Strengthening Grantee/Partner Capacity

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Section 6   **Strengthening Grantee/Partner Capacity**

This section provides two examples of the critical role foundations can play in strengthening the capacity of their grantees/partners through training and technical assistance.

Example 1   Support for the Development of Community Organizations
                 Social Change Assistance Trust (South Africa)

Example 2   A Management Capacity-Building Program
                 Abrinq Foundation for Children's Rights (Brazil)

Why Become Involved in Capacity Building?

Through their grantmaking, foundations are striving to achieve ambitious social and economic objectives. The success of their grants relies to a large extent on the capacity of the organizations they fund. In the process of selecting grantee organizations the foundations make an assessment of the capacity of each organization to implement the proposed program or project. Particularly where grants are being made to community-based organizations or local NGOs the assessment will often identify areas that could be strengthened in order to increase their efficiency as organizations and their effectiveness in reaching their objectives. These include areas of internal management such as accounting and report writing skills, the need to develop skills to build links with other sectors and the need to develop sustainable sources of financing.

Many foundations therefore design specific program interventions to assist grantee or partner organizations to strengthen their capacity in areas such as program and institutional management skills, communications skills, fundraising expertise and the ability to build partnerships with other sectors.

How Can Foundations Strengthen the Capacity of Grantees/Partners?

Two broad strategies for strengthening capacity are technical assistance and training (through workshops or longer courses). Some of the ways foundations have translated these strategies into activities are:

• Providing, as part of a larger grant to an organization, funding for the partner to retain technical assistance in areas such as strategic planning, staff development, fundraising or program development; undertake visits to other organizations, attend training courses or conferences or participate in internships.

• Giving grants to selected support organizations to enable them to provide technical assistance and training to one or more of their partners or facilitate a range of peer learning programs between partners.

- Retaining on their staff professionals with the required skills to provide organizational development and other technical support services to partner organizations.
- Providing financial incentives for their grantees/partners to develop skills in certain strategic areas, such as Scat's Fundraising Incentive Scheme.
- Helping connect partner civil society organizations to sources of volunteer technical expertise from the private business sector in areas such as accounting and marketing.

Summary Points

Capacity building of civil society organizations— especially community-based organizations (CBO) and non-governmental organizations (NGOs)—is central to the mission of many foundations and thus forms an important part of their grantmaking programs. This can be accomplished in many ways ranging from the direct provision of technical assistance and training by foundation staff to the provision of grants to NGOs specializing in the provision of technical support to the nonprofit sector. An increasingly preferred option is to include, in the grants to partner organizations, funds to allow them to hire consultant services from the organizations best serving their needs. Civil society organizations generally find it difficult to raise funds for their own human resource development so foundation support can be of critical importance.

Training needs are usually very diverse. They range from general skills in organizational development and administration to more specific skills related to the problem area being addressed by the grantee/partner organization. Different approaches may be used for different levels of training.

Foundations are usually advised to delegate the capacity building function to one or more specialized organizations. It is generally advisable for foundations to take advantage of training capacity in other national organizations rather than build a comprehensive in-house training and technical assistance capability. However it is common for training that is specific to foundation program/project management such as report writing, monitoring and evaluation to be conducted by foundation program officers.

Peer-to-peer learning is often a key element in capacity-building for the nonprofit sector. Foundations can provide opportunities for grantees/partners working on related programs to pool experience and develop new approaches to strengthening their own organizations and increasing program impact. This peer-to-peer learning can be facilitated either by foundation staff, independent consultants or a grantee support organization.

Example 1   Support for Strengthening Community Based Organizations
Social Change Assistance Trust (South Africa)

Central to mission of the Social Change Assistance Trust (Scat) is a commitment "to empower the rural poor, to strengthen civil society and promote social change."[47] Its strategy for achieving this mission is to strengthen a certain type of community based organization, which it calls a local development agency or LDA. LDAs started as para-legal advice offices providing critical support to citizens during South Africa's apartheid era. With the end of apartheid, LDAs have taken on broader community roles in areas such as conflict resolution and the promotion of education and community development. They act as a bridge between needs and resources. They have at least one paid staff member and are governed by boards of volunteers drawn from the communities they serve. They are accountable to those communities through a constitution and an annual general meeting.

