



Save the Children

# Bottlenecks and Drip-feeds

Channelling resources to communities  
responding to orphans and vulnerable  
children in southern Africa



# Save the Children

## **Bottlenecks and Drip-feeds**

**Channelling resources to communities responding to orphans and vulnerable children in southern Africa**

One of the biggest challenges in southern Africa is how to support the huge and growing numbers of orphans and vulnerable children within their communities.

Based on recent research by Save the Children UK, this report identifies a number of 'bottlenecks' that are stopping the smooth flow of funds to support community initiatives. *Bottlenecks and Drip-feeds* makes a number of recommendations. These include more resources committed to meeting the needs of orphans and vulnerable children, and long-term commitments, or 'drip feeds', that enable community-based organisations to provide long-term support.

Save the Children  
1 St John's Lane  
London EC1M 4AR  
UK

Tel +44 (0)20 7012 6400

[www.savethechildren.org.uk](http://www.savethechildren.org.uk)

# Bottlenecks and Drip-feeds

Channelling resources to communities  
responding to orphans and vulnerable  
children in southern Africa

Geoff Foster

Produced with the support of  
Development Cooperation Ireland



**Save the Children**

**Save the Children fights for children in the UK and around the world who suffer from poverty, disease, injustice and violence. We work with them to find lifelong answers to the problems they face.**

**Save the Children UK is a member of the International Save the Children Alliance, the world's leading independent children's rights organisation, with members in 27 countries and operational programmes in more than 100.**

Published by  
Save the Children  
1 St John's Lane  
London EC1M 4AR  
UK

Tel +44 (0)20 7012 6400

First published 2005

© The Save the Children Fund 2005

Registered Company No. 178159

This publication is copyright, but may be reproduced by any method without fee or prior permission for teaching purposes, but not for resale. For copying in any other circumstances, prior written permission must be obtained from the publisher, and a fee may be payable.

Typeset by Grasshopper Design Company

# Contents

Acknowledgements	v
Abbreviations	vi
<b>Executive summary</b>	<b>1</b>
Key findings and recommendations	1
<b>1 Introduction</b>	<b>3</b>
The situation in southern Africa	3
<b>2 Community initiatives are crucial in the fight against HIV/AIDS</b>	<b>5</b>
Communities are responding	5
<b>3 Voices from the communities</b>	<b>8</b>
Study questions and methodology	8
Findings from the community	9
<b>4 Current HIV/AIDS expenditure and funding delivery</b>	<b>14</b>
National expenditure on HIV/AIDS and orphans and vulnerable children	14
Household and community expenditure on HIV/AIDS	15
Resources spent at community level	15
How funding is currently delivered	16
<b>5 Bottlenecks in delivery mechanisms</b>	<b>22</b>
Bottlenecks and recommendations	24
<b>6 Conclusions</b>	<b>27</b>
Appendix I Organisations and groups interviewed	28
References and bibliography	30

# Acknowledgements

This study was developed and supervised by Geoff Foster, who produced this report for Save the Children UK in southern Africa. In-country research was provided by Gerard Boyce (South Africa), Agostinho Mamade (Mozambique), Faith Mkhonta (Swaziland) and Rosemary Tindwa (Zimbabwe). John Williamson and Linda Richter acted as study advisers and provided detailed comments on the report. Siân Long provided

comments and co-ordinated the study. Thanks are also due to: Komborero Daniel Choga, Daniel Collison, Christina D'Allesandro, Becky Dunkirk, Jo Foster, Kate Harrison, Karen Johnson, Jane MacAskill, Mandla Mazibuko, Chris McIvor, Lynette Mudekunye, Fiona Napier, Rachel Pounds, Greg Ramm, Bill Rau, Linda Sussman and Nigel Taylor.

*Timeo danaos et dona ferentes. – I fear the Greeks even when they bear gifts.*  
Laocoön on the Trojan Horse

# Abbreviations

CBO	community-based organisation
CCM	Country Coordinating Mechanisms
CRS	Catholic Relief Society
DFID	Department for International Development
FBO	faith-based organisation
GBO	government-based organisation
GNI/GNP	gross national income/product
IDASA	Institute for Democracy in South Africa
MAP	Multi-Country HIV/AIDS Programme for Africa
NAC	National AIDS Council
NGO	non-governmental organisation
NSP	National Strategic HIV/AIDS Plan
ODA	Official Development Assistance
OVC	orphans and vulnerable children
PEPFAR	President's Emergency Plan for AIDS Relief
PLHA	People living with HIV and AIDS
PRSP	Poverty Reduction Strategy Paper
RAAAP	Rapid Assessment, Analysis and Action Planning
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
US	United States of America
USAID	United States Agency for International Development

# Executive summary

Southern Africa is being devastated by the loss of health and life resulting from HIV/AIDS. Among the most tragic outcomes of the HIV/AIDS pandemic is its impact on children. One of the biggest challenges for all concerned is how to support the huge and growing numbers of orphans and vulnerable children within their own communities. Small groups of committed community members are already caring for children, but are in urgent need of more funds and technical support to ensure that all orphans and vulnerable children receive the support they need. Currently many blockages exist that prevent resources from reaching communities.

International funding for HIV/AIDS programmes has increased dramatically in recent years. By 2007, global resources for HIV/AIDS are expected to expand to \$10 billion. An analysis of reported funding in the 17 most affected countries in sub-Saharan Africa suggested that funding for orphans and vulnerable children in 2003 was around \$200–\$300 million (Gutierrez and Bertozzi, 2004). A number of key international initiatives in the developing world specifically recognise the importance of supporting vulnerable children and state that channelling resources to community level is a priority. However, expanded resource allocation for HIV/AIDS has rarely translated into enhanced funding at community level.

Out-of-pocket spending by households, most of whom are poor, is the largest single component of overall HIV/AIDS expenditure in African countries, a stark reminder that the economic burden is borne by those least able to cope. Households are increasingly vulnerable as they are impacted by sickness and death, and extended families and community members are assuming care and support of affected children. These structures are straining under this weight. It is clearly a case of the very poor helping the destitute. It is imperative that new ways be found to reduce the share of total AIDS spending by the poor. The priority

question for governments, international agencies and others is how to ensure that available and new resources for orphans and vulnerable children (OVC) and HIV/AIDS initiatives can best be disbursed in order to build the capacity of affected communities and households and directly benefit vulnerable children.

This report summarises findings from recent research by Save the Children UK in southern Africa. The research was undertaken in order to identify policy and advocacy issues that, once addressed, would increase the flow of resources to community-based organisations (CBOs)<sup>1</sup> in ways that ensure that vulnerable children benefit. This report considers which are the most efficient and effective mechanisms that can be implemented at a scale to provide such support.

## Key findings and recommendations

The study found very few examples of effective mechanisms for channelling resources to community-level organisations responding to the needs of vulnerable children. Neither donors, government departments, intermediary non-governmental organisations (NGOs) nor community groups could provide examples of effective mechanisms channelling resources on a scale that meets the level of need.

