



SOCIAL CHANGE ASSISTANCE TRUST

ANNUAL REPORT 2008



Letting Go

of the old and embracing the new

SUPPORTING RURAL DEVELOPMENT

Our Vision

Vibrant and sustainable communities in rural South Africa.

Our Mission

Scat's mission is to partner with rural community-owned organisations in order to contribute effectively to rights-based endeavours that improve the quality of life in their communities.

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Richard Pfaff
Field worker



Sharon Vuza
Receptionist



WHAT WE DO AND HOW WE DO IT

By Ellen Wallraf (Scat Volunteer)

A participant in Scat's Orientation and Community Mapping workshop described it well: "Scat has a passion for rural communities and it's good to see that." This passion is at the heart of Scat. We believe in the assets present in rural communities, such as indigenous knowledge, interconnectedness between people, innovation, natural resources and, above all, the resilient sense of community itself. However, due to the historical realities of apartheid and limited restorative efforts, these communities face a variety of problems and challenges. Access to funding for the civil society sector, access to information and communication technology, limited delivery capacity in areas of health, justice, social security and education, unemployment, entrenched patriarchy and persistent gendered discrimination, are just a few to mention.

In order to support rural communities and address these challenges, Scat builds partnerships with rural community-based development organizations, especially those focusing on human rights, HIV and AIDS, local economic development (LED), and the empowerment of women and other groups subjected to discrimination. Scat refers to these rural partners as Local Development Agencies (LDAs). With the intention of achieving sustainable transformation, Scat's work is to enable these LDAs to find and further develop their particular ways of responding to common but also unique challenges, by assisting them to make their own decisions and allocating available resources according to their own development priorities.

The three main tools Scat uses to implement its objectives are institution-building, financial support and capacity development fieldwork. We raise funds from business corporations, government departments and international grant-makers, to provide LDAs with programmatic support, skills development and small but constant core grants, the latter contributing to modest salary and administration costs. For support and maintenance of the partnership a field worker is allocated

to each LDA as a development practitioner, providing guidance, monitoring and evaluation of progress.

Because of Scat's commitment to sustainability, on-going capacity building is key and different types of training are offered by Scat's fieldworkers. Learning opportunities are organised for committee procedures and accountabilities, fundraising, financial and project management, HIV and AIDS related issues, gender, paralegal matters and local economic development (LED). In addition, a special Development Fund for Training (DFT) gives each LDA opportunities to apply to Scat for funding for self-selected training for their staff and volunteers, so that the organization may itself run workshops in the community or develop their skills in ways not directly provided for by Scat.

To encourage an entrepreneurial spirit within the rural communities and to strengthen their networks, Scat has an innovative and well-developed incentive scheme for fundraising in the LDAs' own communities (FRIS). LDAs which raise funds in their local community are rewarded in the ratio of R5 for every R1 raised. FRIS rewards may be claimed for profits made from community entertainment, cultural and other group events/initiatives. The aim of FRIS is not only for the LDA to raise extra money, but also to involve as many people as possible from the community in the wellbeing of the LDA, thereby increasing the potential for accountability, financial independence and realization of Scat's vision of vibrant and sustainable rural communities.



Organic vegetable gardening training in Nababeep



OVERVIEW

By Nomfundo Walaza



Two of the external factors most influencing our work were the potentially disastrous economic and environmental realities and their increasingly negative impact in rural areas.

Prevailing forms of brutal criminality, HIV infection rates and unnecessary deaths linked to lack of food and/or health care and AIDS, continue to traumatise our people. Unmitigated violence and discrimination against women remain core inhibitors of development and transformation.

This report shows that through strategies and operational interventions - both at programmatic and organisational levels - Scat is sensitive to these priorities.

As a basis for ensuring optimum relevance, Scat based its 5-year strategic planning on a specific process of assessment which started with the conference for rural partners in 2007. This was followed in the same year by an extensive external evaluation and subsequently, the organisational development work done at several levels during 2008 with the support of Dirk Marais of Vision Quest Africa.

Our strategy includes sustaining and improving what we do well and in fact, moving all our attention towards our core work of transformative rural development. We continue this through grant-making, ongoing basic capacity development and on-site field support to small, community-governed organisations in strategic rural areas. Addressing gender inequity remains a crosscutting feature of all our work. The financial support strategy retains and in some cases expands additional funds for training, HIV and AIDS activator sites, HIV and AIDS training more generally, local economic development initiatives and rewards for local fundraising events.

Of course, key to these programmatic commitments

is the strategy of continued, diversified and sustainable fundraising and investment including the management of donor requirements and our own internal capacities.

The strategy of working collaboratively with government, government institutions, business corporations and our peers in the non-governmental sector offered interesting and important opportunities. These interactions have enriched our professionalism and the extent to which we provide service to our partners in rural communities.

Inevitably, the process of evaluation and strategic planning turned our attention inwards. Internal structures were realigned for enhanced delivery. Interestingly, a new and more rigorous performance management system was balanced with a refreshed awareness of the potential of wellness. The expansion of our HIV and AIDS programme to include care-for-caregivers opportunities no doubt contributed to this emerging realisation - a realisation of the importance of putting into visible practice a expanded commitment to the well being of our staff. This seems so obvious, yet how easily overlooked when so much else cries for attention and resources, and the application of these according to specified and entrenched values.



Anthea Davids-Thomas, Mark Volmink of Scat and trustee Greg Erasmus with the Mail&Guardian Award for NPOs 2008



EXECUTIVE DIRECTOR'S REPORT

By Joanne Harding



It is likely that the current economic climate will have the greatest impact on the rural poor, women and children. We expect international donor funding to decrease and South African businesses to cut social responsibility budgets. In a context where South Africa's National Lotteries is in 2009 paying out grants for applications submitted in 2007 and the National Development Agency (NDA) has a significantly smaller budget than was intended for civil society, we also find ourselves in a complex political environment, filled with uncertainty when it comes to contracts and relationships with our government. The safety net offered by NGOs to resource poor rural and other marginalised people will shrink as the sustainability of civil society becomes ever more fragile. Scat however, intends to remain a strong organisation which continues to enhance the quality of life for people living in the rural communities we serve.

Some formal infrastructure has improved under the current dispensation, but many old challenges persist. Economically motivated migration has increased, urbanising prime age adults who, in moving from rural areas have depleted rural 'social capital' and skewed population profiles. Contemporary migration also provides a fertile transmission route for HIV, as migrants tend to return to their families of origin over holidays, many after having had other sexual relationships in the urban setting. Poor income generation prospects and escalating costs are turning the screws on household resources - particularly in rural communities - with an increasing proportion of the household income allocated to food purchases. The increased likelihood of women engaging in sex work and men in criminal activities are evidence of desperate attempts to diversify household income sources.

In rural communities local government execution of plans shows limited forward thinking. As a result, the burden of responses to issues such as HIV, AIDS and food security is often carried by community-based groups, rather than collaboratively between govern-

ment and civil society. At local government level shortages of skills prevail and there is evidence of initiatives driven by self interest.

The appointment of Health Minister Barbara Hogan has been hailed as a significant step forward within the health sector. Civil society is generally optimistic that, if she retains the post, she will make a profound contribution towards enabling appropriate interventions in the HIV and AIDS fields. The appointment also frees civil society organisations to focus more on advocacy to ensure that government delivers on the promises they have made.

In many rural communities, LDAs have identified food security as the primary need. A potentially positive trend is that people are returning to indigenous knowledge and traditional systems of subsistence agriculture to ensure they have at least some basic food for household consumption, and Scat has been drawn into supporting and strengthening such food security initiatives. We consider it important to promote, and where possible support, sustainable models of agriculture and as a result, have been working with specialists in the area of organic food gardening.

Overview of the organisation

Scat had a phenomenal year in 2008. We attribute this to increased capacity in the organisation and greater cooperation between management and staff. The teamwork improvements have a great deal to do with an organisational development process facilitated by Dirk Marais of Vision Quest Africa (who also facilitated our external evaluation in 2007). Included in the 2008 OD process was the development - with staff - of a staff credo, principles of best practice and a five year strategic plan, which we have started implementing.