Scat provides its partners with long-term core support with a view to enhancing their capacity to serve the needs of their communities. The support they provide selected organizations is directed principally towards technical assistance and training. It usually comprises the following elements:

• Multi-year core grants, training and technical assistance

• Grants for training (directly to LDAs and to NGOs that provide support to LDAs)

• Matching funds to encourage local fundraising

Multi-year Core Grants, Training and Technical Assistance
Scat chose to focus on strengthening promising and proven organizations. It does not see itself in the business of creating new organizations. The process of selection of partners is therefore central to its grantmaking program. To guide staff in this process, Scat has developed a set of criteria to be met if organizations are to qualify to receive grants for core support. According to these criteria, project partners must:

- Be in rural areas of the Western, Eastern or Northern Cape provinces
- Be community-based with membership open to all
- Have a written constitution and defined aims, objectives and plans
- Have accountable leadership
- Make sure that women are adequately represented at all levels
- Make sure that the people who they serve are adequately represented on the committees
- Have adequate financial management measures in place[48]

In the poorest rural areas that Scat is targeting, these criteria are not easy to meet. Scat has therefore devised a way to support organizations that do not yet fully meet the criteria but show potential to become LDAs. In these cases "seed funding" is granted for an initial period of three months, which may be extended by another three months. During this time, Scat field staff work intensively with the organization to enable it to gain the capacity to fully meet Scat criteria. In exceptional cases only, seed funding may be granted for a third three-month term.

The progress of organizations receiving seed funding is reported on at every Scat board meeting. Reasons why a particular organization cannot be granted full funding, yet still merits seed funding, are brought up for discussion.

For organizations that fully meet the selection criteria, Scat provides core financial support (covering salaries, utilities, rent etc.) on an annual basis with a multi-year commitment. In addition, Scat field workers provide organizational development support services for individual LDAs and organize "cluster meetings"—organizational development workshops—and regional seminars which bring together LDAs to work on common problems and develop joint strategies. The support includes acting as a link to funding sources and providing a bridge to other organizations, particularly local and provincial governments.

Scat has developed basic training modules on themes such as basic bookkeeping, record keeping and report writing. The technical assistance component has increased in importance over time in response to observed weaknesses of LDAs and Scat has invested in training its own staff to provide this support.

Grants for Training
In addition to core funding and direct technical assistance by its own field staff, Scat later introduced another element into the support package. It recognized its own staff cannot respond to all the training needs of LDAs and that they should be free to go to other organizations for assistance. Partners are now given an annual fund to spend on capacity building of their own choice for staff, volunteer management, and the community in general.

To complement the support given directly to LDAs, Scat gives grants to selected support NGOs that work with and build capacity in LDAs. These organizations provide research, legal and professional expertise in fields such as public policy, as well as providing direct technical assistance at the community level. They are selected by Scat and invited to submit proposals. In 1997, Scat gave grants to a total of 63 LDAs and 14 such service organizations.

Matching Funds: the Fundraising Incentive Scheme (FRIS)
In 1995 Scat, concerned that many LDAs were dependent on grant funding, started a new scheme, the Fundraising Incentive Scheme (FRIS), to encourage them to gain the capacity to raise funding in their own communities. Under FRIS, Scat gives five rand for every rand (about US$0.18 in 1999) raised by the LDA. The scheme provides an incentive to raise money from those benefiting from the services of the organization through events such as discos, concerts, agricultural shows, festivals, games evenings, cake sales and choir competitions. Money collected from membership dues is also considered under the matching scheme.