The research identified a number of ‘bottlenecks’ that are stopping the smooth flow of funds to support community initiatives:

- providing resources to communities is not taken seriously at global and national level
- current mechanisms do not allow for resource ‘flows’ that reach community-based organisations
- lack of clarity about the numbers of children reached and the quality of interventions
- donors and governments are not held accountable for spending to support community initiatives.



CBOs need long-term funding that is ‘drip-fed’ – continuous, steady, small amounts of resources to ensure that communities can sustain their responses and improve the quality of life for African children.

The report recommends that:

- long-term funding be committed to meet the needs of orphans and vulnerable children
- greater investment is made at different levels of the funding system to ensure resources reach communities and respond rapidly to the needs of children, taking risks where necessary
- technical support be increased at all levels
- HIV/AIDS funding is tracked to determine how much reaches communities to benefit children.

Current aid allocations are unable to find their way through to community groups, and it is unlikely that simply increasing aid flows will result in sufficient resources reaching community level. This report

brings to light the discrepancy between the increasing resources that are being mobilised or acquired by donors, governments and international organisations for expanded HIV/AIDS responses, and the actual amounts being channelled to affected households and communities. Local people have committed themselves and their resources to helping vulnerable children, and external agencies now have a golden opportunity to help strengthen community responses through ensuring that funds are channelled to these community groups. Support to community groups is not an alternative to the essential national poverty alleviation strategies that countries are implementing. However, they are a necessary complement to these strategies.

### **Note**

1 Community-based organisations are membership organisations that rely exclusively on volunteers and normally receive little external funding.

# I Introduction

## The situation in southern Africa

Southern Africa is experiencing an unprecedented disaster of massive proportions due to the loss of health and life resulting from HIV/AIDS. Among the most tragic outcomes of the HIV/AIDS pandemic is its impact on children. An estimated 12.1m children in sub-Saharan Africa have lost one or both parents, and this number continues to rise (UNAIDS/UNICEF/USAID, 2004). Millions more children are also affected, including those living with chronically ill parents, children in households that have taken in orphans from deceased relatives, and those in families that are providing economic or care-giving support to sick relatives elsewhere. Often, these children are not recognised as ‘vulnerable’ as they are less obvious and their numbers more difficult to quantify. Responsibility for providing for vulnerable children lies with a range of stakeholders, primarily with parents and other relatives, but also with governments, civil society organisations and the international community.<sup>2</sup>

Support to vulnerable children should be provided through a variety of mechanisms, which can be broadly classified as follows:

- **Basic services provided through government:** These services include support to children through free or affordable healthcare services, education accessible to all, and other services that ensure that children can access their rights to survival, protection and development.
- **Formal safety net mechanisms:** Some sub-Saharan African countries have state welfare provisions such as pensions, disability and child welfare grants or safety nets such as feeding schemes and relief programmes that provide social protection to those who are unable to achieve an adequate level of income.
- **Civil society groups and organisations:** At the community level, these include religious

congregations, local voluntary associations and community-based organisations (CBOs). Other organisations such as international and local NGOs and religious co-ordinating bodies, as well as government bodies and the business sector, provide direct support to vulnerable children. Some of these organisations act as intermediaries by providing technical and financial support to community-level groups.

This report acknowledges that the first two mechanisms are essential for the long-term well-being of all children. Access to essential services is a basic right and is essential for long-term economic growth. For this, governments must be held accountable to the commitments they made under the United Nations (UN) Convention on the Rights of the Child (see Box 1). Spending money on emergency programmes to plug holes would not be needed if basic services such as free schooling and free healthcare were available. This report, however, does not focus on these first two areas.

The report focuses on identifying how adequate resources can reach community-based groups and thereby improve the flow of resources to communities providing support to children affected by HIV/AIDS. Despite growing national commitments from governments in southern Africa and elsewhere, and an increasing commitment of resources through HIV funding, the majority of children are still cared for within their own communities with meagre resources.

When considering community responses to vulnerable children, there is a tendency to idealise the notion of ‘community’ or use the term as a metaphor for an imaginary safety net of supportive social networks. This places unrealistic expectations on the community and also fails to recognise the limitations of communities. Communities are stepping forward, but can only deliver the needed services to children

**Box 1: Articles from the UN Convention on the Rights of the Child that governments have ratified**

A convention is an agreement between countries to obey the same law. When the government of a country ratifies a convention, it agrees to obey the law written down in that convention. Most African countries have ratified the Convention on the Rights of the Child that states:

Article 4: Implementation of rights: 'The State must do all it can to implement the rights contained in the Convention.'

Article 24: Health and health services: 'The child has a right to the highest standard of health and medical care possible. No child should be deprived of access to effective health services.'

Article 26: Social security: 'The child has the right to benefit from social security such as grants.'

Article 27: Standard of living: 'Children have a right to an adequate standard of living such as good food, enough clothes and decent housing, and when parents are unable to provide this, it is the State's duty to do so.'

Article 28: Education: 'The child has a right to education and it is the State's duty to ensure that primary education is free and compulsory. It should also be possible for all children to go to secondary school.'

if they are supported to do so, both financially and technically, in terms of programme design and evaluation.

The report looks first at the role and value of community-based programmes (Section 2), continuing on to summarise key findings from the desk review and country research in Section 3. Section 4 contextualises the argument in terms of current funding for HIV and AIDS and outlines the existing delivery mechanisms currently distributing money to communities. The report then looks at four bottlenecks in delivery mechanisms and offers concrete recommendations for next steps in Section 5, before concluding in Section 6.

**Note**

2 As in other areas of social development, it is necessary to be careful with abbreviations that can easily lead to labelling and stigmatisation. OVC (orphans and vulnerable children) is a widely accepted abbreviation to describe a group of children affected by AIDS. This report uses the abbreviation 'OVC' only when referring to funding and programming strategies. Elsewhere, and especially when talking about the children themselves, the terms 'vulnerable children', 'orphans and vulnerable children', or 'children affected by HIV/AIDS' are preferred.

## 2 Community initiatives are crucial in the fight against HIV/AIDS

Communities have a long history of supporting their members. Lack of essential services throughout sub-Saharan Africa is nothing new, and despite issues of stigma, in the past, neighbours and communities provided short-term support to those facing crises. Over time, communities have developed safety nets that provide mutual support and assistance to those facing social and economic crises. When households face crises such as illness or death, communities provide monetary gifts, loans, food, clothing and school fees, enable access to medical care, donate labour and provide employment (Luzze, 2002). In short, there is a strong history of neighbours helping each other.

