reduced core grants and training claims paid to LDAs due to cutbacks in SCAT’s foreign funding and difficulties it is experiencing in raising funds locally, resulting from reluctance by local institutions to work through an intermediary. LDAs find themselves in a precarious financial situation and complain about the reduced allocations from SCAT. SCAT staff members expressed their views on the partnership between their organisation and LDAs thus:

- “These organisations are so dependent on SCAT. Now we find ourselves in a financial situation, we cannot fund our partners, now they blame us. It’s a lesson for our partners not to depend on one organisation. We should have a moving on strategy. Sometimes I see it as SCAT being dependent on LDAs – we hang on to them so we can show them off to funders. We need to get out, the partnership is concerning.”
- “Some of our partners have been with us since inception. How sustainable is that? We are creating dependency rather than interdependency. We have to ask if we’re still relevant.”
- “SCAT finds it difficult to let go of their partners.”

Some LDAs stated that if SCAT continues to cut funding, they might be forced to close down. Some are already paying staff’s meagre stipends on alternate months only. Some pointed out that should the SCAT funding dry up completely, they would consider making use of volunteers only, the same way they used to do when they started.

The response from LDAs indicated the extent of their financial dependence on SCAT and raised questions about their financial sustainability. Without clear moves towards sustainability on the part of LDAs, the sustainability of the partnership is unclear. “Sustainability is a problem. LDAs are dying”, one LDA director said.

CONCLUSION

SCAT has built a strong relationship with the LDAs it has funded since the organisation's inception in 1984. The LDAs express strong appreciation for the funding and other support they have received from SCAT over the years and some notable developmental progress has been achieved. However, whether the relationship between SCAT and the LDAs can be characterised as a partnership as the term is understood by The Partnering Initiative is doubtful.¹ This is a relationship where the LDAs have become dependent on SCAT for operational funding and certain capacity-building interventions. Responses from LDAs indicate that should SCAT terminate funding, their very existence would be at stake, raising questions about their own sustainability and that of the 'partnership'.

For more information visit: <http://www.scat.org.za>

To obtain a longer version of this case study please contact: sh@thepartneringinitiative.org

¹ The Partnering Initiative defines partnership as: A cross-sector alliance in which individuals, groups or organisations agree to: work together to fulfil an obligation or undertake a specific task; share the risks as well as the benefits; and review the relationship regularly, revising their agreement as necessary