The expression of a phenomenal year relates to the higher level of delivery and catch up in the field team. In the previous year, the field team had been inhibited by the fact that their team manager was acting as Executive



Director and the team was missing both its regional coordinators, one acting as Field Manager and the other on maternity leave. Having learned from past experience, when I returned from my maternity leave we ensured a facilitated process, which made all three transitions back to regular posts easier and more manageable.

Full justice would not be done to this reflection on achievements without mentioning: the Silver Award from Impumelelo for Scat's HIV and AIDS programme; being one of three short-listed for the Mail and Guardian Investing in the Future Award to the best Non Profit Organisation; and Ditikeni's award in the category for innovation. As a major shareholder, with two of our trustees Gordon Young and Greg Erasmus closely involved in Ditikeni, this last-mentioned award was also a notable achievement for Scat.

In addition to our comprehensive five-year evaluation, De Beers evaluated our work in Namakwaland, from a donor's standpoint. The evaluation affirmed Scat and our work and also highlighted some of the particular challenges in that area, including the historical impact of the

mines and the tension and conflict in communities due to most of these mines now being closed or closing.

Another aspect of the high level of delivery was our contract with the Institutional Capacity Building Unit of the Department of Social Development in the Western Cape. We facilitated governance and management training with twenty-four organisations in the province, further developing our 2007 contract experience with the NDA, in the area of new venture creation in the Northern Cape.

Governance

Scat trustees met five times including the strategic planning session in March, at which we reaffirmed our four strategic areas: strengthening institutions; building capacity; mobilising resources; and developing intellectual capital. The process highlighted the need for Scat to support our LDA partners to gain access to relevant technology. There was a particular focus on our emerging local economic development (LED) strategy. In LED and small business development there are so often failures that Scat trustees have stressed the importance of



Drying red peppers in the sun. Vegetable Gardening Project, Berlin Advice Centre



looking for what works and then replicating such models in effective ways in each community we partner.

The finance committee, which includes the finance person on the board, Gordon Young, Scat's finance consultants CMDS, and Scat's management and finance teams, met four times to develop our investment and sustainability strategy and our financial policy. It also regularly reviewed the financial management reports and dealt with financial decisions.

Barry Streek House, which Scat has owned and occupied for the past ten years, was sold for a sound profit which is now being reinvested. We set aside some of the funds to purchase a new building, away from the city centre as staff would like to avoid spending so much time in the traffic.

The financial report shows a surplus in 2008. This is attributed in part to contracts for which we received funding but which run into 2009, and in part to an under-spend in the LED programme. The Department of Social Development in the Western Cape (DOSD-WC) contracted Scat to work with four local economic development projects in Paarl but we found that the projects were not ready for the funds which had been set aside for them. In consultation with the DOSDWC, Scat proceeded cautiously and we hope to facilitate full capacity to receive the grants appropriately in 2009.

The financial report shows that scaled up spending in 2008 was largely as a result of increased capacity in the organisation and delivery in the capacity building programme.

Fundraising

Scat successfully raised all the funds needed for the 2008 operations and plans. New contracts were secured - with Chevron for our LED programme; with the Northern Cape Department of Social Development for all our programmes in the Northern Cape; with the Finnish Embassy for the FRIS Programme and with the Western Cape Department of Social Development to facilitate capacity building with 24 organisations in the Western Cape.

We were disappointed that the National Department of Health turned down our application for our HIV and AIDS programme, after funding the programme for two years and making it possible for us to expand the programme to 20 rural communities. We are currently seeking new funding relationships to support our HIV and AIDS programme while also lobbying the South African National AIDS Council (SANAC) and the Minister of Health in an effort to have the rejection by the Department of Health reversed. There does seem to be donor fatigue when it comes to HIV and AIDS and it will require creative efforts to show how Scat's model supports and strengthens community driven initiatives.

In 2008 international funding made up 46% of our funding base which is higher than in 2007, where we had increased our local donor base. The changed ratio is also as a result of the declining value of the Rand which meant that the income for the dollar was higher than in the past few years when the Rand was strong.

We had fifteen donors in 2008, fewer than in 2007 but still a large number to manage. Our contract with Cordaid reaches full term at the end of 2009. Not only will this leave a significant gap in our budget, it will also end one of the most meaningful developmental relationships Scat has enjoyed with the international donor community over the years. At the same time a few of our funder agreements are due for renewal and we must face the reality that funders may possibly not be able to take on new grantees or even renew contracts. We already have two international funders who have indicated that they are indeed affected by the economic situation. One potential funder has now said they cannot take on new grantees, and this has affected their decision to fund Scat.

We continue to seek funding from South African donors and to establish partnerships with government but South Africa's hotly contested general election during 2009 is likely to impact on decision making and service delivery. As many civil servants are political appointees, we hope that the current partnerships and relationships we have built up with government are not negatively affected.



Management, Staff and Organisational Development

The Scat trustees had asked that the management team attend management training. As a result of the strategic planning process we realised that there was a need for all staff to attend management training, either from an organisational perspective or from a personal work/life management perspective. The trustees agreed to this and Dirk Marais, who has been running a Leadership and Management Course for Organisations and Individuals for the past 14 years, has been contracted to facilitate the process. The first module was in December 2008 and was enormously beneficial to the organisation. The focus was on the individual and her/his own personal vision, mission, goals and objectives and then for him/her to consider how these fit into the organisation. The course also looked at time management, nutrition and exercise and as a result many staff members have started to change their lifestyles and have realised that we are all managers, even if only of ourselves.

The Scat team is constantly finding itself in its growing capacity. This happens through individual and collective striving to be active participants in a learning organisation. We live the tension between delivery, effectiveness and efficiency on the one hand, and on the other, taking enough time out for reflection, to ensure that we learn from our experiences and get new and often better results. We try new things in the belief that a thoughtful, creative and risk-taking approach brings about change. We deliberately step out of our comfort zones and that is what makes Scat an organisation to be proud of.

Mark and Linda worked closely with me in ensuring the effective and efficient running of Scat. To them in particular, and to the staff as a whole, thank you.

We want to acknowledge with appreciation the rural communities that seek us out as partners and the donors who provide the necessary resources, support and friendship because, like us, they want to support community-driven social change.



Dancing performance at the World Aids Day Celebration in Steytleville



FIELD AND PROGRAMMES OVERVIEW

By Linda Diedericks



*In order to arrive at what you do not know
You must go by a way which is the way of ignorance
In order to possess what you do not possess
You must go by the way of dispossession.
In order to arrive at what you are not
You must go through the way in what you are not.
And what you do know is the only thing you know
And what you own is what you do not own
And where you are is where you are not.*

From East Coker: Four Quartets, T.S. Elliot

Continuous learning was a deliberate theme of all our work with rural local development agencies (LDAs) and our own organisational reflections during 2008. At the beginning of the year we committed ourselves to learn in an interactive manner from each other, from external sources such as training institutions and, most importantly from Scat-partnered rural LDAs. This section of Scat's 2008 annual report will touch on some of the key lessons.

As a team we acknowledge the wealth of experience, knowledge, wisdom and skill that exists within each of our partner LDAs. Sometimes we learned the hard way - when we had to accept that our approaches were wrong, and when we needed to re-align our thinking or our practice to suit the situations at hand. Yet we know that "in order to arrive at what (we) do not know" - social change - and to improve our work, this is one of the best routes. Another is to balance productive capacity with results. We regularly considered how best to produce an ever-improving quality of work without neglecting our own wellbeing in the process.

Capacity Building

A number of valuable capacity building issues emerged. One of the main lessons came from the work Scat took on in partnership with the National Development Agency (NDA) and fifteen community-based organizations in the Northern Cape. Facilitating accredited training with a mixture of par-

ticipants who have diverse ranges of literacy - in different languages - is not straightforward. It requires stamina, commitment, adaptability and patience from the facilitators and the learners and we were rather rudely awakened to this reality while facilitating the New Venture Creation training with a group of 49 learners from four district areas. The experience presented Scat with the opportunity to partner with the Elgin Learning Foundation, around the matter of accredited learning materials - which were in English.

