



SCAT ANNUAL REPORT 2009

Celebrating 25 years of rights-based rural development
www.scat.org.za



SOCIAL CHANGE ASSISTANCE TRUST

supporting rural development

Our vision

Vibrant and sustainable communities in rural South Africa.

Our mission

Scat's mission is to improve the quality of life of people living in rural communities with the aim of them living in a vibrant and sustainable environment.

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Celebrating 25 years of rights-based rural development



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Scat Staff in 2009



Joanne Harding
(Executive Director)



Linda Diedericks
(Outgoing Field Manager)



Anthea Davids-Thomas
(Field Manager)



Mark Volmink
(Operations Manager)



Xoliswa Gongota
(Office Coordinator)



Pixie Keteyi
(Regional Coordinator)



Colleen Alexander-Julies
(Field Worker)



Mkululi Mazula
(Field Worker)



Colleen Ryan
(Field Worker)



Nolitha Vanda Wellman
(Field Worker)



Hishaam Nordien
(Senior Finance Officer)



Isabel Mackrill
(Bookkeeper)



Gerald Hartnick
(Field Worker)



Erna Potgieter
(Field Worker)



Richard Pfaff
(Field Worker)



Talita Jacobs
(Field Worker)



Mzwabantu Pongola
(Field Worker)



Ntsikelelo Kulati
(LED Coordinator)



Jill Sloan
(HIV and AIDS Coordinator)



Sharon Vuza
(Receptionist)



Nozibele Nongena
(Housekeeper)

Trustees' Overview



Nomfundo Walaza

There is no adequate way in which we, as the trustees of Scat, could express our immense gratitude to our colleagues Gordon Young and Di Oliver. Their stepping down as trustees marks one of the most significant periods in Scat's history. Not only were they - with the

late Barry Streek - the founders with the vision and the courage to start Scat; they have also served as dedicated and visionary volunteers for *25 years*, playing a crucial role in steering Scat towards success and keeping it relevant in changing times. It is impossible to do justice to the scope of their involvement, but of particular note are Di's invaluable contribution to the developmental aspects of the work - while always knowing her fiduciary role and responsibilities - and her ability to ask the important questions for clarity and understanding; and Gordon's financial knowledge and vision, which ensured good investment of our resources and enabled Scat to be 'in it for the long haul'.

As trustees we thought long and hard about who to appoint to add value to our work into the future. In July 2009 we were delighted to welcome Sue Anderson, who has a background in leading another grant-making organisation, and Pete Smith, who is a chartered accountant with experience on the boards of other NGOs.

2009, the year in which we celebrated *25 years* of Scat's presence in the world of human rights and development, was also a year in which to consider some of the important achievements along the way. These were the years in which we decided to: link funding with mentorship, support and capacity building; drive a woman-focused agenda, resulting in a focus on gender equality; focus on only rural organisations; make a commitment to funding advice offices post 1994 but assist them to transform into community based and community governed local development agencies (LDAs); start an initiative to promote financial sustainability through the local fundraising

incentive scheme (FRIS); take care of Scat's own sustainability by purchasing a building and playing a role in the setting up of Ditikeni Investments (Scat is a majority shareholder); and introduce the HIV and AIDS and the local economic development (LED) programmes.

Indications are that Scat has managed to learn from its environment and continues to respond appropriately to its context. There were many lessons but none have made us waver in our view that, through grant-making and equitable capacity building, we are able to develop people and institutions which make a contribution to a more just and equal society.

The year 2009 was characterised by financial uncertainty the world over and considerable change in the government administration of South Africa. As you will see in reports from our executive director and others, Scat was not unaffected. However, Scat remains a viable, well governed and effectively staffed organisation with a good financial base from which to operate. We have maintained many existing donor relationships and even attracted some new ones, both foreign and local.

Scat has remained consistently committed to development of its own staff and 2009 included a leadership and management training programme for all the staff, facilitated by Dirk Marais. As we said goodbye to our field manager Linda Diedericks, who moved on to become director of another donor organisation, we were proud to remember that Linda started at Scat as a temporary administrator twelve years before. We were equally proud to be able to appoint as our new field manager, Anthea Davids Thomas, who started at Scat eight years ago as a trainer. At our *25 year* anniversary we heard many stories of how individuals in the LDAs we support have grown and developed and how Scat makes a significant contribution not only to developing institutions but also individuals.

It is important that we uphold the vision that was set by the founding members, and I feel sure that I and my fellow trustees will move forward with confidence, dedication, vision and skill on the path that lies ahead.



Anne-Marie Helland (Regional representative Norwegian Church Aid)

Executive Director's Report



Joanne Harding

'Success is simple. Do what is right, the right way, at the right time' - Arnold H. Glasgow

25 years - what a milestone! I am humbled to have been part of this organisation for 12 of those years and an active participant in celebrating such an abundance of success, on so many levels.

As we listened to the stories of some of the partner local development agencies (LDAs) at the *25 year* celebration, we were reminded not only of Scat's remarkable qualities, but of the difficult circumstances under which we and our partners work and of how the small amount of funding they receive from Scat (often the only funder), contributes to significant changes. We heard stories from women - such as the co-ordinator of the Port Nolloth LDA who had grown into this position after starting there as a young volunteer - about how they have developed as a result of capacity building and support from Scat; from Port St Johns of their bee-keeping project; from Komaggas of their efforts to preserve the environment and stop a nuclear power plant from being built in the Namaqualand; from Ceres of their innovative HIV and AIDS programmes which target the youth and from all, of the work of ensuring access to justice and of the importance of Scat's contribution through regular, small grants and the fostering of local sustainability with the Fundraising Incentive Scheme (FRIS).

Some say we expect a lot for the limited resources we provide (around R125,000 per annum per LDA). Our criteria include annual programme plans and budgets, regular monthly and financial reports, women in leadership positions (in generally patriarchal communities), regular reporting to the community, active community governance and annual audits. Scat's intention behind these criteria

is to build strong institutions and to bridge the divide between the rural LDAs - with their knowledge and first hand experience of the conditions in their communities - and the sophisticated world of donors. Without money, it is difficult to make a real contribution to social change, which is why Scat's role includes grants that enable LDAs to make the shift from being purely voluntary organisations, to becoming organisations that employ staff, rent offices and have access to the cyber world through technology. Ultimately, the LDAs can then 'graduate' and access funds from other, usually more substantial, sources.

Prince Albert Advice Office (see also page 21 of this report) provides a good example. The LDA said that as a result of the funding and support they have had from Scat, they have grown from a small organisation with a budget of less than R100 000 to one which has raised nearly R3 million, employs over 60 people, and is much better able to respond effectively to a range of needs in their community.

Although civil society organisations (CSOs) in South Africa will probably only experience the full force of the current global economic crisis in 2010/2011, the shock waves have already caused many to close down. Despite recent signs of global recovery, CSOs remain weighed down by a lack of resources, stressed leadership and staff who work in communities where the implications will be felt for a long time to come. Compounding the effect in South Africa is a massive exodus of foreign donors to the CSO sector and reduced funding from donors whose endowments were affected by the global crisis.