Over the past decade, faced with the increasing impacts of AIDS, community safety net mechanisms, such as savings associations, co-operatives, loan providers, philanthropic groups or individuals are being adapted in response to the growing numbers of vulnerable children and adults. For example, pooling of community labour to help prepare and plough fields is increasingly practised; rural communities are revitalising grain-saving schemes to assist orphan households; and many religious groups are developing responses for AIDS-affected children and households. Communities provide more than 90 per cent of the economic support currently received by AIDS-affected households. In a World Bank study in Tanzania, 90 per cent of material assistance provided to help AIDS-affected households came from relatives and community groups (Mutangadura *et al.*, 1999).

*A survey of faith groups in Namibia found that 87 per cent had established an activity in response to HIV/AIDS. Of 109 faith-based groups, 26 per cent had fully-fledged HIV/AIDS programmes, 33 per cent had a developing response, 28 per cent a minimal response and 13 per cent no response.*

*Another study of 690 faith-based organisations in six countries found that 95 per cent were engaged in OVC support activities, involving over 9,000 volunteers and supporting some 157,000 vulnerable children.*

(Yates, 2003)

### Communities are responding

Many communities in Africa view the impact of HIV/AIDS on children as one of the most important impacts of the HIV/AIDS epidemic and are responding with community initiatives.

*50 residents from 30 villages in south-western Uganda were asked what they saw as the main problems affecting their community as a result of HIV. The three problems ranked equal highest were: many orphans; lack of child counselling, parental guidance and care; and poverty or reduced income.*

(Bolton and Wilk, 2004)

Community responses offer a unique opportunity for a well-targeted and long-term strategy to support destitute households and vulnerable children:

- Community child-focused initiatives can involve parenting, protection, psychosocial and spiritual support in addition to economic support, giving an appropriate blend of material and psychosocial assistance.
- CBOs are usually concerned to avoid dependency, by providing handouts only where absolutely necessary; instead, they often promote self-help initiatives.
- CBOs are often best positioned to decide appropriate targeting; however, they may need some support to ensure that they prioritise based on greatest need.

- Activities implemented by communities frequently benefit entire households, rather than simply individual children.
- Community support is flexible and can be mobilised rapidly in response to crises, allowing households to arrest their downward spiral and avoid coping strategies detrimental to long-term survival.
- Administrative costs for support activities run by CBOs are low. ‘Community and faith-based organizations appear to have a comparative advantage over international NGOs in delivering services to the most beneficiaries in the most cost-effective manner’ (STRIVE Phase 1 Summary Report, CRS, Zimbabwe, undated).

*Some of the most effective initiatives to support children affected by HIV/AIDS are low cost and receive small amounts of private funding. For example, in Zimbabwe, the Bethany Project mobilised 656 volunteers throughout an entire district. They provided visits and material support to 4,952 needy orphans and 3,052 other children at an annual cost of \$20,000, or \$2.50 per child. Family AIDS Caring Trust (FACT) mobilised seven communities involving 142 volunteers supporting 6,500 orphans and vulnerable children in 2,170 households at a cost of \$3 per child, \$10 per family and \$0.31 per visit.*

(Phiri *et al.*, 2000)

*A survey by the Uganda AIDS Commission is the only analysis of national-level funding that relates to orphans and vulnerable children, although in this case the study focused on orphan care. The survey identified 183 organisations receiving funding, supporting 88,065 orphans (less than 5 per cent of orphans in Uganda). The average cost per child supported in larger NGO programmes was 170 per cent higher than smaller CBO programmes.*

(Deininger *et al.*, 2001)

Many key international actors are finally recognising the importance of communities in the response to HIV/AIDS. Community responses are identified as one of the five key strategies underlying the widely endorsed ‘Framework for the protection, care and support of orphans and vulnerable children living in a world with HIV and AIDS’ (UNICEF 2004).

Currently, most community initiatives are self-financed, as few programmes exist to channel resources to community-level groups, and those that do exist function poorly. There is limited information on how much funding actually reaches children and even less on the impact that interventions achieve. Success is mostly localised. There are an enormous number of small projects that are doing excellent work. However, these are far from reaching the numbers of children that require support, and from providing them with the range and quality of services that they so

### International guidance on support to children at community level

The five key strategies underlying the ‘Framework for the protection, care and support of orphans and vulnerable children living in a world with HIV and AIDS’ are as follows:

1. Strengthen the **capacity of families** to protect and care for orphans and vulnerable children by prolonging the lives of parents and providing economic, psychosocial and other support.
2. Mobilise and support **community-based responses**.
3. Ensure access for orphans and vulnerable children to **essential services**, including education, healthcare, birth registration and other services.
4. Ensure that **governments protect** the most vulnerable children through improved policy and legislation and by channelling resources to families and communities.
5. Raise awareness at all levels through advocacy and social mobilisation to create a **supportive environment** for children and families affected by HIV/AIDS.

desperately need. A few programmes are being scaled up, and increasing numbers of children are being reached. But it is clear that while progress is being made, the scale of the response is inadequate compared to the growing needs of an expanding population of children affected by HIV/AIDS.

*A six-country study conducted in Kenya, Malawi, Mozambique, Namibia, Swaziland and Uganda*

*identified 690 faith-based organisations that cumulatively supported over 156,000 orphans and vulnerable children. Most were small; however, the collective reach is significant. Most initiatives were self-financed, an indication that large numbers of children are supported by faith-based organisations with most receiving insignificant external funding.*

(Foster, 2004)

# 3 Voices from the communities

Most analyses of responses to vulnerable children never reach to the levels of communities. Often, NGOs are wrongly seen to reflect the communities. This research attempted to find these communities, with varying degrees of success.

## Study questions and methodology

This research sought to answer the following questions:

- Which mechanisms exist to channel resources to community-level organisations in southern Africa?
- Which mechanisms are effective in reaching an adequate number of the most vulnerable children, with reasonable levels of accountability and impact?
- Which mechanisms are getting adequate support from resource providers, and if they are not, why not?

The research consisted of a literature review and rapid in-country research in Mozambique, South Africa, Swaziland and Zimbabwe. Researchers interviewed CBOs, congregations, small NGOs and local government officials at community or district level and, at national or provincial level, government agencies, international and religious donors, NGOs, trust funds and community foundations. Each researcher produced a report analysing mechanisms for channelling resources to community-level groups in their country. The findings from the country studies were incorporated into this review. Recommendations were developed through a participatory process.

## Limitations

A number of methodological and response-related limitations were noted in carrying out the study:

### Methodological

- **Comprehensiveness:** The research was a rapid assessment of funding mechanisms and did not

attempt to investigate all possible mechanisms in every area of each country. Rather, it sought to obtain the views of representatives of different types of organisations concerning the strengths and weaknesses of different mechanisms of providing resources to community groups.

- **Detail:** The research did not attempt to look in depth at any single funding mechanism. It relied on information provided by key informants.
- **Identifying community groups:** Community groups supporting vulnerable children are widespread in the study countries. Nonetheless, researchers had difficulty developing a detailed overview of community-level groups in each country and identifying a pool of groups to interview. Directories of community groups do not exist or do not identify which community groups assist vulnerable children. Most community groups were identified during interviews with resource organisations or intermediary NGOs, leading to selection bias.