Learners were required to submit a completed business plan as an end result of this section of training. Even though they mostly worked in groups of four, about half of the learners were unable to do this and we needed to develop a summative assessment as a way of assisting them. It would undoubtedly have been more beneficial to the learners if we had translated the materials into their respective home languages which included Afrikaans, Tswana, Nama and Xhosa. However, as is so often true 'time was of the essence and there wasn't enough' for translations.

Through observing the changes in some of the learners' attitudes, behaviours and confidence, we were able to reaffirm the value of bringing groups of people together to share experiences through capacity building. The programme motivated individuals to address their individual organizational challenges, which was an unexpected but important outcome. There were in-



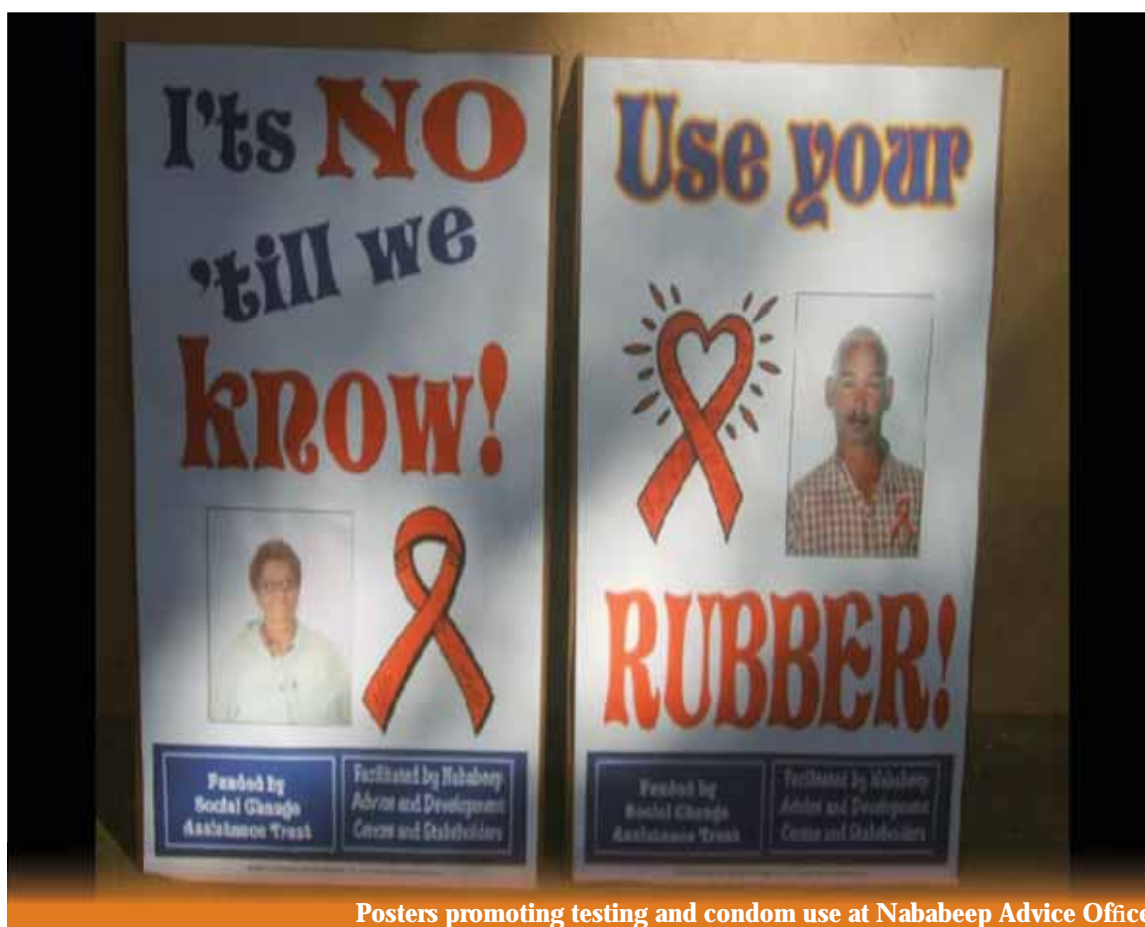
dividuals who indicated to the facilitators that, simply by building their self esteem and belief in themselves through participation in the training, they had taken steps to redirect the course of their lives. One learner who is a parolee, told us that through his involvement in the programme he has been positively influenced to change his perceptions about life as a criminal. He is more positive about his outlook on the future and believes that he can make a constructive contribution to his community.

HIV and AIDS

The national HIV and AIDS context is one in which only a quarter of those needing anti-retroviral (ARV) treatment are getting it, despite improvements in availability. An estimated 5.7 million South Africans live

with HIV. South Africa has reportedly spent US\$621.6 million on its response to HIV and AIDS, an average of US\$109 per HIV positive person per year. Of this money 77% comes from domestic resources, but this equates to 2% of the gross national income per capita. (25.11.2008 heal-e report by Anso Thom available at <http://www.health-e.org.za/news/>)

Scat completed its Learning, Evaluation and Research process in February 2008, and some of the critical outcomes include recommendations that the HIV and AIDS programme continues; that careful consideration be given to preventing the programme from becoming too broad and that the programme becomes more responsive to its gendered nature and the feminization of the epidemic.



Posters promoting testing and condom use at Nababep Advice Office



Caregivers are people who unselfishly give of their time and energy to assist and support people living with HIV and AIDS, often with no - or minimal - remuneration. While caring for others these individuals themselves need to be cared for, so that they replenish themselves regularly and continue providing quality care. Research indicates that without such care, caregivers risk burnout and depression. As a way of focusing on care and support, Scat partnered with Aids Response to assist the activators working in LDAs to acquire the tools needed to cope with the emotional, physical and spiritual effects of their work. The second module of the Aids Response Care-for-the-Caregiver training was held in two provinces, with twenty of the activator sites from the Eastern Cape and fourteen from the Northern and Western Cape. So far, the impact of this work has been that seven LDAs have replicated some aspects of the self care work either in their community with carers, or internally with the LDA committee and staff members. This joint venture with Aids Response proved to be mutually beneficial because we were able to pool resources and Aids Response was able to reach a wider range of participants.

Scat's HIV and AIDS Coordinator, together with fieldworker Mkhululi Mazula facilitated a Baseline training workshop between 3 and 7 March, with seven other LDAs participating. The content of the training incorporated information on how to read and work with statistics; the National Strategic Plan; what a 'baseline' is, and basic information on how HIV is transmitted. Presentations by two activators from sites which have been doing HIV and AIDS work for a longer period were used as a form of peer learning.

Exchange between activator sites is a practice that serves to develop each LDA's understanding of how to design its own responses to HIV and/or AIDS at local level, and Scat facilitated such exchanges between four LDAs during 2008.

Although Scat had planned to scale up the current HIV and AIDS programme to include every LDA that it supports, the funding environment inhibited this objective. In keeping with currently available re-

sources, we continued working only with the existing 33 activator sites. Also due to budgetary constraints, a prevention seminar planned for November 2008 was postponed to February 2009. The purpose of the seminar is based on the need to design a strategic and focused model of prevention work to more effectively contain the spread of HIV in rural communities.