Foreign donors that are backed by their governments argue that South Africa is a middle-income country where money is not the problem. However, using GDP as an indicator of poverty levels is not an effective method of

"Scat's intention behind these criteria is to build strong institutions"



Trustees, staff and friends of Scat at the *25 year* anniversary.

assessing the needs of a country like South Africa. The growing divide between rich and poor is one of our biggest challenges. The divide is also racially defined in ways which are almost as damaging as legislated apartheid. The overt 'political' injustice of apartheid attracted foreign interest but in global contexts, economic apartheid under a democratic state is neither attractive nor compelling.

Sadly, Scat is facing the loss of two of our biggest foreign and general donor partners, Cordaid and Norwegian Church Aid (NCA), at the end of 2010. This is a difficult moment, not only because it comes during an economic crisis, but because the partnerships were not just about money, they were also about relationships and connections to a bigger world. These friends often visited us, took us beyond our borders, introduced us to people doing similar and interesting work in other developing countries, showcased Scat's work and engaged our organisation as one which had an important contribution to make to the world of development.

Scat is not able to protect our rural partners, or even to some extent ourselves, from the funding crisis. We do look for ways to cushion the blow and in 2009 this included using of our cash which reduced our reserves.

One of Scat's successes has been a well thought through sustainability strategy. This included ownership and profitable sale of a building in Cape Town, the purchase in 2009 of equities while the value was low, and continued participation in Ditikeni, an investment company set up by 24 CSOs. Sustainability is also about having a strong board and leadership who are able to make good decisions at the right time. In 2009 Scat reaffirmed the importance of this by investing in leadership and management training for its entire staff.

As far back as 2004 we made a strategic decision to become less dependent on foreign funding and have managed on a consistent basis to reduce our

dependency from 83% (2005) to 57% (2009). In 2009 the rest of our income was made up of 9% from Corporate South Africa, 28% from National and Provincial Government and 6% from interest on our investments, donations and a distribution from Ditikeni.

Scat is also pleased to have secured new contracts with Canadian CIDA for our HIV and AIDS programme and the Joint Gender Fund for our gender programme. In addition, the CS Mott Foundation and Ford Foundation continue to partner with Scat, providing general funding into 2010 and in two-year contracts.

Corporate Social Investment (CSI) has been a large contributor to philanthropy in South Africa but this too, is flattening out as a result of the economic crisis. An imperative towards CSI because of Black Economic Empowerment (BEE) also seems to be dwindling as confidence in BEE and BBEE wanes. Gina De Villiers a communication specialist at Tshikululu (NGO Pulse 2010) says that CSI has a history of being driven by the heart, but is moving toward being driven by the head - sticking strictly to company policy. This is an important pointer for CSOs in South Africa.

Scat is grateful for the relationships we have built with corporate partners De Beers Chairman's Fund, Ponahalo De Beers Community Trust (DBCT) and Engen who, contrary to the general trend, have committed to multi year grants. Our partnership with Ponahalo DBCT is for a dedicated programme in Danielskuil which, because of the range of interventions in one community, should make a deep and lasting impression. This is a new experience for Scat and will be a good pilot for future interventions. Scat also has secure funds from HCI Foundation for HIV and AIDS capacity building in the Northern Cape and Pick n Pay Ackerman Foundation for the food garden in NababEEP.

Partnerships between CSOs is one of the strategies being promoted for the sustainability of organisations

"It is our collective view that we must unlock blockages to resources and that we must promote a new type of engagement between CSOs and funders"



Left: Noboniso Gaya (Port St. John's Advice Office), Talita Jacobs (Scat), Nomathemba Tsulo (Dordrecht Advice Office) at Scat's 25 year anniversary.

“Scat has always taken the view that long term relationships with our LDA partners is what is required for real development to take place”



Coleen Dajee and Zippoora Kobe from Kenardt Drop In Centre in the Northern Cape. Orientation and Community Mapping Cluster Workshop.

and to ensure that we avoid duplication. In this context, Scat has entered into a partnership with the Community Development Resource Association (CDRA), Inyatelo-Institute for Advancement and the Rural Education Access Programme (REAP) to conduct research into the state of the National Lotteries Distribution Trust Fund (NLDTF) and the National Development Agency (NDA) and - further on - to look at the state of funding in the country. It is our collective view that we must unlock blockages to resources and that we must promote a new type of engagement between CSOs and funders. In our first six months, this partnership has accessed funding, contracted researchers and launched the project in the media.

Scat is also involved in another partnership which is largely about unlocking resources - the National Alliance for the Development of Community Advice Offices (NADCAO). This alliance is made up of eight organisations concerned with the sustainability of the advice office sector. In the past year NADCAO has coordinated consultation meetings with advice offices in all the provinces and Scat has been an active participant in the provinces where we work. This is an important development in working and talking together about what is needed for the sector, and collating one voice.

In 2009 Scat - in partnership with Black Sash as the lead partner - submitted a successful proposal to the European Union Human Rights and Service Delivery programme. This partnership focuses on monitoring service delivery in local communities through the development of community monitors located in community based organisations. Although the Black Sash started with a 2009 pilot, the 24 month EU funded programme starts in 2010.

Scat has always taken the view that long term relationships with our LDA partners is what is required

for real development to take place. The tendency of some funders to follow trends does not promote sustainable change. One example was the (important) swing by many donors towards funding of HIV and AIDS programmes, followed more recently by what appears to be premature 'donor fatigue' in this sector. For Scat, which is not an endowed organisation but one which must access resources from bigger donors, such changes make it difficult to make the necessary long term commitments. Scat's HIV and AIDS programme suffered as a result and had to be scaled down in 2009, until we secured funding from Canadian CIDA for 2010.

What lies ahead for Scat? Another year of many short term funding contracts, with a few longer term ones. Managing fourteen donor relationships in 2009 with different contracts, agreements and reporting requirements was a challenge and in 2010 the number looks to increase as we receive smaller amounts but from more donors. The loss of some of our donors of general funds also means less available funding for LDAs and limited choices for Scat.

We believe that sustained and sound development takes place through the people who live in and know their communities. Making grants to small community based organisations makes an important contribution to development and requires a particular set of skills, a smaller number of project staff to organisations and financial systems that accommodate the context. Scat can proudly say that it has these in place, coupled with a long track record of being an outstanding grant maker to organisations in the rural development context. We will thus continue in our quest to do 'what is right, the right way, at the right time.'

Field and Programmes Overview



Anthea Davids-Thomas

'The world of achievement has always belonged to the optimist' - J. Harold Wilkins

The global and national economic challenges of 2009 have forced rural Local Development Agencies (LDAs) to focus more sharply on activating achievable goals and using resources optimally. Their ongoing commitment has been inspiring. For the first time in many years LDAs claimed Scat's total budget allocation of R240 492 for the Development Fund for Training (DFT). They used this to continue developing organisational and community capacity, in the hope that in so doing they would be better able to connect with a wider range of much needed opportunities.

Poverty indicators show that the gap between rich and poor people continues to grow. The support offered to rural communities by LDAs is essential in accessing grants, justice and income from employment at the LDA and through income generating initiatives of the LDA. Although these contributions could be considered as a drop in a bucket, for the people affected, they offer a life line.

In 2009 Scat supported 63 LDAs. Eight of these were new Scat/LDA partnerships in the Northern Cape - made possible by Scat's partnership with the Northern Cape Provincial Department of Social Development. Scat ended 16 existing partnerships which was particularly difficult in the 2009 economic climate.