### Response-related

- **Availability:** In some cases, researchers were unable to obtain interviews with organisations, particularly with government officials, because of non-availability of staff or reluctance to be interviewed without high-level permission.
- **Knowledge of own organisation's expenditure:** Most respondents did not know how much of their funding was spent at community level or how much of their overall funding was earmarked for activities to support vulnerable children.
- **Knowledge of other organisations' programmes:** Respondents could not provide estimates of amounts of funding spent by other organisations to support vulnerable children, either nationally or at community level.
- **Lack of knowledge of community initiatives:** Many respondents were not familiar with the

### Box 2: Three categories of community-level organisations were included in this study:

1. Non-governmental organisations (NGOs) employ staff, submit funding proposals, receive donor support and operate projects. The study focused on 'small' NGOs with fewer than ten staff.
2. Community-based organisations (CBOs) are membership organisations that rely exclusively on volunteers, and normally receive little external funding.
3. Community initiatives or voluntary associations are less developed than CBOs. They include labour-sharing schemes, agricultural co-operatives, revolving savings and credit associations, burial societies, grain loan schemes, mutual assistance associations, support groups for persons living with HIV/AIDS (PLHA), home-care initiatives and support initiatives for vulnerable children. Most research never makes it to this level.

activities of community groups in supporting and protecting vulnerable children, or appreciation of the perspectives of community members. It was therefore difficult for researchers to maintain a focus on the volunteer sector during the study (see Box 2).

- **Sensitivity of financial information:** A few respondents refused to provide financial information concerning their grants or provide estimates of proportions of funding spent at community level.
- **Bias in responses:** Researchers felt that some respondents downplayed the capacity of community groups to manage resources, possibly because of concerns that their funding might be redirected.

## Findings from the community

In the study countries, hardly any community groups directly access donor funds or receive grants to support their activities helping vulnerable children. The few community groups that receive external resources generally access these through NGOs acting as intermediaries. Intermediary NGOs submit project proposals to donors because community groups may not be able to satisfy donor requirements in terms of proposal submission, reporting and financial accounting. NGOs do not always consult with community partners to ensure that these proposals meet the requirements of communities.

## Obstacles to obtaining funding

Community respondents identified many obstacles they had to overcome in order to obtain funding.

- **Identification of funders:** Community groups must know who provides funding and how to make contact with them. This is often hard for small, rural community initiatives.
- **Funder requirements:** Groups must understand the requirements of funders and identify whether they meet these requirements. They must then decide whether it is worth investing time and effort to submit an application. Respondents thought there was a gap between what communities felt was needed to support vulnerable children (with an emphasis on family-focused responses) and what funders were prepared to grant in terms of predetermined target populations (eg, limited to 'double orphans') and services (eg, 'food parcels to 20 families').
- **Making applications:** The format of applications is frequently complicated. Community respondents considered cumbersome application documents and budgeting requirements tilted the application process in favour of established NGOs and believed that donors are largely unaware of the existence of such groups, know little about their capacity to meet donor standards and therefore set requirements that their target agencies (intermediaries) can meet.
- **Checking progress of applications:** Community groups complained that they received little or no communication from funders following submission of applications.



## NAC funding and the experience of faith-based HIV/AIDS programmes in Malawi

In 2004, the Evangelical Association of Malawi collected information from 15 churches involved in applying for National AIDS Council (NAC) funding. The experience was an uphill struggle, with most choosing to drop out of the application process:

- **The process to apply for funding is complex and time-consuming.** Of the 15 churches, eight applied for NAC funding and were unsuccessful. Many spoke of sending proposals, getting feedback, sending more information and eventually giving up due to lack of response. Only one church had their proposal approved but they were still waiting to receive funds.
- **There is a lack of information about the funding process and requests for information from NAC are not responded to promptly.** Churches knew little about NAC proposal guidelines and other important information. They thought that faith-based organisations (FBOs) were rarely invited to participate in NAC forums. Government ministries and NGOs were perceived to have more information than faith-based groups.
- **Lack of communication and collaboration among the churches.** Few churches and other FBOs knew about proposal guidelines and other important information and could share information more widely with other churches.
- **Few churches could meet the standard required in the NAC proposal format.** The NAC proposal guidelines required high standards

of proposal writing and considerable effort and time that few churches could afford. Traditionally, churches have requested financial support by writing a letter with problem details, suggested activities and the lump sum of money required. Many churches see this as a 'proposal'. Responding to needs at local level is one of the strengths of the churches, but producing 'professional' proposals is a weakness.

- **Despite committing to work with FBOs, NAC had not built into its support a capacity-building component for community-level organisations.** It was believed that NAC was set up to work, support and collaborate with institutions that already had organisational capacity.
- **Funding mechanisms at district level are not seen as open and transparent.** Umbrella bodies at district level were set up to approve funding for district-level responses. These bodies tended to be NGOs, with the intention that their functions will be handed over to District Assemblies in the future. Churches perceived that priorities at district level were dependent on the values and sectoral strengths of umbrella bodies. Secular umbrella bodies were perceived to have negative attitudes towards church programmes because the latter did not promote condom distribution.

(Taylor, 2005a and b)

## Why funds do not reach communities

Respondents were asked why so few grant-makers provide resources to community groups.

- **Donor perceptions:** The most common response from both community and central levels was that donors believed that community groups lacked capacity to account for funds. Community respondents agreed that though this was the perception of donors, communities were in fact

able to account for funds. A study of FBOs supporting vulnerable children reached a similar conclusion, finding that congregations and CBOs had similar levels of capacity in terms of governance and financial systems to NGOs and religious co-ordinating bodies (Foster, 2004).

- **Challenges of small grants:** Grant-makers have difficulty administering small grants. This is often a bottleneck related to donor capacity, making it

