Southern Africa: guidelines for good practice

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In this article, which is based on an interview with Jim Smale, Mokhethi Moshoeshoe offers his own reflections on what it takes to build strong partnerships between the grantmakers and the grantees. As he does so, he blends them with the experiences of SAGA as it developed its Guidelines for good practice. *Drawing on his own experiences both in seeking partnerships during his long career in NGOs, and in his current position as head of a major entity in the grantmaking world, he especially stresses the need for close and productive relationships across what has sometimes been a divide.*

SAGA has invested a year in developing a document with its members that takes the question of effective grantmaking head on. It is called *Guidelines for good practice*. We did this because it sometimes seemed that there was a huge black hole between the grantmakers and the grantees. There was a sense of needing to somehow cross this gap or close it, to improve on the situation where all you might get back was a report to answer the question: 'What is the impact that we have been making?'

However, before I discuss this, I want to give some personal reflections on what development is because understanding the nature of development actually guides us towards being effective as grantmakers. I believe development is a process of growth to enable human beings to reach their potential and handle their own situations. That means that development is also an empowerment process, which in turn gives foundations a way of measuring their effectiveness: the extent to which you empower people is also the extent to which you can reduce your support. I link this to the need to find ways in which communities can begin to recognise and build on their own assets so that they become major agents in ensuring the sustainability of their own development. I believe that all communities have assets, just as businesses have. That doesn't necessarily mean money: there are assets such as trust, a sense of community, a sense of common wealth, a sense of common vision, willingness to form partnerships for the common good, a sense of needing to reweave the social fabric, and so on.

For the grantmaker, working with these intangibles is a challenge: it's easy to fund something that can be seen and clearly measured such as a building, or a piece of participatory action research. But grantmakers must accept that these intangibles are fundamental to moving communities away from dependency, and therefore must find ways to support work that will strengthen them. This is in tandem with work that will make material differences in putting communities on the road to sustained development. All of this means that successful development processes are about much more than money. Of course, it is always money that people talk about but money from a grantmaker will never replace real livelihoods. And of course real financial independence is crucial in the long term, but that can only come via broad-based projects that take advantage of the tangibles and the intangibles – all the assets that communities have.

South Africa: *Getting down to work*
Family in Focus project
photo: Rien van Gendt

Key lessons from saga's Guidelines for good practice

1. *Be focused.* One key lesson that has emerged for us from our year of work in developing the guide is that you cannot successfully be everything to everybody as a grantmaker. You've got a certain amount of money and of course there are many ways in which it could make a difference in people's lives. But you will never have enough money to address all the social problems in the world. That is not a very startling idea. But it is important because many foundations currently have broad interests and it will be painful for them to make choices. This is because foundations are run by people, not machines. People see need and they want to respond. But if the people who run foundations really want to make an impact, they have to specialise, and – by setting precise goals – define exactly where their grants will make a difference.

2. *Build real partnerships.* You and your grantmaker must get together. I would like to add something here from my own experiences. Before joining SAGA,

I spent ten years of my life as a grantee approaching grantmaking foundations. From that side of the fence, it was clear to me that the nature and effectiveness of the relationships I had with those organisations were really determined by individual programme officers. It was not the organisations that determined the nature of those relationships, it was individuals: how we related to each other at the personal level; how we related to the needs and objectives of each other's organisations; how well each of us understood what the other expected. That means that a successful grantmaker has to have programme officers who can build that kind of relationship – and, by the way, it also means that applicants must be ready to build it too. What is required is much more than knowledge of the subject area and the ability to communicate well: it is a matter of being prepared to enter into and constantly preserve and improve a mutually beneficial relationship that depends on complete trust and confidence on both sides.

That means throwing away many of the things that work against that relationship. For example, since I have worked on both sides of the fence, I know all the tricks there can be on both sides – I know that there sometimes can be hidden motives, agendas, realities, problems, failures, and so on. But if you really want to build this relationship, you have to make a real commitment to the project; you have to recognise that what you feel about a project is as important as what you know logically; you must give time to the project; you must be able to empathise with those in the project; and you must trust people, read between the lines, and sense the broader picture. And all of this is in addition to the huge amount of direct work that must be done. To accomplish all of this, you need programme officers who have a passion to do their job well, a passion to make a difference.

Sometimes programme officers do not have enough time to give more adequate attention, to build the necessary relationship. They are under pressure to give out the money appropriately, to ensure that it will make a difference, so they don't build that relationship because they haven't got the time to do it well. So, although they are not to blame, they actually fall at the first crucial hurdle in properly supporting a project.