We welcomed two new field workers, Erna Potgieter and Talita Jacobs and look forward to their contributions to our team. Livhuwani Sikhpa also joined us for a month of field work. We were sad to say goodbye to Linda Diedericks (Scat field manager), Jill Sloan

(HIV and AIDS coordinator), Mkhululi Mazula (fieldworker), Mzwabantu Pongolo (fieldworker), and Ntsikelelo Kulati (LED coordinator), all of whom moved on to new organisations.

My own transition to the post of field manager was relatively smooth, largely due to my having already worked at Scat for eight years. My knowledge of the organisation, its programmes and the field team model was immensely helpful as I took over the responsibility from Linda Diedericks.

Highlights

- An opportunity to showcase our work to the Irish Ambassador and his wife on 16 November 2009.
- A visit by Norwegian Church Aid's HIV and AIDS programme advisor to Scat on 17 November, including Overberg and Botriver LDAs, accompanied by trustee Deena Bosch and field staff Erna Potgieter and Anthea Davids-Thomas.
- A Scat-commissioned evaluation by the Southern Hemisphere Consultancy, of the New Venture Skills programme - a capacity building partnership between the National Development Agency (NDA), Elgin Learning Foundation (ELF) and Scat. One of the learners summed up as follows: 'The facilitators said they would teach us about business skills and I did not expect to learn as much as what I learned. I have learned that there are no short cuts and everything is step by step'.
- Four new funding contracts.
- A local economic development (LED) symposium with sector partners and LDAs, hosted by Scat in March.
- An HIV and AIDS seminar in February, at which we created a platform to engage with different models of prevention.
- An opportunity to share best practices with 10 LDAs as part of our 25th anniversary celebrations.
- Maintaining the standard of our regular field

"They used this to continue developing organisational and community capacity, in the hope that in so doing they would be better able to connect with a wider range of much needed opportunities"



Johnny Hogins from Gauta-E-Sidilweng in the Northern Cape, presenting the community mapping of Gauta.

work programme through 198 field visits to LDAs, by fieldworkers, and 16 capacity building workshops conducted with LDAs.

Fieldwork

The challenges we experienced this year due to the changes in the team meant that fieldworkers had to take additional LDAs into their portfolios. This was not an ideal situation but had some positive spin offs. It allowed fieldworkers who usually work in the Northern and Western Cape to experience and learn more about the rich culture and perseverance of LDAs in the Eastern Cape. This has not only enhanced general fieldwork, but has further strengthened individuals' understanding of development within diverse regional contexts and created a platform for new levels of conversation, debate and problem solving in the field team. Many of the field visits focused on strengthening the planning and fundraising component within LDAs. In preparation for Scat's annual funding application period in July, we reflected on our experience of the LDAs' planning processes and found that emerging LDAs do not necessarily:

- do a needs or a baseline assessment to ascertain what the actual needs are in their community;
- decide what the dominant trends/themes are and prioritize two to four realistic focus areas;
- determine who their target group or beneficiaries are, thereby optimising their ability to develop realistic and measurable indicators;
- conduct a strategic planning session and develop objectives based on assessments;
- have the necessary skills or knowledge to identify what change they would like to see within a particular focus area;
- have the necessary skills and knowledge to put plans into action, and monitor and evaluate progress, through an action learning cycle;
- make sure that Scat fieldworkers, and also other resource people from outside their community, clearly understand what LDAs want to achieve and how best to assist them.

Through this reflection we were better able to focus and plan our field support, especially with emerging LDAs. Each fieldworker did onsite training to include the development of realistic and achievable plans which included fundraising. Some LDAs do not have fundraising strategies and do not plan for related activities. For example, local fundraising requires understanding of the economic climate in the community - including what people buy with their money and when income is received by people. Fieldworkers alerted LDAs to such factors during field visits and assisted LDAs to brainstorm creative fundraising ideas.

Capacity Building

The field team outdid itself in 2009, implementing 16 capacity building interventions with 503 people, of whom 239 were women and 264 men. Getting more women than men to participate continues to be a particular challenge but, we improved on previous years through our practice of critically assessing workshop registration forms and encouraging LDAs to include more women at all workshops.

A workshop on Basic Bookkeeping with four emerging LDAs in the Eastern Cape, from 29 June to 3 July, aimed to develop and strengthen their capacity to establish book-keeping systems and implement effective financial management.

From 23 - 26 November, in Cape Town, we held a workshop on Participatory Democracy for nine LDAs from the West Coast. This was a follow-up on 'Unlocking the Self', at which participants learned how to access legislative information, actively participate in creating awareness and reach specific outcomes, through advocacy and lobbying campaigns around farmworker rights.

We implemented our first workshop for the gender programme from 1- 4 December, also in Cape Town. The focus was on leadership and management for women. The representatives from 15 LDAs were enabled to initiate a baseline assessment of the gender constructs within their communities and this will continue in 2010. Participants

"The field team outdid itself in 2009, implementing 16 capacity building interventions with 503 people, of whom 239 were women and 264 men"



Hishaam Noordien, Scat Senior Finance Officer assisting project members of Dwarsrivier Upholstery Project with basic bookkeeping.

also spent some time at the Saartjie Baartman Centre and heard stories from women about their personal experiences of domestic violence and how the centre supports women in surrounding communities.

As a team we ourselves received training in July from Deirdre Mullan of the National Alliance for the Development of Community Advice Offices (NADCAO), on a case management system. The purpose was for us to understand the system and the benefits it has for LDAs: track the impact of their paralegal work; provide statistics and data that could be used to advocate and lobby around priority issues of communities; gather material for cross regional analysis and provide much needed quantitative information for our and their funder reports. Even more importantly, it will assist LDAs to measure their own impact.

Fundraising by LDAs

Many LDAs grapple unsuccessfully with the technical requirements of donors from outside of their community. Mobilising funds from such donors often depends on how compliantly the initial proposal is prepared and presented. English language and writing skills and computer formats remain stumbling blocks for many of the LDAs, especially those who are unable to source good proposal writers to assist them. Scat fieldworkers continue to link LDAs to appropriate opportunities and, during field visits may even accompany them to meetings with local and district municipalities and government departments. At field team meetings we deliberately strengthen and build on our own networks with organisations that offer potential opportunities for LDAs.

At local level however, LDAs have become more confident and accomplished. In the past 12 months we have seen an improvement in number of claims submitted by emerging LDAs in terms of the local fundraising incentive scheme (FRIS). Those that attended FRIS training sessions, funded by the Finnish Embassy during

March, May and June 2009, have improved in a number of areas. Approved FRIS claims have clear stories and indicate levels of planning - from organizing meetings, approaching other CBOs or local groups to form partnerships, to the actual planning of the event. There is evident participation and support from community members.

Between January and December 2009 a total of 44 claims were submitted and a reward total of R1,219,667 was paid. Eastern Cape LDAs submitted 22 claims; Northern and Western Cape 11 each. The difference between regions may be due to the Eastern Cape LDAs' struggle to access other funding, thereby encouraging them to make the most of FRIS despite its relatively limited scope. At the moment the Western and Northern Cape LDAs are more able to access funds from their local government and other donors.