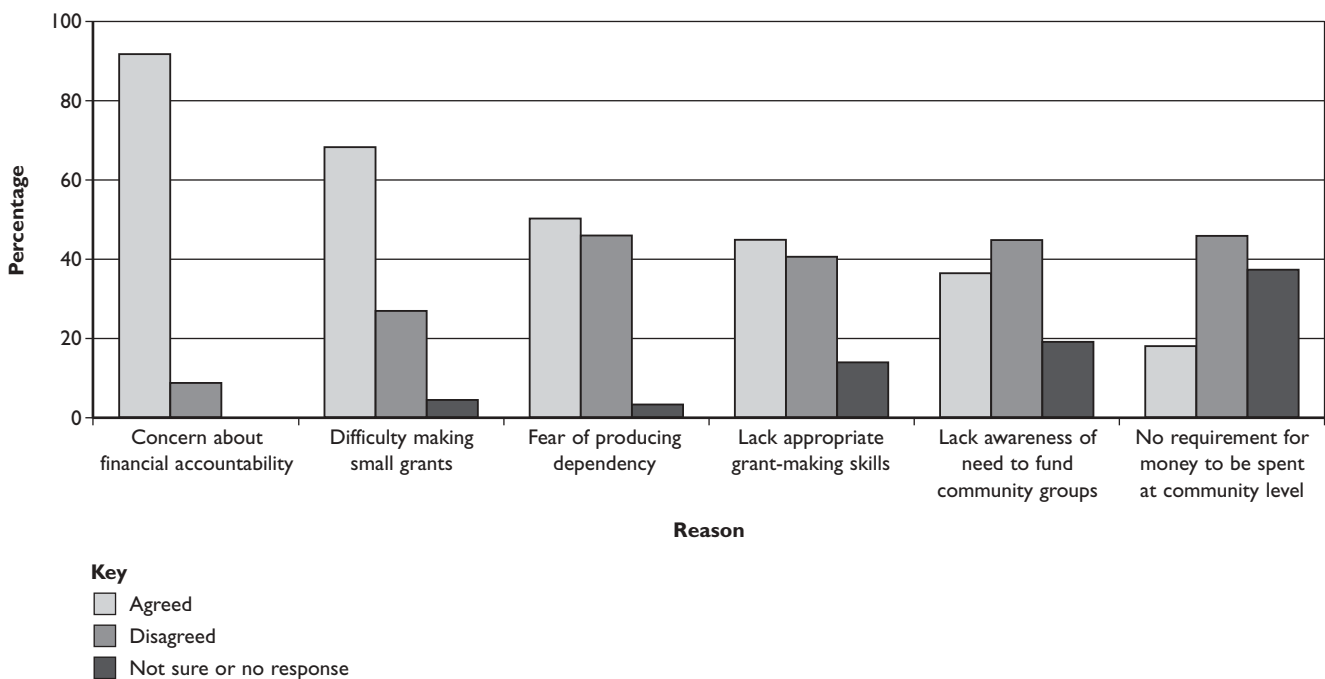
uneconomic for them to provide small grants in view of high transactional costs. Some community respondents stated that donors did not consider it their responsibility to fund small groups. Others suggested that donors were competing with each other and preferred to link their names and funds to large, well-known and successful organisations rather than risk not being known, appreciated and respected by their competitors. Most grant-makers did not consider using the proportion of money spent at community level as an indicator to measure funding effectiveness, and were resistant to the idea of making small grants to community groups because of the additional work this would entail.

### Where funding comes from

The in-country research found very few examples of effective mechanisms for channelling resources to community-level organisations responding to vulnerable children. Neither donors, government departments, intermediary NGOs nor community groups could provide examples of effective mechanisms channelling resources to large numbers of community-level groups.

Some small-scale examples of effective community funding were identified. Respondents thought that NGOs supporting community groups were one of the more successful mechanisms, as they helped to build the capacity of CBOs as well as providing financial support. In particular, they felt that NGOs built capacity of staff and volunteers through training in areas such as administration systems, project management, financial record keeping and proposal writing. However, several limitations were identified:

- **Lack of knowledge:** NGOs frequently initiate projects and specify the resources that are available but these may not meet the needs of communities.
- **NGO control:** Some NGOs seek to control community partners and maintain their dependency rather than build their capacity so that community groups can obtain funding directly from donors. It is especially important that international NGOs become involved in building the capacity of local organisations rather than direct service delivery to vulnerable children, in view of the long-term needs of communities and issues of sustainability.



**Figure 1: Why donors and intermediary NGOs do not provide more resources to community groups responding to vulnerable children (N = 20)**

- **Lack of understanding:** It seems that donors are happiest giving grants to fund the salaries and programmes of governments and large NGOs but are resistant to giving money to grassroots groups to match community members' own out-of-pocket contributions to support vulnerable children.

Community respondents also thought religious organisations were good resource partners, as they provided important non-financial support, such as the provision of office premises, and the possibility of receiving long-term support from local sources through links with regional and national religious organisations. Community respondents thought direct funding by governments and large donors was less successful, and several problems were mentioned, especially in relation to government funding:

- **short-term** duration and insufficiency of funding, and often late delivery of funds
- **inflexibility in use of funding**, with inability to roll over funding into subsequent year even after late disbursement
- **conditionality of funding**, in one case, money was

### **Loss of identity of community-based organisations through external funding**

The extent of loss of identity was illustrated at one of the drop-in centres visited, where staff identified 'the government' as their boss and requested that all correspondence be submitted through this channel. In some cases, the outlay of substantial government funding has preceded the erosion of organisational identity, with the gradual establishment of a class of organisations that have been termed 'government-based organisations' (GBOs). These are mostly majority government-funded and are seen by other NGOs as the implementation arm of government, with the distinction between these organisations and government being blurred. Some GBO staff claimed that government funding was awarded to them so that government could claim responsibility for their organisation's success.

Country researcher, South Africa

only donated for the upkeep of orphans and vulnerable children who were between the ages of five and seven

- **remote decision-making**, decisions about funding made at a distance from communities without site visits
- **unreasonable monitoring**, constraints imposed on CBOs in terms of bureaucracy and strict monitoring requirements that were not possible to comply with or not felt to be useful
- **Staff turnover**, loss of trained staff to government, associated with low NGO salaries in some of the research countries
- **Funding not available**, designated funds being diverted by funding bodies for other uses
- **Loss of identity**, incorporation of CBOs into their funder's operational strategies leading to loss of identity (see below).

### **How funding mechanisms can meet community needs**

Respondents requested that funding mechanisms be modified to meet their needs in the following ways:

- **Simple application systems:** In addition to being simple, application processes should minimise competitiveness between community groups.
- **Communication with funders:** Groups requested help from funders in making applications and feedback about the progress of their submissions. They also wanted to hear from funders if there were delays in the provision of funding.
- **Appropriate grant size:** Respondents stated that they were not concerned that receiving grants would lead to them becoming dependent: 'We don't need a lot, just the necessary,' said one Mozambican group. Some community groups were concerned that receiving grants from a single source might lead to them being taken over by grant-makers and losing their identity.
- **Long-term funding:** The HIV/AIDS and vulnerable children crises in Africa are long term. Therefore, there is a need for long-term partnerships. Short-term funding leads to lack of partnership development and encourages opportunism in the use of funds. Rather than one-off grants that might overwhelm their

activities, community groups requested grants that were commensurate with their developing capacity and committed over longer periods than one year at a time.