One of the Eastern Cape LDAs has been doing groundbreaking prevention work around the matter of male circumcision as a rite of passage to manhood. The LDA is using a multi-pronged approach to challenge existing myths around circumcision, including boys from the age of fifteen and upward, initiation schools (abakhwetha), initiation nurses (amakhankatila), newly initiated men (makrwala) and traditional surgeons (ingcibi). In their own words, this is how they feel about their interventions: *"All in all, we believe that we are properly managing these processes in our community because we don't have any more deaths in the initiation schools and stigma and discrimination are reduced."*

There are many other success stories emanating from work done by LDAs in their communities. Just a few examples are: excellent outreach work and support to many hundreds of orphans and vulnerable children (OVC); building sound relationships with local churches; increasing the uptake of voluntary counselling and testing (VCT); successful treatment literacy workshops; participation in a cross sector partnership with Save Act to promote community savings and credit groups; groundbreaking work with leaders from 12 villages to develop common approaches to addressing HIV and AIDS; door-to-door awareness raising; work with Correctional Services on prevention practice amongst detained juveniles; and the use of hip hop as a medium to promote HIV and AIDS awareness and education.

Local Economic Development (LED)

This programme is taking shape and growing at a steady rate with the development of a more specific LED strategy, increased capacity building on LED and more technical support to rural LED initiatives. What started out as an idea, with some exploratory



research, has been actualised through the vision of Scat's trustees, the will of the staff, the flexibility of the Local Development Agencies (LDAs) and their sensitivity to priorities in their communities, as well as the invaluable support of donors such as Chevron, Anglo American, Pick n Pay, and the Northern and Eastern Cape Departments of Social Services.

Scat's LED Specialist has a background in beekeeping and is thus able to keep an informed eye on possibilities in related development opportunities. Beekeeping (or apiculture) is growing, given the international demand for honey of African origin. The new product lines associated with honey production - such as honey ice cream, honey-based fruit juices and honey-based cosmetic products are creating new potential markets.

Sixteen people from four LDAs in the Eastern Cape were invited to participate in the first beekeeping project. In September, these prospective bee farmers commenced a three-month Beekeeping Level 1 course in Mmthata. The first five days introduced them to beekeeping theory and practice, aimed at equipping them with the skills to become commercial honey producers. As a start, the sixteen participants set up four honey producing sites (apiaries) around their communities, each with the support of their LDA. This support is in the form of administration, linking, brokering and mentorship. In return, each of the beekeepers has agreed to invest 10% of their profits into the LDA, thereby contributing to the sustainability of the office.

In monetary value the average yield per hive is 40 kilograms and the current selling price per kilogram of honey is R60. It is projected that within the first six months of production the farmers will be able to produce 640 kilograms of honey. Once a hive is well established, there are usually four harvesting seasons per year in the Eastern Cape. Read more about bees in Ntsikelelo Kulati's article 'Missing Bees'.

Some rural responses to the food security crisis

One of the Western Cape LDAs participated in the development of food security projects at the community schools and Scat is in discussion with Educating Africa to try and access resources for these projects. The local municipality has been supporting farm-based gardens and some land has been allocated for a communal garden. The initiative will intersect with the socio-economic development needs of people affected by HIV and AIDS.

Two years ago Scat started working with existing home gardeners in the Northern Cape. Although only 30 of the original 60 home gardeners remain active, the value of collaboration with other NGOs such as the Surplus Peoples' Project (SPP) and a business such as the regional Pick n Pay, was further enhanced last year when Scat contracted Organic Kitchens to engage with the gardeners. Development work manifests many complexities which influence the rhythm of progress, and this initiative was no exception. However, building on the base of existing knowledge



Steytlerville staff and volunteers at World AIDS Day stall



and experience, the training was fruitfully run over an eight month period, with three, two-week long stints in autumn, winter and spring. Some interesting task teams were set up by the group. These include an earthworm task team, a compost task team and a seed bank task team. Organic Kitchens facilitators emphasize the 'Asset Based Citizen Driven' community development approach. Strong leadership and collective responsibility are key to the success of such initiatives. In this case, the resources that were mobilised to propel this project forward, both locally and from beyond the community, served as an inspiration to other LDAs. While the trainers were on site, they asked local business people to help where they could and the result was a pay loader, which was standing at the recycling mine, and an excavator sourced free of charge to dig a water pit.

The lessons from this experience have deepened our collective knowledge around organic farming, food security, local economic development and home gardening. Scat field staff participated in some of the capacity building events which provided them with an improved understanding of the technicalities involved in agriculture. More importantly, they are now able to offer better quality monitoring and support to the LDAs that support home gardeners. We find it helpful to offer organisational development support alongside the capacity building in projects of this nature. It strengthens the relationships between group members and they are then better equipped to deal with group dynamics around conflict and other relational challenges.

Gender related work of LDAs

There are divergent responses to gender by LDAs - partly related to the level of awareness and understanding of gender and its relationship to development matters.

Analysing the purposes for which Scat's DFT is used, we noted an increase in gender-based work in LDAs. Generally, attention to community education and awareness around for example, domestic violence, women's rights, men's forums and male circumcision increased.

More specifically, their capacity building interventions included: strengthening women's role in sustainable local development; enabling LDA staff members - half of whom are women - to acquire driving licenses, thus enabling service to more people; establishing a forum for women - especially those involved in informal business ventures - to discuss local economic issues and to serve as a support mechanism for women who want to share successes, responses to challenges and joint opportunities; including women in employment opportunities in the community and ensuring that unemployed women were fairly included in Extended Public Works Programmes; working with a group of 15 vegetable gardening women who have registered themselves as a co-operative and approaching the Department of Agriculture for additional funds; and running a media and gender awareness programme, the primary aim of which is to inform, educate and entertain people - and teach them how to read and write gender sensitive articles.

Despite these efforts, reports from the field highlight continued prevalence and, in some cases, an increase in gender-based violence. The role and ability of field staff to support LDA work, in a gender conscious way, is a critical factor in transforming entrenched socialization. Scat has identified our crosscutting gender strategy as an area of our work that needs even more focused attention.

Impact Assessment of Namakwaland Capacity Building Programme

Scat participated in a donor-requested evaluation of the impact of our capacity building with four LDAs in the Namakwaland region. The data collection methodology was participatory and included focus group discussions, participation in the development of the questions and report back to Scat and the LDAs on the key findings and recommendations.

The impact assessment found that LDAs have expanded, especially over the last few years, from paralegal-based advice offices to more holistic outreach community development agents. Further findings of the evaluation were that the capacity building pro-



Some comments from focus group discussants

“I was very young (just out of school) when joining the LDA. I have learnt and grown much. I have grabbed hold of opportunities offered - for example, I went to Denmark on a scholarship. That experience has greatly improved my confidence.”

“I have personally used Scat’s training to rise above circumstance and make a success of life.”

“I have learnt a lot from Scat’s training and I have got the opportunity to develop my own skills. I now run a catering business employing 2-4 people for temporary work providing daily wages.”

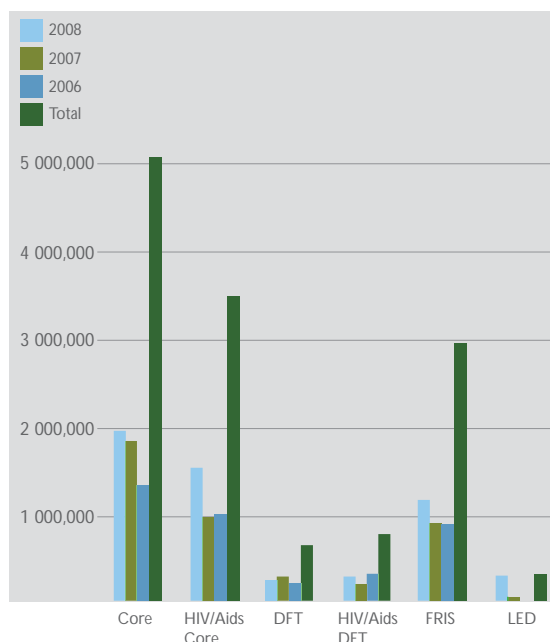
gramme has acted as leverage for resource mobilisation for all four LDAs; conflict resolution abilities have been enhanced; an increase in local economic development activities is evident, and there has been an improvement in governance and leadership skills of the LDAs.

Diversity in Practice

Cordaid funded a two year diversity process which started in March 2007 with some of its South African partners, including Scat. Our parallel process with staff members led us into the Leadership and Management Dynamics work with Dirk Marais.