Some FRIS highlights:

Doringbaai Multipurpose Resource Centre claimed 19 537 in their first attempt. As their fundraising event they invited the Springbok coach, Pieter de Villiers, to a dinner to which they sold tickets.

The Prince Albert LDA has made their annual 'fish braai' a popular community event, and consistently claim rewards in excess of R50 000.

Thuso Advice office held a car wash in their community and targeted taxi associations. The initiative was well supported and the LDA claimed R25 500.

Hershell advice office had one successful local fundraising drive to secure donations and received R10 000 as reward, which they used for the installation of electricity in the LDA's new premises.

Mount Fletcher advice office claimed R16 975 in respect of profits during their Heritage Day celebrations.

"Accessing funding for the HIV and AIDS programme for 2009 was difficult but Scat managed to secure two new funders in CIDA and HCI"



Mataliele Savings and Loans group 2009

“A total of 38 LDAs accessed Scat’s HIV and AIDS Development Fund for Training”



Participants in the Organic Vegetable Gardening Training in Nababeeb during 2009, facilitated by Organic Kitchen Gardens. Participants were taught how to create their own seed banks.

HIV and AIDS Programme

Accessing funding for the HIV and AIDS programme for 2009 was difficult but Scat managed to secure two new funders in CIDA and HCI. The funding is limited to capacity building in the Northern Cape and core grants for 7 activator sites. Continued support from Engen has allowed us to continue funding two further activator sites in the Namaqualand. 14 of the 32 activator sites now access funding directly from other donors, leaving the remainder dependant on Scat to fund their programmes.

To strengthen the visibility of Scat and the LDAs within regions, Scat met with the Northern Cape Provincial Department of Health in April. We presented our model and the work of LDAs to contribute to HIV and AIDS awareness, prevention and treatment. The presentation led to meetings between LDAs and the Namaqualand and Kimberly district health offices, although no funding has been secured by LDAs from the districts as yet. We were unable to secure a meeting with the Provincial Department of Health for the Eastern Cape. On 24 February, Scat hosted a seminar on models which contribute to HIV prevention. This seminar included role-players within the sector and five LDAs. We included LDAs so that they would develop a more holistic understanding of prevention models and approaches and thus be better able to diversify their prevention activities. In March a workshop on community mapping was held with 10 LDAs from the Northern Cape with the intention of supporting them to identify existing resources in their respective communities and to build on what already exists. A variety of tools were used to guide discussions around local economic development (LED), Gender, HIV and AIDS. LDAs could identify with each other in this regard as there were striking similarities including youth, people affected and/or infected with HIV or AIDS, unemployed people and substance abusers. The contexts within which LDAs work and live are also similar and this information could be helpful as they assist each other and share learning experiences through creative and resourceful approaches on how to deal with the issues.

Scat continued its partnership with Aids Response Trust, which capacitated 10 LDAs in the Eastern Cape with knowledge and skills to develop wellness programmes in the organisations, for the home-based carers in their project and community.

Komagga's Advice and Development Centre, an LDA supported by Scat and funded by Engen, was selected to assess the frequency of trucks drivers stopping at the Engen garage in Springbok (close to the Namibian border) and engaging in sexual transactions with sex workers. The assessment found that transactional sex does take place and that the sex workers are young women from neighbouring poor communities. It also found that substance abuse by the sex workers is frequent. The success of this project is that it provides the LDA with insight into the mobility of HIV and AIDS, and clear indicators of the economic burden that rests on young women. As an organisation they can then actively encourage alternative economic livelihoods for women in the area.

A total of 38 LDAs accessed Scat's HIV and AIDS Development Fund for Training. This fund can be used by LDAs to run workshops in their communities, to send staff and/or committee members on training or on other relevant capacity building. In the Eastern Cape the fund was mostly used to attend workshops on wills and succession planning and to support orphans and other vulnerable children (OVC). In the Northern Cape it was used to create awareness amongst youth and children and for networking events. In the Western Cape it was used to implement care for the care-givers workshops and awareness raising campaigns. Most LDAs also used the fund to hold events and workshops relevant to the 16 Days of Activism against violence against women and for World Aids Day.

Scat's shift to the AIDS Competence Approach (ACP) started during 2009 when we were exploring ways to

strengthen our prevention strategy. We were introduced to the AIDS Constellation by Cordaid, who at the time were funding our HIV and AIDS programme.

The AIDS Competence Approach could be defined as one which facilitates collective ownership of responses in a local context, recognizing and strengthening existing knowledge, skill and learning in relation to HIV and AIDS. AIDS Competent Communities are those that (i) recognize the reality of HIV and AIDS; (ii) build capacity to respond to HIV and AIDS; (iii) exchange and share knowledge and skills; (iv) reduce vulnerability and risk; and (v) live to their full potential. After exploring the ACP, we found it was one which most closely matched Scat's own programme, yet

provided a clearer model and approach - one that would enhance what we were trying to achieve in strengthening the existing work of rural LDAs.

Scat had numerous meetings with Ricardo Walters of the AIDS Constellation, He has agreed to work with our organisation as a coach, to strengthen our understanding and implementation of the ACP. A concept note to this effect was developed and we will start piloting the approach with five of our LDA partners in the Northern Cape in the first half of 2010. The plan is to use this experience to expand the work to the other 20 LDAs we currently partner in our HIV and AIDS specific programme, in the Northern, Eastern and Western Cape Provinces and in the North West Province.

"A concept note to this effect was developed and we will start piloting the approach with five of our LDA partners in the Northern Cape in the first half of 2010"



Women involved in the Masibambane LED project in St Helena Bay



Basic Computer Training for 8 LDAs at Nababeb Primary School.

“More than ever before, this year has required of us all, on all fronts, to be creative, innovative, tolerant, resilient and optimistic”



Matatiele Savings and Loans Group

The ACP is a Community Competence Building Programme. It consists of a series of processes and knowledge management assets developed with the private sector which, if well adapted and implemented, lead to the ability of communities to achieve AIDS Competence.

Local Economic Development (LED)

Strategic partnerships have been essential for Scat to assist LDAs in their LED endeavours. Over the last two years we have managed to strengthen our relationship with partner organisations such as Industries Education and Training Institute, Organic Kitchen Gardens, South African Institute for Entrepreneurship and the Elgin Learning Foundation. These have proved to be invaluable since Scat no longer employs an LED specialist. Scat, Port St Johns Advice Office, Pat Maqubela (consultant) and Enoch Mtambeki (beekeeper) are developing a new partnership through a joint application to the Thina Sinako Local Competitiveness Fund, for funding for the beekeeping projects.

The number of LDAs with LED initiatives across regions has increased and now stands at 62, of which 34 are in the Eastern Cape, 22 in the Western Cape and 6 in the Northern Cape. Most of the projects are still in their emerging phase; they need to establish themselves, have feasibility assessments done and identify and be linked to markets. Most importantly, the need for business mentoring and continued support is critical and this is offered by Scat through contracted service providers and other partner organisations.

Scat held an LED seminar on 25 March in Cape Town, with the aim of developing a concerted rural economic opportunity approach. We invited four LDAs, one from each region, to do a presentation on their LED work. Other presenters were from the South African Food Bank, the National Development Agency and a Bee farming researcher, Andrew Masemola. This seminar gave Scat an opportunity to showcase some of the work done by LDAs and also provided them with a

space to share experiences, challenges and successes. In addition, it enhanced Scat's understanding of LED and created a new platform for partnership and networking discussions with other development stakeholders.