3. *Add value*. You can do this, for example, by supporting the building of institutional capacity and the professionalisation of people in the project. We have to ask ourselves if our grantee partners are experts in areas that they have chosen to work with. That sounds odd: if they don't know enough about their area of interest, why did we fund them? Well, perhaps we funded them because they have a good track record in operating well-focused, effective projects. Now there has to be an audit to find out what else they need to equip them for their work. Part of that capacity building can draw on resources that foundations have, and can also benefit from the ability of foundations to access knowledge. Those resources can be shared; that knowledge can be imparted. The grantees need this but they are very busy trying to survive.

4. *Don't be afraid of taking risks*. Running social enterprises means taking risks because, in the history of development, nobody has ever come up with infallible ways, perfect models, magic wands. You have to accept that you are learning, that you learn through doing new things in new ways, and you learn a lot from successes but you can learn even more through mistakes. I link this to the relationship that you build with the project. A good relationship means that when the risk does not pay off either the grantmaker or the grantee will have the confidence to say 'We really got it wrong, let's work together at what needs to be done now'. That's such an uncommon reaction, but it is does not help anyone's effectiveness if projects claim that everything has been 100 percent successful. Let's admit that we are all sticking our necks out; we are all vulnerable.

5. *Accept your limitations*. Admit that you don't know it all. What drives us is our passion to make a difference in people's lives and build up resources that will help us to do this. If we knew how to do this, the world would have changed a long time ago. But it hasn't, and we shouldn't waste time now worrying about if we can plan everything so that it will always come out as it should. We have got a long way to go in changing the world. In the

process of development enterprise, or social enterprise of any kind, there are many things that are way beyond our control – we have to accept this. We also have to accept that we have to feel our way in supporting projects, and that projects have to feel their way in doing the work. They have to learn as they go; they have to try out new ideas; they have to change processes, even approaches, as they try to reach their objectives. Again, I make the link to the nature of the relationship that we form with them: we need to know that they don't know; they need to know that we support them as they learn; they need to know that we are learning from them.

6. *Measure impact*. We have developed instruments and these take the form of indicators for success. They should help us to find out the extent to which our interventions actually have done what they were intended to – what return we got on the investment that we made. In doing this, we should look to see if we can learn from business. That doesn't mean looking at the bottom line – trying to make a financial gain. But we could look at profit in terms of the quantity and quality of change that the projects we fund make. Loss is then a lack of impact or a negative impact. There's an example that we can study here: businesses are now beginning to carry out social and ethical accounting to measure their social impact. They forget about profit for a while and remind themselves that they affect people and they affect societies in both good and bad ways. We could usefully take account of their ways of measuring and understanding that.

But as we try to measure impact, we must avoid taking the blame for not changing things that are well beyond our powers to change. We are not the only players for good or ill here; and our capacities are anyway very limited when set against big or especially intractable challenges.

Community cash flows

People don't realise how much money actually passes through most communities, however poor they are.* Large sums come in, and go out. But their effect is marginal outside their role in helping people to survive. Those sums of money could be used much more effectively. As well as continuing to make sure people survive, they could circulate within the local economy, thereby generating more wealth. This happens when people say 'OK we are paying for that, why don't we supply it and pay ourselves for doing so, instead of paying someone outside the community?' And all communities have at least some potential for doing that.

What depresses me as I travel around is that you see so many opportunities being wasted. For example, you see poor farm workers loading cattle into trucks to send them to distant abattoirs in the bigger cities. This gets sent back in cans that the poor families can't afford, so you get malnutrition – and it's not just beef, you can see the same happening with all sorts of primary food products. In addition, there is the lost opportunity for creating jobs in the processing. You don't need vast factories to do this, it can be small scale so as not to destroy the environment. I'm talking here about essential food stuffs, that can be processed easily, not the high tech food stuffs that need complex machinery. It's not a big deal to process milk, to pop wheat or make cornflakes. You could have hundreds of small enterprises like these, scattered all over the poorest areas, serving each other affordably, and sending their surpluses to the major cities to earn extra money.

It's spreading not just wealth, but wealth creation – the whole of business. You are ensuring that the primary producers – the people who do most of the hard work, take the risks, and yet do so badly at the moment – get more benefit from their hard work, because they are benefiting from the added value that traditionally only accrues to the dealers and the big processors.

* For a complementary discussion of this point see Adamson R, 'The basis of human brilliance', *Early Childhood Matters 87*. Copies are available from the Bernard van Leer Foundation at the addresses shown on the back cover.