Exploring diversity within an organisation is beneficial to its health and well being. We have found it professionally useful to better understand the construction of our identities, who we are, how we define ourselves and how these factors play out in the work setting and contribute to the personality of the organisation. Appreciation of the differences and similarities between people is crucial in a culturally diverse country such as South Africa, particularly one with a harsh history of - and some might say a prevailing - socio-economic system of deliberate exclusion and oppression of certain groups of people.

We have learned from the diversity work that an organisation needs to be relatively mature to be able to openly discuss sensitive matters on which everyone may have a different opinion, and a different way of expressing that opinion, and that silences too, speak volumes. Through talking and listening, we started to unravel our biases and assumptions. In the process we realised that we are learning how to better understand the words - and the silences - that flow between us.



	2008
Core	2,048,600
HIV/Aids Core	1,592,000
DFT	240,848
HIV/Aids DFT	285,665
FRIS	1,230,390
LED	299,174
Total	5,696,677

Scat supported 71 LDAs in 2008, including 4 LED-type initiatives in the Western Cape. General core grant sizes ranged from seed funding of R2,000 per month to new LDAs to R4,000 per month for others.



Overall, the slight increase in the core grants to LDAs compared to 2007 was due to newly taken on LDAs in the Northern Cape. There was quite a significant increase in expenditure on HIV and AIDS both in core grants and related DFT, and on FRIS. LDAs have activated more HIV and AIDS interventions in their communities and the types of interventions have advanced, including self-care training for people doing support and care work and more specific involvement of religious structures and traditional leaders in the struggle against HIV and AIDS. The increased spending on LED represents infrastructural support and capacity building at local community level.

The local fundraising incentive scheme (FRIS) rewards of over R1.2 million required fieldworkers to administer more than 100 claims. The most popular events are food sales, dances, sports tournaments and donation lists. Some LDAs have tried and tested annual events, while others used the opportunity to experiment with new ideas. For example, two LDAs used their local fundraising initiative to spotlight the issue of sexual orientation; both chose to host 'Miss Gay' contests in their communities, and hopefully chipped away at some prejudice.

Local fundraising often serves as a form of entertainment in a community and encourages a connecting flow of community resources - not only money, but remarkable talents and skills. Each event is an oppor-

tunity to develop and practise the planning, organising and resource management capacity of the staff, committee members and other community volunteers, thus indirectly being also a capacity building exercise.

Conclusion

There have been inspiring successes in Scat-supported LDAs over the year, despite difficult political and economic circumstances. We would like to use this report to commend the commitment of the volunteer committee members and staff of the LDAs who work together so tirelessly and in the face of complex challenges, for the benefit of their communities - and through their example of creativity and courage teach us so much.

We extend gratitude to the donors who provide ongoing support for Scat's work, both financially and intellectually, and a special thank you to those who managed to visit some of the LDAs to witness the work that they do in their communities.

As we navigate rather rough economic and political waters, we hold on to the belief that, through the collective responses of rural LDAs, the broader civil society sector, all levels of government, international donor NGOs and resourceful and responsible individuals, we can continue to make a useful contribution to setting right the imbalances in our world.



Organic vegetable gardening in Nababeep



OPERATION MANAGER'S REPORT

By Mark Volmink



Be the change you want to see in the world
Mahatma Gandhi

Any organization is likely to thrive and function effectively and optimally once a high premium is placed on efficient support services such as administration and finance. In 2008, Scat decided to establish a more direct interface between administration and finance. This strategic structural change has not only improved working relations but has provided the foundation for better service delivery to staff and to Scat's key clients, our rural community partners. Support services staff have a greater understanding of Scat's vision and mission and how everything each member of staff does (whether through core services in the field or support work), impacts on Scat's mission, programmes and the wellbeing of our organisation and its partners.

The service delivery improvement manifested in a number of ways, none more so than the efficiency and professionalism with which our finance team prepared for Scat's audit. The resultant outcome is a pleasing and once again unqualified audit. Also noteworthy was the smooth co-ordination of the sale of Barry Streek House.

Information Technology

A number of computers were replaced during the course of the year and about 90% of all computers are currently less than 2 years old. This resulted in less downtime experienced by users and in turn, improved productivity. In 2009, new anti-virus software will be installed, resulting in better protection of the server and all computers. Older computers will be replaced by newer models, allowing the machines to stay up to date with current technology.

Employment Equity

To remain compliant with government legislation and

Black Economic Empowerment (BEE) requirements, Scat set out to ensure that all its Employment Equity requirements were met and submitted its first Employment Equity Plan to the Department of Labour in October. We conducted an analysis of the workplace environment in order to identify any internal barriers to equity, but identified none in any of the key human resources processes.

Staff and Organisational Development (OD)

Enlarging investment in the development of Scat's people was a key priority for us in 2008, confirmed by the R200,000 spent on training and OD. This constitutes a 45% increase on 2007.

The success reflected in the overall expenditure (see financial overview), particularly beneficiary investment, is largely attributable to this attention to enhancing staff skills. Capacity building interventions included basic financial management, leadership, isiXhosa, supervision, assessor qualification and meetings skills. A highlight was an OD intervention (Life Management Strategies) towards the end of 2008, in which each of us faced the challenge of taking full responsibility for personal management. We came away feeling really equipped with specific tools and with renewed enthusiasm to make the most of every opportunity.

Performance Management

Any organisation should strive to have, and maintain, a performance management system that not only measures how each employee has performed relative to job requirements, but is also able to determine how the employee has performed relative to the achievement of strategic and organisation-wide objectives and performance targets.

Scat implemented a new performance-management system in 2008, with the aim of shifting staff think-



ing more specifically towards the overall, measurable impact of their performance. It is based on the Balanced Score Card system, where employee contributions to four strategic areas, namely Clients, Learning and Growth, Internal Processes and Finance, are ascertained. Teething problems experienced in its first year will be used to streamline and enhance the system, to make management of the performance of Scat staff ever more efficient and effective.

Employee Wellness Programme

Scat's staff members (not dissimilar to staff at many other organizations working in comparable contexts) live with the stress connected to personal and work-related challenges. Not least of these is the effect of the upward spiral of the cost of living - particularly evident in poor and/or rural communities. This has undoubtedly strained energy and morale and, if left unchecked, could have serious effects on staff productivity.

Corporate wellness programmes are an investment in an organization's most important resource, its workers. Studies have shown that workers are more likely to be on the job and performing well when they are feeling well physically, emotionally and mentally. Workers are also more likely to be attracted to, remain with, and appreciate an employer that explicitly values them.

Scat has thus commenced exploring a process to provide staff with a support structure through such an employee wellness programme. This will ensure that we all become better able to manage the stress factors.

Once well established, it should be beneficial to each individual staff member, to Scat as an organization and ultimately, to our rural partners.

Community House

Community Property has for more than two decades provided a facility in Salt River, Cape Town where office space can be rented by community-based organisations. Over the years, many communities have been served by, and have benefited from the services rendered by the tenant CBOs. Community Property (Association Incorporated under Section 21) is still co-owned by Scat and the Western Province Council of Churches (WCPC), both of which organisations remain in control of the governance and management of the property. However, in keeping with Scat's strategic decision to invest all its resources and efforts on its core-business of rural development, Scat trustees have moved to sell Community Property to a consortium of tenants, with the intention of future redevelopment into a heritage site and museum. It is important to preserve the rich labour union and political history of Community House.

2009

Scat has a proud record of not only surviving, but thriving through turbulent times, including some of the worst years of apartheid. Dedicated trustees, managers and staff have resolved to continue to find workable and replicable solutions in response to the challenges of our times. We look forward to Scat's 25th birthday in 2009 with great excitement. There is much to celebrate.