With the availability of Department of Social Development funds for LED in the Northern Cape we have, with the assistance of Industries Education and Training Institute, conducted viability processes and the development of business plans. Thus far 10 assessments were done and two plans have been developed for two projects in Port Nolloth. Efforts to grow vegetable gardens prevail across regions and are in need of technical support, shared knowledge and skills. Many projects have the potential to shift from food security to income generation, given the correct support and guidance - which would depend on what they aim to achieve. Access to large pieces of land is more readily available in the Eastern Cape, but Scat is aware that more support is needed than our fieldworkers can provide during quarterly visits. The absence of intensive support systems such as the Department of Agriculture in some communities is problematic. In 2010, to further contribute to strengthening the skills and knowledge base in LDAs, Scat will develop a database of available resources for each municipal district and assist LDAs to link these resources to projects in their communities.

In the Northern Cape, Scat has encouraged LDAs to conduct household food insecurity surveys by giving them step by step guidelines. One of our service providers, Organic Food Gardens, suggested that we do this after they found that LDAs they were working with did not fully understand the concept of food security, nor to what extent food insecurity exists in their community. We anticipate that these survey results will allow Scat and LDAs to plan and work from a more informed and common perspective and we intend extending the process to other regions in due course.

Particular challenges experienced over the period have included poor weather conditions for beekeeping in the Eastern Cape. The honey harvested in May 2009 was less than expected from the beekeepers but they did manage to sell their honey to tourists visiting the local guesthouses.

Limited access to water and land also remain as crippling issues for LED initiatives. In many instances water must still be fetched from rivers or communal taps that are far from homesteads. Wheelbarrows are used to transport only a few litres of water at a time and this impacts on home gardens, income generation projects and projects with livestock. In an attempt to further assist LDAs to use their resources optimally and creatively, Scat has recently employed two fieldworkers with specifically environmental backgrounds.

Three of the four beekeeping sites are not functioning as well as we had hoped. The need for increased support and mentoring of these sites was only brought to our attention in August and we contracted a local beekeeper to assess the situation fully. Key elements were found to be: pressure from community members expecting instant gratification; no other income whilst harvests are being prepared for; lack of awareness about the benefits of bee-keeping; and a need for additional practical training.

Conclusion

Scat and LDAs have so far managed to weather the economic storm, but we are acutely aware that this will continue well into 2010. More than ever before, this year has required of us all, on all fronts, to be creative, innovative, tolerant, resilient and optimistic. For some LDAs, challenges presented them with opportunities to reflect on their work and make strategic shifts that will benefit their organisation in the long term. Through the year, all LDAs have taught us lessons about perseverance and adapting to change, particularly when you have no control over the change.

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

As we celebrate *25 years* of Scat's successes, innovations, challenges, failures and most of all, Scat's people and partnerships - and how these have enriched the tapestry of our work in development - we know that the future cannot be the same. We know too, that we can look forward to creating, each day, the new experiences that will take us forward for another *25 years*.

"Many projects have the potential to shift from food security to income generation"



Sixolile Ngcobo (Norwegian Church Aid Programme Manager) on a funder visit to Overberg Advice and Development Centre.

Operation Manager's Report



Mark Volmink

On reflection, there are parts of Scat's journey over the past twelve months that could have been handled more skilfully, and there are other parts into which we should perhaps not have ventured at all. The year brought its fair share of challenges, not least of which were on the human resources front, including the recruitment and orientation of new staff into the Scat culture and dealing with complicated and sensitive staff matters. Despite this demanding situation, it's been a year in which Scat had one of its finest audit outcomes, established relationships with new funders despite being in the middle of an economic crisis, grew its investments, submitted favourable financial reports and - with LDA partners, donor partners and collegiate organisations and individuals - celebrated *25 years* of support to, and achievements of, rural communities.

This encouraging situation was made possible through individual commitment, skill, tenacity and team work. It is a level of professionalism which should not be taken for granted, as it has laid a strong foundation for meaningful support to rural communities for many years to come.

Support Services (finance and administration)

Ending the year with a healthy reserve base, steady growth in investments and another unqualified audit, indicates on-going meticulous financial management and oversight by Scat's trustees and its management and finance staff.

A notable achievement was the number of improvements in Information Technology including the installation of WSus (Windows Server Update Services) on the server, resulting in a saving on Internet bandwidth. Leave and staff whereabouts calendars have been set up in a public folder

calendar where staff can view the whereabouts of other staff through a central location on the server. 3G remote access to the Scat office has been set up for users, allowing them to access email and data on the server when out of office. Management and staff were in agreement that the purchase of a new vehicle would be a wise investment, primarily to reduce the expenditure on the hiring of vehicles for official visits. On-going efforts were made to streamline and improve communication and co-operation between the field, finance and administration teams and this provides the back-bone on which the organization relies to actualize its service promises to our rural partners.

Human Resources

Scat's Policies were reviewed and updated to bring these in line with the latest changes in labour legislation.

Currency in job-specific and relevant generic skills for staff is critical for organisational survival in these competitive and changing times. In 2009 Scat invested R145 728 in staff and organisational development, which included key areas of leadership and life management, paralegal case management, advanced driving skills, participatory rural appraisal (PRA) and social mobile media systems for non-profit organisations.

Another key intervention was our participation in the Averyl Rider salary survey, which enabled us to ensure that our staff benefits are on par with our contemporaries in the non-profit sector.

Fundraising, Marketing and Communication

In addition to the concerted efforts made to broaden our funder base, we've intensified our marketing and communication efforts to promote Scat's work.

"It's been a year in which Scat had one of its finest audit outcomes (and) established relationships with new funders despite being in the middle of an economic crisis"



Food Security Project members from Ngcele, in the Eastern Cape.

The historic *25 year* celebration, which was attended by a number of local and international guests, was widely acknowledged and received a fair amount of media coverage, most notably an eTV interview with one of our trustees.

We held discussions with the University of Cape Town's (UCT) Department of Humanities - Social Science about a partnership with Scat around internships for Honours and Masters students in exchange for exposure for Scat on UCT's mobile media and marketing material. We've also initiated talks with key service providers around the development of a social media strategy which will involve communicating Scat's message through Facebook, Twitter, Scat Blogs, MXit, etc. We believe this strategy will expand our reach and communicate Scat's work to relevant stakeholders more frequently and effectively.

We have initiated a process to register Scat as a member of Proudly South African (PSA). Membership will be a pronounced statement that Scat adheres to world class service quality standards. Members of the Proudly South African 'community' share a commitment to an uplifting ethos that promotes social and economic change and progress through meaningful contributions to building South Africa's economy, reducing unemployment and poverty and retaining existing employment opportunities. Members are acknowledged for their quality products and services and identified through the PSA logo - an internationally recognised signifier of a proud and dignified country-of-origin brand.

Community House

Moves to sell Community Property (co-owned by Scat and the Western Province Council of Churches) to a consortium of tenants, with the intention of future redevelopment into a heritage site and museum, have progressed steadily. The Consortium received positive indications for first phase development funding which includes funds for the purchase of the

building. We are confident that a formal agreement will be signed in the first six months of 2010.