- **Flexibility:** Community groups provide broad-based support to vulnerable children and their families and were well aware of the need to promote self-sufficiency and reduce dependency creation. Grants that imposed strict targeting and usage criteria limited their ability to respond appropriately to the needs of vulnerable households. Groups also wanted grant-makers to allow them to roll over unspent funds rather than withdrawing funding not spent by set timescales that were sometimes ludicrously short.
- **Capacity-building:** Community respondents requested that together with funding they receive technical support through visits and training provided by partner NGOs and religious co-ordinating bodies.
- **Lack of access:** Respondents believed that funds were generally sufficient to enable vulnerable households to be supported but the main problem was their lack of accessibility. Smaller organisations were unable to access funding designated to assist vulnerable children. Some believed their organisations were as deserving of funding as larger NGOs in view of their quality of work, but thought they were less 'glamorous' and did not have the resources to engage in good public relations.

Many community initiatives wish to expand their activities to involve more volunteers and support more children. Their organisational capacity is weak and their material resources are finite. To expand their activities, community groups need additional financial resources and support in the form of training and advice. Thousands of under-resourced community groups are desperately looking for small injections of capital to help expand their struggling initiatives.

*Donors and their partners should take the risk, and trust communities. Unless this is done, we will continue to have a separation between donor-funded programmes and community initiatives.*

Mozambican CBO

### **Risk grants to community-based organisations and emerging NGOs**

The Firelight Foundation (FLF) is a US-based foundation established in 2000 supporting vulnerable children in 12 African countries through grants to small NGOs and CBOs. By 2004, the foundation had made grants totalling \$3.5 million to 170 grantee-partners. It plans to increase its annual grant-making to \$1.35m in 2005. Most grants are for less than \$10,000. 'Risk' grants are one-year grants of \$5,000 or less awarded to organisations with little or no experience of administering external donor funding. Around one-third of FLF grants are risk grants, representing seven per cent of total grant-making. After one year, three-quarters of grants were considered successful and grantees received re-grants. Risk grants led to organisational growth, with strengthening of NGO leadership, strategic development and increased community participation. Some organisations succeeded in acquiring extensive new funding from other sources. Around one-quarter of risk grants were not renewed, mostly because of concerns about programme orientation rather than organisational capacity. Early risk grants were larger but average size of grants has fallen as FLF learned more about the absorptive capacity of its potential grantee partners. FLF is now seeking to establish a new approach (mini-umbrella grants) to get even smaller grants to small community groups through intermediary organisations.

There are few channels along which finances can flow from resource providers to community implementers. Mechanisms to deliver small grants combined with appropriate technical support to community groups are rudimentary or non-existent. Community groups with limited capacity find it difficult to navigate complex funding application procedures and overcome obstacles placed in their way by grant-makers. What is needed is a financial plumbing system that will channel resources to community and household level.

## 4 Current HIV/AIDS expenditure and funding delivery

Global funding for HIV/AIDS is substantial and increasing. In 1996, AIDS funding in low- and middle-income countries totalled \$300m,<sup>3</sup> representing 6 per cent of donor health assistance. By 2002, funding increased to \$1.7bn (Figure 2), and in 2003, \$4.7bn was available for AIDS responses, including government and household expenditure, which was estimated to have met 84 per cent of the total global HIV/AIDS funding need (UNAIDS, 2004). The total amount of HIV/AIDS funding required is expected to increase significantly during the next decade.

The global resources required for the care of orphans and vulnerable children were estimated to be \$600m in 2004, increasing to \$2bn in 2007. Many international initiatives, such as The Global Fund to fight AIDS, Tuberculosis and Malaria (subsequently referred to as The Global Fund), the US President's Emergency Plan for AIDS Relief (PEPFAR), and the

UK Government's HIV/AIDS funding, specifically recognise the importance of supporting vulnerable children. Both the US and the UK governments have committed to specific spending targets on orphans and vulnerable children.

### National expenditure on HIV/AIDS and orphans and vulnerable children

In 2002, government spending on AIDS programmes by 58 low- and middle-income countries was about \$995m (UNAIDS, 2004). Although there has been increased interest in recent years, at national level, less attention is still given to the protection of orphans and vulnerable children than to mother-to-child transmission, HIV/AIDS prevention among young people, or the provision of care and treatment of people living with HIV/AIDS.

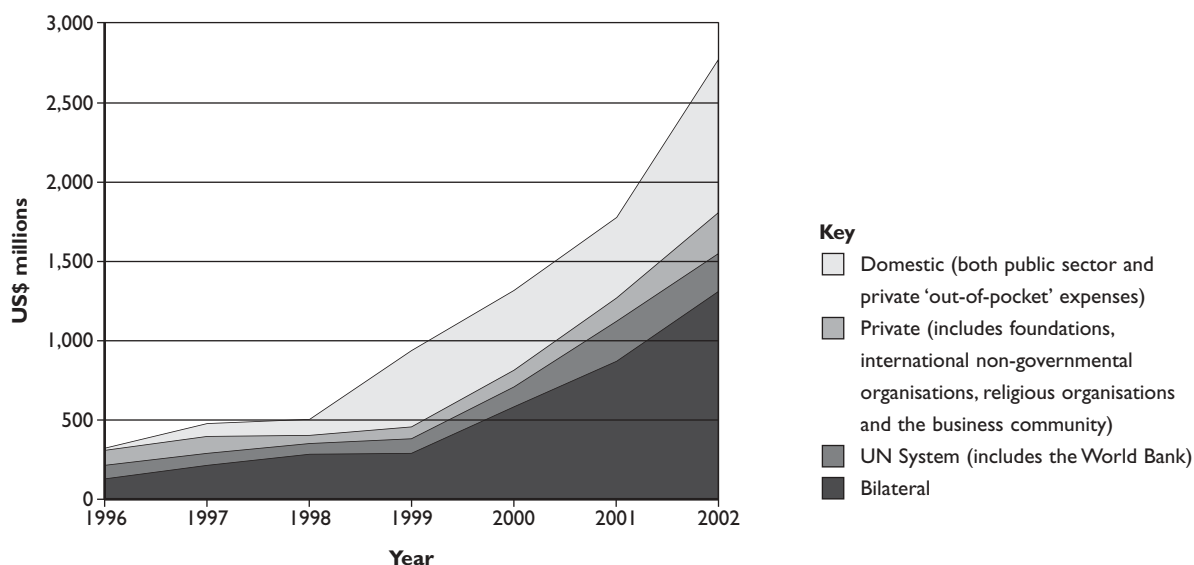


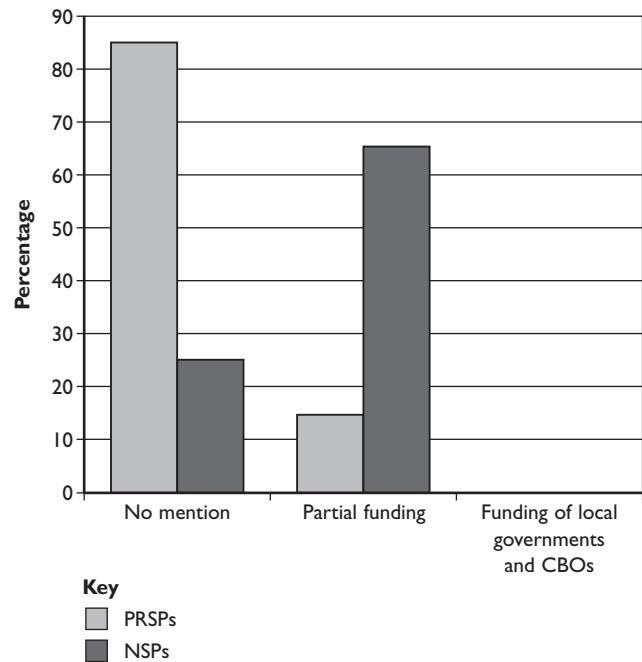
Figure 2: Institutional spending for HIV & AIDS 1996-2002 (US\$ disbursements in millions)