HIV activators completing Tai Chi exercise during self-care training



MISSING BEES

By Ntsikelelo Kulati



In 2006 beekeepers in 24 states in the United States of America (US) reported the disappearance of bee colonies at an alarming rate. This shocking occurrence threatened the livelihood of many beekeepers and the production of numerous vital crops in America's prime agricultural regions. Reports about disappearing bees also came in from Germany, Switzerland, Spain, Portugal, Italy, Greece, and the United Kingdom (UK). However, the scale of the occurrence in the US has been greater than anywhere else in the world. The sudden and mysterious losses highlighted the critical link that honeybees are in the chain of activities that gets fruit and vegetables to supermarkets and dinner tables across the country. In the US, beekeepers have fought regional bee crises before, but this is the first national crisis. It is known as Colony Collapse Disorder (CCD). CCD occurs when a hive's inhabitants suddenly disappear, leaving only queens, eggs and a few immature workers. The vanished bees are never found, but are thought to die singly, far from home. The parasites, wildlife and other bees that normally raid the honey and pollen left behind when a colony dies, refuse to go anywhere near the abandoned hives. The implications are alarming. Most of the world's crops depend on pollination by bees. In America alone this accounts for 15 billion US\$ in added crop value. Albert Einstein is reported to have said that if the bees disappeared, 'man would have only four years of life left'.

Why is CCD happening? First reported in October 2006, no one yet knows for sure. Many theories have been put forward and tested to date, but none of them account for all factors. Colony collapse is a common occurrence in beekeeping, in most cases as a result of bad bee hive management practices, climate change, bee diseases, parasites, pressures placed on bee colonies by commercial beekeepers and bee wars. All of these cases are common occurrences which lead bees to abscond. The difference between these cases and the reported cases of CCD is the scale and timing

of the problem. The CCD cases in the US all started around the same period and mostly before the winter, hence the panic. Beekeepers do not mourn losing a bee colony in summer, but if it's winter we know it's a huge loss because it is hard to find a replacement colony before the next season comes.

Theories about the causes of CCD range from cell phone signal towers and cell phone emitted radiation, mites, global warming, production of genetically modified organisms (GMO), and extensive use of pesticides and chemicals (including those specifically designed for GMO crops).

The cell phone and cell phone tower theory is based on the fact that bees use a form navigation system commonly referred to as the waggle dance or the ABC dance to locate food sources. Suppose a honeybee has found a flower bed rich in nectar and pollen. She flies back into the hive and tells her fellow workers about the flowers - by dancing in the hive. If the flowers are within 100 metres of the hive, she flies in circles. Soon, her fellow workers leave the hive, and fly in ever-enlarging circles until they find the flowers. If





Bee a winning team...Beekeeping Project

the flowers are further away (up to 3 kilometres away), she dances a different dance. She flies in a straight line, while wagging her rear end, and then flies a curved line to the beginning of the straight line, and does it all again. If her straight line points vertically up, the other bees leave the nest, and fly in the direction of the sun. If the straight line points 60 degrees to the right of vertical, the other bees fly in a direction 60 degrees to the right of the sun. The speed of her wagging bottom tells the other bees the distance to the flowers - the faster the waggle, the closer the food. Bees have paramagnetic strips on their stomachs which act as tiny compasses, enabling them to sense the earth's magnetic field and find their way back to the bee hive once they have gathered food. Cell phones and cell towers emit radiation signals in certain frequency ranges, which may interfere with the bees' system of communication, resulting in a loss of direction and/or avoidance of home. Current studies however, do not explain other factors linked to this theory.

Another theory proposes that commercial beekeepers in the US and other countries affected by CCD are to blame because of extensive use of pesticides and chemicals to control their hives and promote immunity. In various countries beekeepers may also use antibiotics; special nutritional formulas to sustain bees in winter; and pesticides to control bee diseases and mites infecting hives or crops to be pollinated by bees. These practices put a strain on the bees and are likely to compromise the quality of the honey produced.

Much of the developed world runs beekeeping operations producing millions of kilograms of honey. However, this is done at the expense of the bees, who are often moved and even shipped far away, three or four times each year, to perform pollination services in areas that have an unfamiliar climate. Global warming has significantly affected bees. Areas that used to have less rain are experiencing longer rainy seasons, resulting in shorter productive periods for bees. Flooding



often results in the death or disappearance of adult workers bees.

The good news for us is that, in South Africa, there is no need for alarm about CCD because the factors surrounding the disorder are not yet applicable to our country, and we have several favourable realities. Firstly, we have an abundant colony supply of wild bees that are strong and disease resistant. The African bee is now being imported to the US in an effort to reverse the effects of CCD there - although American beekeepers will have to adjust to its aggressive nature. Secondly, local beekeepers do not use chemicals to control diseases because there are few or no diseases affecting our hives if they are well managed. Thirdly, pollination services in South Africa have so far been the exclusive terrain of commercial beekeepers, unlike in the developed world where the lion's share

of most beekeepers' income comes from this practice. In the US for example, most of the beekeepers who reported CCD were migratory beekeepers, moving their hives three to four times a year to perform pollination services in far away plantations.

CCD has created new opportunities for African beekeepers in the honey market. Organic honey is in higher demand than before, due to world shortages caused by CCD. Pollination of organic crops is a growing market in South Africa, not yet fully recognised and claimed by emerging bee farmers. Investment now, in the training and support of beekeepers in advanced beekeeping practices such as sustainable migratory beekeeping techniques, would enable them to reap these opportunities.



Committed project workers in Libode prepare for working with bees



DORDRECHT LEGAL ADVICE OFFICE

By Nomathemba Tsulo - Coordinator

2008 Achievements:

- 2008 was challenging to the organization's sound financial resources but through Scat's support and commitment we managed to still bring change into the lives of vulnerable groups in our rural area.
- As Coordinator and one of the beneficiaries of the Koffiefontein Emerging Farm, I approached Fort Hare University for a Learnership programme to reach the small cornered towns like Dordrecht, to assist with an on-site agriculture training programme. The negotiation processes and influential strategies resulted in approval of the training. Fifteen students amongst 39 who submitted their CVs met the set criteria for the 12 month training period, starting in January 2009. What is also encouraging is the monthly stipend of R660 for the full period and that, amongst the 15 accepted, nine are women. Each student signed a written and binding document stating clearly that s/he has to form part of the agricultural project of the farm, which is appreciated as a job creation and poverty alleviation opportunity. The project will supply local shops and individual households as it will be producing all kinds of fresh vegetables and fruit. The Department of Agriculture has shown interest in the long term sustainability plan of the project.
- To ensure that people living with HIV and AIDS have access to health services, our Activator Site has been engaged since 2005 in lobby and advocacy processes to get an ARV site at Dordrecht Hospital. That was not an easy road, but through the efforts of our organization we are pleased to announce that a referral site for ARVs is now available in the Dordrecht Hospital, with the intention of training 10 nursing support staff for the site. People who used to travel 180 km to Lady Frere Hospital and back, and then still come home unattended and with no more hope for their Right to Life, will enjoy the service nearer to them.
- As a paralegal service, our office handles cases of unfair labour practices. The order of the day is that out of 10 people working in our area one will find out that 6 are the victims of unfair labour practices, 2 are the victims of unfair dismissals and 2 are the victims of wage underpayment. In our telephone conversation with the affected employers we find that it is not that they do not have the information about up-to-date labour law, but the fact is that they intentionally do not want to implement the legislation. We are pleased to inform that in 2008 we managed to assist our clients to claim benefits from different types of cases, with amounts ranging from as little as R2,000 to a maximum of R97,000. It was also not easy, but one has to strive and dedicate one's experience to making better lives for other individuals.



Dordrecht in the Eastern Cape

IMPACT OF THE GLOBAL ECONOMIC MELTDOWN

By Dr Ian Goldman

CEO, Khanya-African Institute for Community-Driven Development (Khanya-aicdd)



The situation

"Poor countries are innocent. They did not contribute one jot to the global credit crunch, and their banks and firms have few links to global capital markets."

"The toxins trickle downwards", Economist 14.03.09

Despite our innocence, the mess is affecting South Africa, and deeply.

Some estimates are that up to 500 000 jobs could be lost as a result of the recession.