Ahead to 2010

Some of the key operational goals we've set for 2010 are to broaden our funder base, build our endowment for the purpose of being more self-sustainable through wise investments of our reserves, obtain our black economic empowerment (BEE) certification, appoint a finance assistant, improve print, radio and television media exposure for Scat's work, forge partnerships with world-class institutions of learning and implement a comprehensive new social media strategy.

More significantly it is my view that to remain a preferred partner in the development arena, Scat (and I dare say all civil society organizations) should display strong leadership and sustainability. To survive and thrive through the next two years will require of our leaders not only vision but clear indicators of values of responsibility, accountability, fairness and transparency. Civil society needs leaders who will direct organizational strategies and operations with a view to achieving sustainable economic, social and environmental performance. Civil society needs to come up with innovative solutions to society's most pressing social problems. Rather than leaving societal needs to the government or business sectors, we need to find what is not working and solve the problem by changing the system, spreading the solution, and persuading all of society to take new leaps.

The best development process, according to certain development theorists, will be that which allows the greatest improvement in people's quality of life. Quality of life depends on the possibilities people have to adequately satisfy their fundamental human needs. Quality of life is not only confined to economic well-being but includes the development of individuals and communities who have the confidence to give full expression to their values and find fulfilment in themselves as individuals. Asset-based

"Quality of life depends on the possibilities people have to adequately satisfy their fundamental human needs"



Organic Vegetable Gardening Training in Port Nolloth

community development takes as its starting point the existing assets and strengths inherent in community-based associations and other social networks. As a strategy, it is shaped by a distinctive set of principles and these, in turn, inform field-based methods and practices.

Scat has distinguished itself as an exemplary non-profit organisation and as a leader in the field of development. This, in no small way, is attributed to good governance and sound financial oversight by its trustees. After serving Scat and its rural partners for a quarter of a century, Di Oliver and Gordon Young have decided to move on. Di

and Gordon, together with Barry Streek, not only brought Scat into being but have also played a significant role in the organisation being what it is today. They epitomise the commitment of Scat trustees, the transparency with which the organisation conducts its business and the hope it has for the future. Their absence will be sorely felt and they will be missed on an organisational and a personal level. My own development has been enriched because of the guidance and leadership of these two caring and remarkable individuals and I thank them for that. May goodness and happiness follow them for many more years.

“ After serving Scat and its rural partners for a quarter of a century, Di Oliver and Gordon Young have decided to move on. May goodness and happiness follow them for many more years”



Donkey carts still a reliable mode of transport in Pampierstad

Towards true gender equality



Richard Pfaff

Scat's contribution to establishing and enhancing LDA efforts that ensure gender equity

Since 1994 there have been numerous efforts, policies and legislation to advance and ensure gender equality in a democratic South Africa. However, realisation of equality has thus far been undermined by a limited understanding of the conceptual tool we call gender, which is mostly seen as simply ensuring that there is equal representation of women and men in the various components of our society.

Equal representation, although crucial, has achieved little in addressing the structural inequalities which emanate from centuries of patriarchal societies, religions and cultures. The voices of women, even in positions of influence, have largely been peripheral and even silenced, due to firmly established behaviour and beliefs that value what we have come to know as 'masculine' - including aggression and dominance - and consider the 'feminine' as inferior.

Scat has therefore located its contribution to gender equality in programmes and methodologies which awaken and nurture a community-based gender consciousness beyond equal representation of the two dominant biological sexes. Scat aims towards a consciousness which understands the quest for gender equity as a powerful journey which necessitates an understanding of all obstacles that obscure the path to an egalitarian society free from injustice and poverty.

True to this belief, Scat facilitates training with partners such as Triangle Project, Sikhule Sonke, Engender, the

Commission for Gender Equality, the Saartjie Baartman Centre for Women and Children and Sonke Gender Justice. Our focus is on deepening our partner LDAs' understanding, as well as on providing 'tools' which aid their quest for gender equity, justice and safety in their communities. In Scat's view, through a strengthened conceptual understanding of gender, our partner LDAs are able to activate more focused, and thus more effective, interventions. To this purpose, our training methodology illuminates the interconnectivity of other social constructs such as race and class and how these intersect with, and contribute to, gendered oppression. Black female farm workers provide an example of the feminization of poverty; patriarchal capitalism enshrines the practice of paying females less than males for the same hours - or more - of work; females are less likely than males to have permanent employment and security of housing/land tenure; and the overwhelming majority of victims of gender-based violence (GBV) are female.

Scat's dynamic approach is illustrated by our intention to concentrate on GBV interventions, jointly facilitated with Triangle Project and Sonke Gender Justice. This training is designed to make our rural partners more aware of homophobic violence and more sensitive and inclusive to lesbians, gay, bisexual, transgendered and intersexed (LGBTI) persons. The training aims to broaden the conceptualization of gender beyond interpretations that rely primarily on biological sex. Also, by showing solidarity with LGBTI persons in their communities, the LDAs assist in furthering an ideological shift away from the binary world view that fosters discrimination towards not only LGBTI persons, but anyone considered different, be it in the context of women asserting their constitutional rights or fellow Africans settling in their communities.

"Scat has therefore located its contribution to gender equality in programmes and methodologies which awaken and nurture a community-based gender consciousness beyond equal representation of the two dominant biological sexes"



Left: Phumla Libazi (Swellendam Advice Office), Naomi Thomas (Ceres Advice Office), Margy Japhta (Prince Albert Advice Office), Marie Swartz (Botrivier Advice Office) in discussion at Scat's 25 year anniversary.

“(T)hrough such a multi-faceted and dynamic conceptualization of gender we can continue with successful interventions”

The interconnectivity between gender, race, ethnicity, class and sexuality also informs Scat’s work in capacitating communities to deal more effectively with HIV and AIDS. Scat understands that the above social constructs result in some people being more vulnerable than others to HIV and AIDS. Scat also capacitates and assists LDAs to challenge both Western and African traditions that oppress instead of emancipate. Most religious traditions embody and promote beliefs that heterosexual marriage necessitates procreation (and vice versa) and that women are inherently inferior, just as African traditions such as polygamy (as practised) undermine women’s control over their own bodies and lives.

It is also one of the intended outcomes of Scat’s approach that the collective national movement to eradicate GBV is strengthened. Scat understands that rural community-based LDAs can and should be a powerful collective voice, which can keep government accountable to its professed mandate of gender equity and strengthen participatory democracy as a whole.

Scat believes that through such a multi-faceted and dynamic conceptualization of gender we can continue with successful interventions and develop new ones that will lead to a truly egalitarian society, free from gender-based violence.



Scat staff with the facilitators and participants of the Institutional Capacity Building Programme.

Prince Albert Advice Office shines at Scat's 25th Anniversary Celebration

Edited by Carol Campbell

Prince Albert's Advice Office was named the most effective Local Development Agency in the Western, Eastern and Northern Cape at the Social Change Assistance Trust's 25th Anniversary celebration in Cape Town in November 2009.



Margy Jaftha, the human resource director of the Prince Albert's Advice Office's newly formed Section 21 company, accepted a cheque of R20 000 for the people of the small Karoo town.