The lack of attention given to the needs of vulnerable children is apparent in many other policy documents. There is limited attention to the needs of children in Poverty Reduction Strategy Papers (PRSPs). This may be because National Strategic HIV/AIDS Plans (NSPs) also give little attention to the issue, despite the magnitude of the problem. In African countries, the issue of orphans and vulnerable children was mentioned in only one-third of PRSPs and NSPs. Furthermore, no countries budgeted for OVC activities, suggesting that even where the issue was identified, there was a high risk of policy slippage, with OVC interventions falling off poverty reduction agendas prior to their implementation. Some recent initiatives may help to increase the focus on vulnerable children. For example, the recent UNICEF-led Rapid Assessment, Analysis and Action Planning (RAAAP) process led to the development of multi-sectoral National Plans of Action on vulnerable children in 16 sub-Saharan African countries.

## Household and community expenditure on HIV/AIDS

Households are the first line of response to children affected by AIDS. Individual out-of-pocket spending represents the largest single component of overall HIV/AIDS spending in many countries in sub-Saharan Africa. UNAIDS estimates that spending by individuals on HIV/AIDS in 2003 exceeded \$1bn, with people most likely to pay in the poorest countries where public health sector infrastructure is weak. In Kenya, 41 per cent of total spending on HIV/AIDS came directly from the pockets of Kenyan citizens, while in Rwanda, out-of-pocket spending amounted to a staggering 93 per cent (UNAIDS, 2004). In addition, indirect costs are also substantial and include loss of care-givers' earnings. For example, in Tanzania, women caring for sick relatives spent 45 per cent less time involved in agriculture (UNAIDS, 2004).

Many of the rural poor in developing countries pay 85 per cent of the total cost of the health services they receive (Sachs, 2001). Around 90 per cent of HIV-positive people do not receive basic HIV/AIDS



**Figure 3: Funding for local governments and community-based organisations by strategic plans (Bonnel et al., 2004)**

care from health facilities, and the situation regarding provision of social services is even worse. Since state-administered support is non-existent throughout much of Africa, the main form of social insurance for households facing crises consists of supportive relatives.

The rationale for including communities in the response is clear. The priority question for governments, international agencies and others is how best to ensure that available and new resources can most efficiently and effectively be disbursed in order to build the capacity of affected communities and households and benefit vulnerable children.

## Resources spent at community level

It is difficult to determine what proportion of funds donated for the support of vulnerable children reaches community level. Tracking of AIDS resources is poorly developed or neglected and is a low priority in most sub-Saharan countries (UNAIDS, 2004). For example, there is a problem in tracking what is happening

with Global Fund resources beyond national-level disbursements. This raises serious concerns about the accountability and impact of the funds provided and is incompatible with The Global Fund's commitment to maintain transparent monitoring (Taylor, 2005b).

Budgetary analysis enables evaluation of equity issues, and can help determine whether resources are allocated fairly, but cannot track distribution of funds (IDASA, 2004). Currently, most countries only monitor HIV/AIDS funding flowing to ministries of health. Data is generally not available to enable estimates of government spending to support orphans and other children made vulnerable by HIV/AIDS. Both the World Bank's Multi-Country HIV and AIDS Programme for Africa (MAP) initiative and the Global Fund track funding distributed to organisations and rely on audits of national expenditure to assess whether resources have been used appropriately; however, important financial information on where money is spent is not available. It is thus currently impossible to determine what proportion of resources designated 'OVC' actually reach affected communities and households in order to directly benefit vulnerable children.

Even when organisations closely monitor how money is spent, they rarely track community expenditure in much detail. PEPFAR awarded multi-million dollar

grants to international NGOs in 2004 to establish OVC programmes; however, despite sophisticated results packages monitoring a broad range of indicators, tracking the amount and proportion of resources reaching affected communities was not one of those stipulated.

## How funding is currently delivered

The flow of HIV/AIDS funding from grant-makers to affected communities and households has been likened to a financial plumbing system, with reservoirs of resources and 'pipes' or mechanisms along which financial resources flow (see Figure 4).

The funding streams can be further broken down.

### Government structures

Some governments have set up national funds to support those affected by HIV/AIDS. Governments raise limited money from general revenues and supplement this with budgetary support from international agencies. South Africa is a notable exception, where there is substantial national government and private funding.