At the same time there have been significant cost rises affecting rural people. Rural communities pay more for their basic foodstuffs, with maize rising a staggering 40% in one year. Maize and wheat prices are expected to remain high along with beef, lamb and dairy products (Rev M. Mpulwana, 2009). The annual average inflation in transport running costs (which includes petrol), almost tripled.

Overall the real disposable income of households dropped and people spend less on items such as cars, fridges, furniture. This has a knock-on effect as people do not spend in local shops and factories reduce production and lay off staff. However, households must spend more on basics, which cost more.

Potentially, remittances from urban to rural areas will drop, as incomes fall and jobs are lost.

A funding crunch for civil society

Slow growth in the economy will squeeze government revenues and a deficit has been budgeted for in 2009-2010. So, there is a risk that government will not have the revenues to spend as it wishes.

The growth rate for South Africa for 2008 fell to 3.1% following 4 successive years of growth over 5%. In the last quarter alone, the contraction was 3.9%.

In the year ending January 2009 official food price inflation amounted to 16.1%.

The annual average inflation in transport running costs (which includes petrol), almost tripled from 10.1% in 2007 to 29.8% in 2008. Similarly farmers are experiencing significant increases in production costs. From April 2007 to April 2008 the price of diesel went up 59% and the price of fertiliser increased by 105% (Sello Alcock, 2008).

People are spending less on discretionary items, whether cars (dropped 37.5%), or durable goods (such as fridges, furniture), which dropped by 5.2% in 2008. The result is that factories reduce production and lay off staff.

Donor funding is also likely to decrease, which is critical for many NGOs working in rural areas. This has several components:

- As the recession begins to take its toll, so will the amounts allocated to international aid;
- International NGOs (INGOs) are experiencing a fall-off of donations to them by governments, through grants, and by private individuals and are cutting back;



- The value of the portfolios of the large US Foundations who are important funders of rural projects (e.g. Ford Foundation, Kellogg) has fallen, which reduces their grants;
- The price of food is still significantly higher than it was two years ago, and aid allocations cannot purchase the same amount of goods. This exacerbates the problem of malnutrition, which affects health care.

These factors directly affect South African NGOs, and there are stories of some NGOs already forced to close.

Some possible responses by rural communities and NGOs:

1. Seek to ensure sustainability. Do what they do better; be more effective in linking to markets, and seek value-adding.
2. Become more cost effective; review their business model; prioritize activities; cut back some variable costs and/or focus more on cost-effective approaches such as community-based approaches (e.g. home-based carers, voluntary savings and loan groups).
3. Develop new service models, such as the Food Bank idea which has been endorsed by Government's Social Cluster. An evaluation commissioned by Khanya-aicdd suggested that community-based services are one third of the cost of professional-based systems (CBW partners,

What action has government taken?

Government responded with an expansionary budget providing for a national government deficit of 3.9% of gross domestic product in 2009/10. Following the first small interest rate cut in three years in December 2008, the Reserve Bank has cut the interest rate to 9.5% and further cuts are predicted. This will help those who have borrowed money (whether farmers, NGOs, or homeowners), but rate reductions can take up to two years to fully impact on the economy.

In the Budget for 2009-2010 the Minister announced total infrastructure spending by the public sector of R787 billion over the following 3 years, R95 billion or 13.7% higher than the estimate in the previous budget. Spending is geared towards investment in power generation, transmission, distribution, transport hubs, freight rail and pipelines. This will have some positive impacts on rural areas.

2007). Government is looking to expand the Expanded Public Works Programme to employ more community-based workers, and is now looking to large NGOs to manage these programmes. This will provide an opportunity, particularly if the much broader range of sectors that could be supported are recognized.

4. Become more sophisticated in fundraising. Try



Food garden project in Montague



for a diversity of funders, while making sure of good performance as perceived by any core funders. It is easier to retain an existing funder than to get a new one. This may require organisational fundraising teams rather than spending on fundraising consultants. Find creative ways of making funds productive (especially large funds such as advances), and generate extra funds, e.g. through services to other organisations utilising skills of their own staff (Teka and Magezi).

5. Lobby for expansion of the civil society sector as providing cost-effective support in the crisis and provide adapted services that address the needs of poor people and especially those living in rural areas. There is also the possibility of community public-private partnerships, such as community foundations or Trusts to leverage joint action and collective resources.
6. Lobby to improve the poor service provided by the NDA and Lotto, that are supposed to be funding civil society. This could make a major difference.

Conclusion

The current global financial situation requires NGOs to find creative and innovative ways of surviving the

times, to seize the opportunity to enhance their impact, demonstrate their effectiveness to government and funders, and show why they have such an important role to play.

Ian Goldman is contactable at goldman@khanya-aicdd.org.

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Children in aftercare centre, Dordrecht



FINANCIAL OVERVIEW

By Mark Volmink - Operations Manager

The steady increase in both funder income (5%) and overall income (11%), illustrates that 2008 was another year of positive income growth for Scat. Since 2006, the increases in funder income and overall income have been 32% and 49% respectively.

Although we remain very grateful for the support of our international partners, it is encouraging to note that more than half of Scat's funding, for the second year running, has come from local (South African) sources. Scat has been able to reduce dependence on international funding from 76% in 2005 to 46% in 2008. The increase in local support is in part due to the fact that South African government departments, particularly at provincial level, are keen to enter into partnerships with Scat.

Due to an exceptional distribution by Ditikeni Investment Company Limited in 2007, dividend income was lower in 2008 but interest income increased significantly (61%). The Ditikeni shares were revalued and are reflected at the market value - not at cost - giving rise to an increase in non-current assets. The building reserve formerly held by Scat has been established in Scat's investment company, Social Change Assistance Investments Pty Ltd (Scai), causing an equivalent increase in Scat's accumulated funds. The intention is that Scai will purchase a building for Scat to occupy and not one that would be used as a source of income generation. With the sale of Barry Streek House by Scai, and the adoption of a policy on the investment of reserves, we are confident of strengthening Scat's long-term financial sustainability.

87% of income received during 2008 (71% in 2007) was spent on our programmes and organisational costs. We spent 58% of funder income in the year on our rural-based LDA partners, through capacity building and grants. In comparison, beneficiary investment was 54% in 2007 and 54% in 2006, an upward trend which clearly reflects the concerted and constant efforts to increase

direct spending on the development of rural communities. More specifically, core grants increased in 2008 by 7% (R128k) and grants for local economic development were significantly increased, by R277k. Spending on HIV and AIDS Activators increased by 54% on the previous year and the additional R1.536m spent on capacity building represents an increase of 93%.

Although Scat is largely dependent on funding, it has implemented a sustainability strategy which includes policies on the building up and investment of reserves. An endowment fund will be established and other ways of increasing income-generation are being explored. The process of improving the organisation's self-reliance over the next few years has taken a more definite shape and an analysis of Scat's overall financial performance over the past 3 years reveals that Scat's financial sustainability has improved significantly. It is the aim of the trustees, as expressed in the reserves policy, to have a base (general) reserve that would cover 6 months of expenditure in the unlikely event that Scat was to run out of funding. This base reserve forms part of the unrestricted accumulated funds which, at the balance sheet date, covered around 8.5 months of expenditure. In 2009, the balance of accumulated funds will be transferred to a sustainability fund, the investment of which will be guided by longer-term investment objectives.

We foresee challenging times ahead in fundraising, due to the impact of the global economic recession. A few of our long-standing international partners have already indicated that their support to Scat will terminate at the end of 2009 or during 2010. In anticipation of the difficult funding climate we all face, our plan is to embrace a broader, more diversified and innovative approach, in order to remain sustainable in the long-term. Intensive efforts to create new partnerships with local corporate funders will be a priority.