Prince Albert is situated 40km off the N1 between Laingsburg and Beaufort West. The small Advice Office, formed in 1991 with two volunteers, is now a thriving business that has created work for 83 people.

Originally intended to ensure food security for the very poor and to give legal advice to labourers working on the farms around the town, the LDA now runs - or is involved in - 11 projects, including a community garden on the emerging farm at Treintjiesrivier, a print shop, HIV and AIDS home-based care, a nursery school for farm children in the Weltevrede Valley, legal assistance, and a youth development initiative. It partners with government departments of

Social Development and Health and with the Central District Municipality, to ensure people in desperate need don't slip, unhelped, through the system. It runs on funding from private and para-statal donors (through Scat, Lotto, the Office of the Consumer Protector, the National Development Agency) and the government. Each project has its own bank account that is administered by a clerk at the Advice Office and audited annually. 'We have tight controls and this gives our funders confidence,' says Jaftha.

The move to register as a Section 21 company was a natural next step for the former non-profit organisation. Political interference was a potential threat to its sustainability and the leadership opted to form a company which they believe will protect staff and ensure impartiality in the organisation's work.

The Advice Office owns four vehicles and plans to eventually finance the purchase of its own building. It currently operates from a rented house.

'Good leadership, hard, hard work and passion have been the secret of our success,' said Jaftha. Jaftha is right.

"(T)he LDA now runs - or is involved in - 11 projects, including a community garden on the emerging farm at Treintjiesrivier, a print shop, HIV and AIDS home-based care, a nursery school for farm children in the Weltevrede Valley, legal assistance, and a youth development initiative"



Staff of Mt. Fletcher Advice Centre

Opportunities for youth development: a tale from three towns

“The narratives I heard during the 19 in-depth interviews reveal that the potential of many young people is not being optimally developed.”



Margie Booyens

The South African population is young; those between birth and 34 years make up 67% of the population. About 9.9 million (20.4%) of the estimated total population of 48.5 million, are youth between the ages

of 15 and 24 years (StatsSA's Community Survey 2007). While there is evidence that large numbers of South African youth experience serious challenges of an economic and social nature, it is important not to lose sight of the fact that young people are citizens who have much to contribute to social, economic and political development at community and other levels. We should resist the tendency to 'problematise' the youth (Ansell 2005).

During the second semester of 2009, with the assistance of Scat and its rural local development agency (LDA) partners, I connected with a number of young people living in three towns in the Western Cape – young men and young women who had not completed Grade 12 and who were not in full time employment. Out-of-school, unemployed young people form a vulnerable grouping in society, as do young people living with HIV and AIDS, young people from dysfunctional homes, youth with disabilities, young people involved in substance abuse and gangs, and others (National Youth Policy 2009-2014).

The narratives I heard during the 19 in-depth interviews reveal that the potential of many young people is not being optimally developed.

“Is baie boring om dit so te stel. Eintlik het ek niks om te doen nie. Ek staan op, gaan eet, was, dan gaan ek miskien in movie kyk of so, speel miskien musiek, dis al. Sit miskien op die straat hoeke. Dis al. Tot die aand toe .. Hier’s niks om te doen nie.”

The words of this unemployed 20 year old male reflect a life of monotony, dependency, resignation and wasted potential. The lives of many others appeared to be similar.

A reflection on the situation of the young people in the study and their narratives points to the following themes:

- poverty and unemployment impact on their home life, community, opportunities and choices;
- the value of education is understood but artisan and other skills training opportunities need to be made affordable and accessible;
- importantly, young people want jobs and the economic independence gained through generating an income, rather than handouts and grants;
- community based alternatives to boredom, alcohol and drugs are needed;
- young people need to be listened to; and
- they have a great need to access information and guidance.

These themes speak to major forms of social exclusion of young people. Young people's needs are not limited to education, employment and active citizenship. Aspects of their potential are developed through participation in healthy recreation and free time activities, which



Young people participating in HIV and AIDS training in Steytterville.

they should preferably conceptualize, plan, manage and evaluate themselves, with the necessary support. Integrated development planning processes at local government level have the potential to offer this inclusive kind of process. Provision is made for Youth Councils and Youth Forums, through which young people can make their voices heard at local government level. In the main, there are many opportunities for creative youth development initiatives in the three towns I visited, a situation which is likely to be reflected in many other parts of South Africa. Examples include:

- developing programmes to strengthen and support families and households;
- instituting mentoring and coaching programmes for young people which link them to caring adults who listen to them and guide them along the path to realize their longer term hopes and aspirations; and
- resourcing a community centre that offers internet access to information about jobs and volunteer opportunities, provides a base for youth to come together to dialogue and to mobilize around issues, and provides a space for the presentation of a range of educational and skills development programmes.

It is evident that a focus on whole communities is needed, in the context of which the range of key role players in development, including the youth, find ways to dialogue, discuss, and together forge a vision and a way forward for the economic and social development of the community as a whole, within a human rights framework. A human rights based policy and legislative framework for the inclusion and development of youth exists. Until such time that it is translated into a reality that is experienced and lived by all youth, through processes in which youth are active participants, much-needed potential will go to waste – to the detriment of socio-economic development in South Africa.

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“It is evident that a focus on whole communities is needed... find ways to dialogue, discuss, and together forge a vision and a way forward for the economic and social development of the community as a whole, within a human rights framework”



Left: Naomi Thomas (Ceres Advice Office), Adene Smit, and David Arendse at Youth Programme.

Financial Overview

Mark Volmink

The decline in income from funders (both local and international) compared to the previous year is largely attributed to a number of our funders being adversely affected by the global economic recession. Their own funding was often significantly decreased, as were CSI budgets, and in some cases the scarcity of financial resources was coupled to a strategic change in funding focus.

A particular challenge for Scat in moving forward is the decision by Norwegian Church Aid (NCA) and Cordaid to end their long-standing partnerships with Scat at the end of 2010, due to strategic changes made by these two international organisations. On the positive side, we welcome on board new funders Ponahalo, Joint Gender Fund and HCI Foundation.

Wise and timeous investments are a key feature of sound financial management, particularly in today's precarious economic times. The investments Scat made through Vunani Securities showed steady positive growth over the year, with good interest earned on call accounts. At the end of December our R1,7m initial investment in securities and cash in call accounts had grown by 22%, which is the consequence of astute investment decisions on the part of Scat's leadership. This, in addition to Scat's shareholding and annual dividends received through a R7.4m investment in the Ditikeni Investment Company, has positioned us favourably in developing an endowment fund which will increase our self sustainability. Due to an exceptional distribution by Ditikeni Investment Company Limited, dividend income was higher in 2009 and interest income increased significantly (35%). Again, the Ditikeni shares and Vunani Securities were revalued and are reflected at market value at the financial year end - not at cost - giving rise to an increase in non-current assets. Given the current and forecasted economic climate, Scat's

long-term financial sustainability will be strengthened and well served through these investment strategies.

The reserve carried in Scat's investment company, Social Change Assistance Investments Pty Ltd (Scai), has increased over the twelve month period. We are in advanced stages of purchasing a building solely for Scat use - not as an income generation activity - which we hope to fund through the accumulated funds of Scai.