The scheme has resulted in LDAs mobilizing over R17,000 by 1998 (over US$3,000). The fundraising activities have also produced non-financial benefits that have strengthened the roles of LDAs. As a 1998 case study of SCAT points out: "these fundraising activities are not merely an end in themselves: they build community spirit; enable the LDAs to share fundraising responsibilities with Scat;

provide opportunities to address community issues; mobilize communities around these issues; and, provide opportunities for community organizations, local businesses and others in the community to work together. One LDA, for instance, organized a Valentine Ball for youth, which encouraged them to participate in anti-crime and AIDS awareness campaigns. The event also drew in about six local businesses, which donated prizes and some resources for the event."[49]

Scat director, Annemarie Hendrikz, points out, "there is enormous potential for people with little money to make a contribution to their own community based organization and this scheme encourages good financial management." It is an interesting example of an innovative approach to leveraging foundation grants and enhancing organizational capacity at the same time.

Example 2   A Management Capacity-Building Program
Abrinq Foundation For Children's Rights (Brazil)

In the course of evaluating its efforts, the Abrinq Foundation for Children's Rights realized that its "Our Children Program," a grantmaking program providing support to child care organizations in the state of São Paulo, Brazil, was not having the level of impact that it felt was possible. As a strategy to improve the results, Abrinq decided to complement its grants with an element of capacity building to assist grantees to improve the quality of programs. Towards this end, it created a new two-year program (1996 to 1997) called the Technical Management Capacity-Building Program aimed at raising the quality of care provided by its grantees. This program reached 43 organizations.

The First Year: Increasing Awareness
In the first year of the program, Abrinq focused on increasing the awareness of its grantees about the need to improve the quality of the care they were providing. Its activities aimed to raise the quality of the response to the needs of children, youth and adolescents, especially in relation to the community and the family, the network of care, and the management of social programs. The "quality approach" focused on strategic planning, management, communications, marketing and fundraising.

The Second Year: A Series of Training Events
The second year of the program focused on improving the management skills of staff and providing the staff of day-care centers, shelters and youth centers with access to technical and pedagogical information and expertise. Abrinq sponsored seminars, meetings of educators, in-service workshops, and courses, related to the care of 10-to-18-year-olds and management skills for child-care organizations.

Abrinq hired consultants to organize the events (seminars, courses, workshops, etc.). The topics were chosen jointly by the technical team of Abrinq's "Our Children Program" staff and the consultants.

Responding to the needs identified in the first year of the program, working groups

of practitioners from grantee organizations were formed around four broad themes:

- Work and education of children and adolescents
- The social responsibility of service organizations for the child and the adolescent: a technical-legal approach
- The organization as a social business: the challenge of nonprofit organizations
- The children's shelter as special protection: its relations with the community and the legal system

These working groups met to exchange experience and forge new approaches.

Evaluation
Abrinq hired a consultant to evaluate the impact of the capacity building program. First the consultant evaluated each organization, relying on Abrinq staff reports, before the start of the program. In a second phase, the consultant participated in program events. In the third stage, after the completion of the program, the consultant visited organizations in the field to evaluate the change in organizational capacity.   The final result was an individual report on each organization and a final follow-up report of the Technical and Management Capacity-Building Program.

Abrinq chose four aspects of organizational development to evaluate:

- Management
- Physical installations
- Human Resources
- Services

Abrinq monitored the progress of the participating organizations with regard to these aspects to determine the effects of the program. The evaluation concluded:

> In general, participants made important progress. They were exposed to many topics to which they had not given much thought until then. They were eager to implement the new concepts they had learned, applying concrete measures to improve their services or working towards those goals. The whole process of capacity building and its results transformed the relationship of association with Abrinq to one of greater financial independence and allowed Abrinq to free up resources for new affiliations.[50]

The Abrinq Foundation for Children's Rights intends to publish workbooks that pull together the findings of each of the working groups. They believe this material will contribute to their efforts, within the framework of the "Our Children Project" to build a movement for the improvement of services to children and adolescents.

References

[47] Social Change Assistance Trust. Annual report. 1997.

[48] Scat. Annual Report. 1998.

[49] Simons, Ronnie. *A Case Study of the Cooperative Venture between Scat and USAID, South Africa (Draft)*. New York: The Synergos Institute, 1999.

[50] Drawn in part from an email written by Ina Braun of the Abrinq Foundation for