This overview provides clear evidence of the efficient

and professional manner in which Scat stays abreast of the current financial conditions and, to match its needs, constantly improves the management of its financial resources. The excellent stewardship maintained during times when mismanagement and poor governance seem to be on the increase in the sector has positioned Scat as a preferred partner with grant-

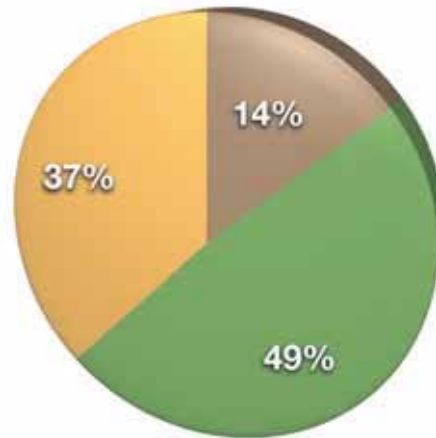
makers. The diligence and sound financial control exercised by the Scat management and its finance team, with support from CMDS consultants, has been ably supported through responsible and meticulous oversight by our trustees. Scat undoubtedly deserves its status as one of the leading civil society organisations in South Africa.

Scat Income and Expenditure - Year ending 31 December 2008

Revenue	2008	2007
Funder income	15,365,717	14,613,212
Other income		
Dividend revenue	147,262	788,902
Gains on disposal of assets	150	1,500
Insurance claims received	3,350	-
Interest received	615,922	383,291
Reversal of discount on loan to subsidiary	1,410,206	-
Sundry income	58,999	24,486
	<u>2,235,889</u>	<u>1,198,179</u>
Operating expenses		
Governance, communications and finance	2,130,624	1,606,123
Programme costs	4,259,918	3,570,077
Capacity building	3,191,089	1,654,677
	<u>9,581,631</u>	<u>6,830,877</u>
Grants		
Core grants	2,048,600	1,920,085
Development fund for training	240,848	236,723
Development fund: training HIV and AIDS	285,666	206,039
Local economic development (LED)	299,175	21,590
Fund raising incentive scheme (FRIS)	1,261,797	940,398
HIV and AIDS activators	1,592,000	1,031,000
	<u>5,728,086</u>	<u>4,355,835</u>
Surplus for the period	2,291,889	4,624,679

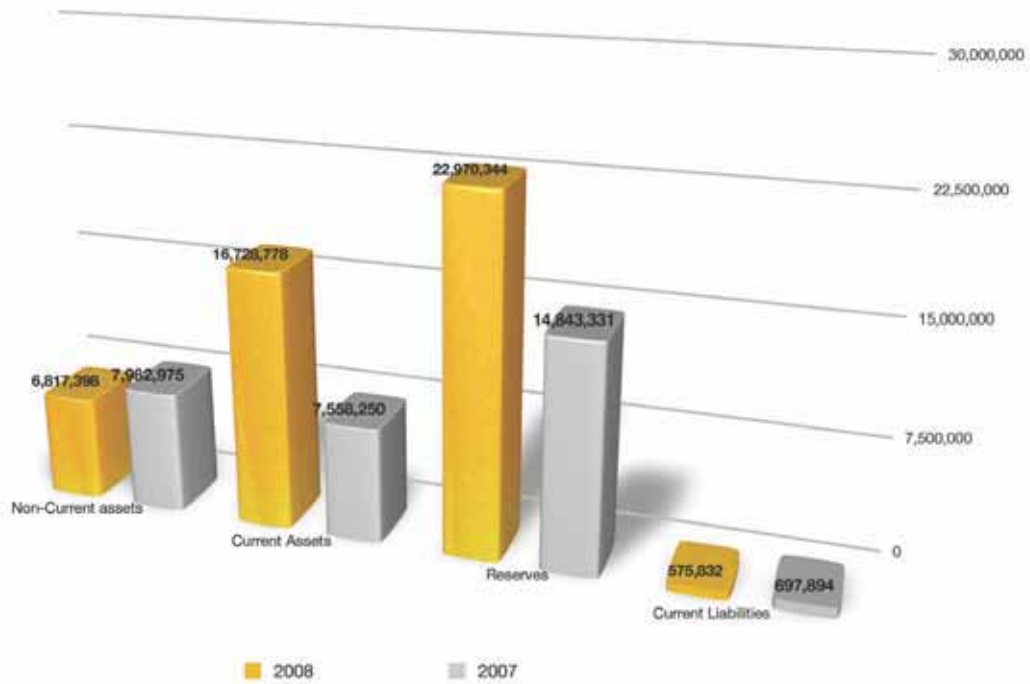


SCAT EXPENDITURE 2008



● Support costs ● Fieldwork/Cap bldg ● Grants made

BALANCE SHEET MOVEMENTS: 2008



Scat's annual financial statements to 31 December 2008

	2008	2007
Assets		
Non-current assets		
Property, plant & equipment	144,138	135,903
Investment in subsidiary	10	10
Loan to subsidiary	8,485	7,092,610
Other financial assets	6,664,765	754,452
	6,817,398	7,982,975
Current assets		
Other financial assets	71,269	-
Trade and other receivables	821,224	250,945
Cash and cash equivalents	15,836,285	7,307,305
	16,728,778	7,558,250
Total assets	23,546,176	15,541,225
Reserves & liabilities		
Trust capital		
Building reserve	-	6,964,918
Restricted reserve	5,248,676	5,667,912
Accumulated funds	11,886,544	2,210,501
Unlisted share revaluation reserve	5,835,124	-
	22,970,344	14,843,331
Liabilities		
Current liabilities		
Trade & other payables	575,832	697,894
Total reserves & liabilities	23,546,176	15,541,225

SCAT-FUNDED LOCAL DEVELOPMENT AGENCIES (LDAS) IN 2008

Eastern Cape:

1. Adelaide Advice Office
2. Barkely East Advice Office
3. Bathurst Advice Office
4. Berlin Advice Office
5. Burgersdorp Advice Office
6. Dordrecht Legal Advice Centre
7. Elliot Advice Office
8. Fort Beaufort Advice Office
9. Herschel Advice Office
10. Hewu Advice Office
11. Hofmeyer Advice Office
12. Indwe Advice Office
13. Interchurch Local Development Agency (Uitenhage)
14. Jeffreys Bay Advice Office
15. Lady Frere Community Legal Centre
16. Libode Advice Office
17. Lingelethu Advice Office
18. Maclear Advice Office
19. Masiphakameni Advice Office
20. Matatiele Advice Office
21. Middleburg Advice Office
22. Molteno Advice Office
23. Mount Fletcher Advice Office
24. Ngcele Advice Office
25. Nonesi Advice Office
26. Peddie Community Advice Centre
27. Port St Johns Advice Office
28. Qoboqobo Advice Office
29. Qongqotha Peace Africa Youth Centre
30. Sterkstroom Advice Office
31. Steytlerville Advice Office
32. Tshatshu Advice Office
33. Tsilitwa Advice Office
34. Wilo/Mqanduli Advice Office
35. Xalanga Advice Office

Western Cape:

36. Bitterfontein Advice Office
37. Botriver Advice Office
38. Ceres Advice Office (Witzenburg)
39. Citrusdal Advice Office
40. Clanwilliam Advice Office
41. Doringbaai Advice Office
42. Elandsbaai Advice Office
43. Graafwater Advice Office
44. Karoo Gender Education Project
45. Kylemore Advice Office
46. Masibambani Advice Office
47. Montague Advice Office
48. Nelspoort Advice Office

49. Overberg Advice Office
50. Prince Albert Advice Office
51. Qhayisa Advice Office
52. Stellenbosch Advice Office
53. Swellendam Advice Office
54. Vredendal Advice Office

Northern Cape:

55. Kenhardt Advice Office
56. Kommagas Advice Office
57. KOOR Advice Office
58. Molsvlei Advice Office
59. Nababeep Advice Office
60. Port Nolloth Advice Office (Richtersveld)
61. Spoegrivier Advice Office
62. Thuso Advice Office
63. Upington Advice Office
64. Gauta e Sidilweng Advice Office
65. Lukhanyo Advice Office
66. Luvuyo Advice Office
67. Sikha Sonke PAM

North West Province:

68. Itereleng Community Advice Centre
69. Lesedi Advice Office

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