In keeping with international practice to use new auditors every 5 years, Scat's trustees made a key decision to appoint Ngubane and Co as our auditors for 2010. The change of auditors has not changed the fact that we again have an unqualified audit opinion but it has coincided with a change to a new financial reporting framework – the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). In the absence of a specific framework for non-profit organisations, we believe the IFRS for SMEs will become the framework used by most non-profit organisations of significant size. The decrease in funder income was 22.6% year-on-year in total. The reduction in government grants was R1.73m (33.3%) and in other funding was R1.75m (17.2%). Despite the decline in funder income, we continue to demonstrate our commitment to spending the bulk of our funds on our rural partners. In 2009, organisational costs represented 50.8% of total income and 17.3% of these costs were covered by other income. Capacity Building and Grant costs represented 74% of funder income. Not only did spending on core grants and grants for LED and food security increase in 2009, by R345 348 and R527 224 respectively, but the percentage investment of funder income in these two grant categories was 20,1% (13,3% in 2008) and 4,4% (1,9% in 2008) respectively. The investment in our HIV and AIDS programme remained

“The decline in income from funders (both local and international) compared to the previous year is largely attributed to a number of our funders being adversely affected by the global economic recession”

steady at R1.516m. Core grants sustained 54 LDA partners during the year and a further 13 benefited from other types of grants. Scat decided specifically to utilize R2.5m of its reserves to increase its grants, whilst containing organisational costs as far as possible.

We foresee challenging times ahead in funding-raising. 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. The consistently outstanding financial management and excellent stewardship achieved by Scat during tough economic times in particular, cannot be sustained without the dedication and skill of competent staff and leaders - none more so than Gordon Young and Di Oliver. It has indeed been a privilege working with them and their contribution to Scat's sound financial practices will be treasured (no pun intended) for years to come.

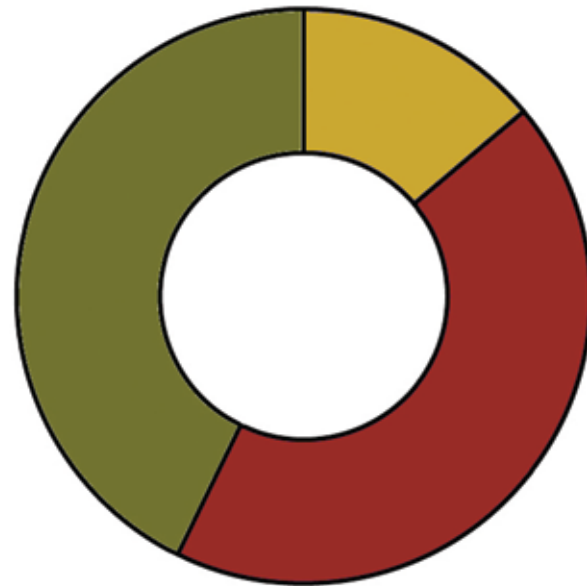
"In anticipation of the difficult funding climate we all face, our plan is to embrace a broader, more diversified and innovative approach, in order to remain sustainable in the long-term."

Scat Income and Expenditure - Year ending 31st December 2009

Detailed income statement

	2009	2008
Revenue		
Funder income	11,888,824	15,365,717
Other Income		
Dividend revenue	191,058	147,262
Gains on disposal of assets	0	0
Insurance claims received	0	0
Interest received	941,648	615,922
Reversal of discount on loan to subsidiary	0	1,410,206
Sundry income	12,456	58,999
	1,145,162	2,235,889
Operating Expenses		
Governance, communications and finance	2,168,200	2,130,624
Programme cost	4,448,579	4,259,918
Capacity building	2,275,053	3,191,089
	8,891,832	-9,581,631
Grants		
Core grants	2,393,948	2,048,600
Development fund for training	240,493	240,848
Development fund for training HIV/AIDS	286,860	285,666
LED	506,399	299,175
FRIS	1,219,668	1,261,797
Food Security	520,000	0
HIV/AIDS activators	1,516,000	1,592,000
	6,683,368	-5,728,086
Deficit/Surplus for the period	-2,541,214	2,291,889

Scat Expenditure 2009



■ Support costs ■ Fieldwork/Cap blding ■ Grants Made

Balance sheet at 31st December 2009:

Assets	2009	2008
Non-Current Assets		
Property, plant & equipment	99,785	144,138,5
Investment in subsidiary	10	10
Loan to subsidiary	8,485	8,485
Other financial assets	9,668,380	6,664,764
	9,776,660	6,817,398
Current Assets		
Other financial assets	46,269	71,269
Trade & other receivables	108,753	821,224
Cash and cash equivalents	12,776,964	15,836,285
	12,931,986	16,728,778
Total Assets	22,708,646	23,546,176
Reserves & Liabilities		
Trust Capital		
Building reserve	-	-
Restricted reserve	3,413,465	5,248,676
Accumulated funds	11,380,543	11,886,544
Unlisted share revaluation reserve	7,124,818	5,835,124
	21,918,826	22,970,344
Liabilities		
Current Liabilities		
Trade & other payables	789,820	575,832
Total reserves & liabilities	22,708,646	23,546,176

Consolidated Balance Sheet Movements 2009



List of Scat-funded Local Development Agencies (LDAs) in 2009

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. Fort Beaufort Advice Office
8. Herschel Advice Office
9. Hewu Advice Office
10. Hofmeyr Advice Office
11. Indwe Advice Office
12. Interchurch Local Development Agency (Uitenhage)
13. Jeffreys Bay Advice Office
14. Libode Advice Office
15. Lingeletu Advice Office
16. Maclear Advice Office
17. Masiphakameni Advice Office
18. Matatiele Advice Office
19. Molteno Advice Office
20. Mount Fletcher Advice Office
21. Ngcele Advice Office
22. Nonesi Advice Office
23. Peddie Community Advice Centre
24. Port St Johns Advice Office
25. Qoboqobo Advice Office
26. Qongqotha Peace Africa Youth Centre
27. Sterkstroom Advice Office
28. Steytlerville Advice Office
29. Tshatshu Advice Office
30. Tsilitwa Advice Office
31. Wilo/Mqanduli Advice Office
32. Xalanga Advice Office

Western Cape:

33. Bitterfontein Advice Office
34. Botriver Advice Office
35. Ceres Advice Office (Witzenburg)
36. Citrusdal Advice Office
37. Clanwilliam Advice Office
38. Doringbaai Advice Office
39. Elandsbaai Advice Office
40. Graafwater Advice Office
41. Kylemore Advice Office
42. Montague Advice Office
43. Nelspoort Advice Office

44. Overberg Advice Office
45. Prince Albert Advice Office
46. Qhayisa Advice Office
47. Stellenbosch Advice Office
48. Swellendam Advice Office
49. Vredendal Advice Office

Northern Cape:

50. Kenhardt Advice Office
51. Kommagas Advice Office
52. KOOR Advice Office
53. Molsvlei Advice Office
54. Nababeep Advice Office
55. Port Nolloth Advice Office (Richtersveld)
56. Spoegrivier Advice Office
57. Thuso Advice Office
58. Upington Advice Office
59. Gauta e Sidilweng Advice Office
60. Lukhanyo Advice Office
61. Luvuyo Advice Office
62. Sikha Sonke PAM

North West:

63. Itereleng Community Advice Centre

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