### International organisations

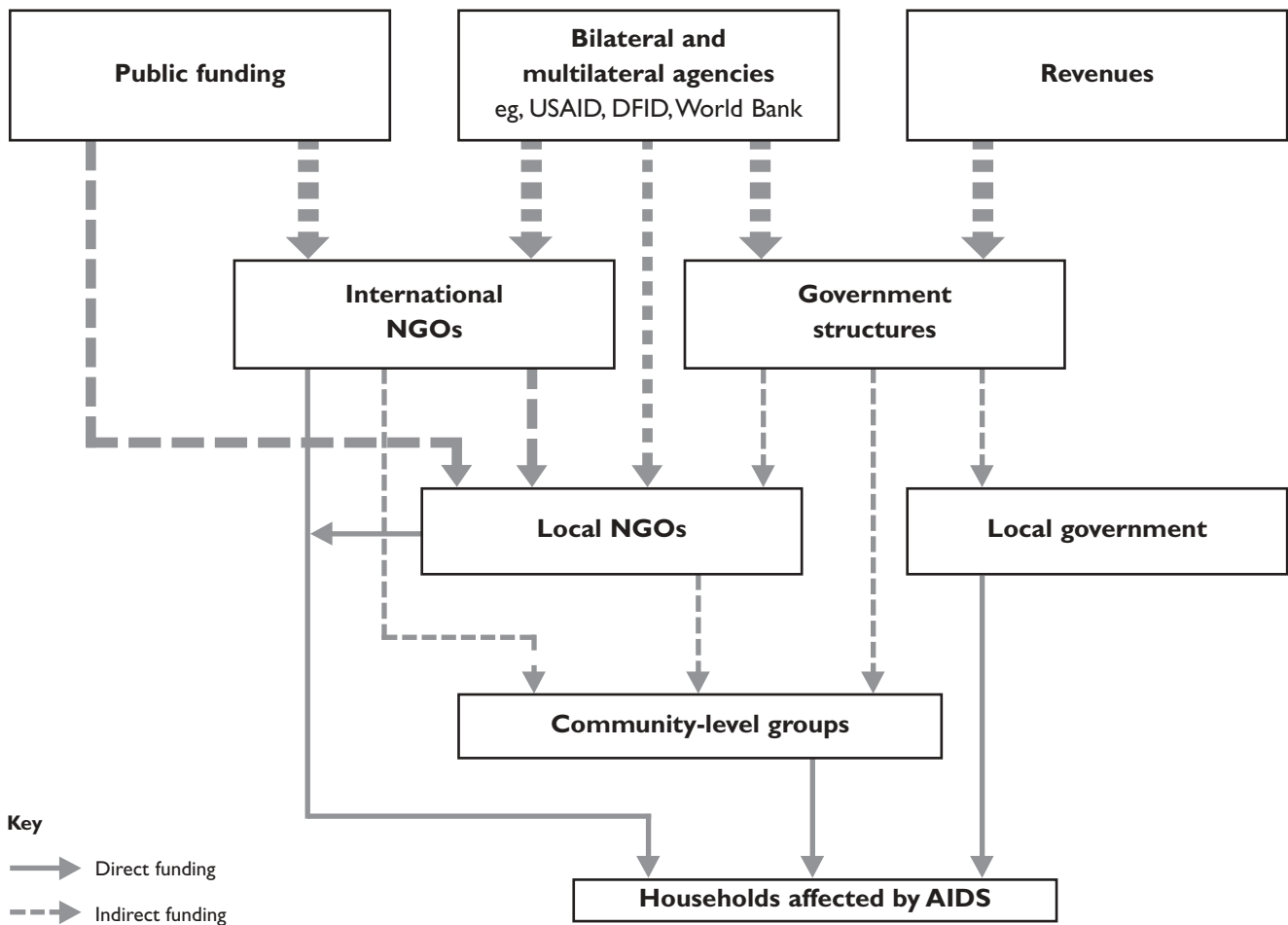
International organisations include international NGOs and bilateral and multilateral agencies. They raise money from governments of the North, the private sector and individual contributions. Some administer their own programmes of direct support targeting affected households and communities, and they may also provide indirect assistance through projects implemented or supervised by NGOs, faith-based organisations and local government departments.

International donors have certain advantages in making grants to smaller organisations. They have access to large amounts of money, knowledge of best practices in programming, experience and expertise in making grants, and the ability to provide technical support to grantees. But international grant-making also has some weaknesses: funding decisions may not

### Community-level expenditure

Family AIDS Caring Trust's families, orphans and children under stress (FOCUS) programme in Zimbabwe is one of the few studies where community-level expenditure was calculated and disclosed. In 1996, the programme supported 3,192 orphans; expenditure was \$26,000, with 51 per cent spent at community level in the form of material assistance (31 per cent), volunteer meetings (11 per cent), and incentives (9 per cent); 49 per cent of the funding grant was spent at organisational level in the form of salaries (27 per cent), transport (13 per cent) and other costs (9 per cent).

(Drew *et al.*, 1998)



**Figure 4: Resource flows to communities and households**

be in keeping with national policies; decisions are usually made by foreigners rather than by local organisations, discouraging national linkages and accountability; processes frequently involve externally driven 'project' approaches to development; grants are often limited to short time periods; and donors may superimpose their own strategies and values on local communities (Williamson *et al.*, 2002).

Theoretically, nationally defined grant-making mechanisms have advantages over international grant-making structures, because of their proximity to potential grantees, their promotion of national linkages and their appreciation of local values and needs.

New channels have been established to distribute Global Fund and World Bank funds, with funding

designated for the support of communities affected by AIDS (Global Fund, 2004). The Global Fund states: 'The Technical Review Panel looks for proposals that give due priority to groups and communities most affected and/or at risk, including by strengthening the participation of communities and people infected and affected by the three diseases in the development and implementation of proposals.' Taylor (2005b) draws attention to the weakness inherent in this statement regarding its lack of specificity about the amount of funding reaching community groups. A key component of The Global Fund's delivery mechanism is the Country Co-ordination Mechanism (CCM), a 'round-table' used to develop proposals based on priority needs at national level. CCMs are central to The Global Fund's commitment to local ownership, participatory decision-making and monitoring the progress of implementation. CCMs should have broad



### **The National AIDS Trust Fund of Zimbabwe**

In 1999, the Government of Zimbabwe introduced an AIDS levy on taxpayers, representing three per cent of their tax bill, to cushion the impact of AIDS by providing a source of income to those whose lives were affected by the pandemic. A National AIDS Trust Fund (NATF) was set up under the supervision of the National AIDS Council (NAC). The levy and trust fund were introduced partly to avoid over-reliance on donor funding that might compromise government responses if Western strategies were imposed or if projects were later abandoned by donors for political reasons; another consideration was to strengthen local responses to the epidemic and assist mitigation activities – areas receiving little support from donors. By 2002, the cumulative amount raised was Z\$6bn (US\$1.7m). Disbursements increased from Z\$160m in 2001 to Z\$1,626m in 2002 and Z\$4,238m by late 2003, during a period marked by hyperinflation. Funds were initially disbursed to NGOs and PLHA support groups and used for events such as drama, workshops and refresher courses. Membership organisations used funds to pay school fees, procure drugs or set up income-generating projects.

Audits found that proper books of accounts were not maintained and that the NAC had inadequate organisational capacity to effectively and efficiently administer the NATF. A special audit conducted after

misuse of funds by the Zimbabwe National Network for Positive People found there was little evidence that funds reached intended beneficiaries, and that there were few monitoring visits. Other special audits carried out on provincial and district government offices led to criminal prosecutions for misuse of the funds. Following these cases, the centralised disbursement system was replaced with a decentralised system. This is administered by NAC, through 11 provincial and 84 district AIDS action committees, with other committees at ward and village levels. The disbursement system is supported by AIDS co-ordinators employed by NAC based in government offices in each district and at provincial level, and the AIDS co-ordinators report to local government councils.

Problems related to NATF include misuse and control of funds and lack of programming experience. Some rural councils lack HIV/AIDS strategic capability and have distributed the Z\$20m (US\$6,000) or so they receive each quarter among the 30 or so wards in each district, who then divide the funds up among the five to ten villages per ward. Though there are reports of NATF funds used to support community initiatives, it is common to hear relatively little about the use of the funds and occasional reports of their misuse.

(Baird, S. 2005)

### **Undermining community coping strategies**

One community organisation in a remote rural area mobilised volunteers who were comprehensively supporting vulnerable children. A city-based organisation decided to start training community members in this area to establish OVC support activities. No contact was made with the local organisation, neither was there any acknowledgement of the local organisation's existence or programme. The

city organisation provided substantial payments to community members attending the workshop. This undermined the voluntarism that had been developed by the community organisation and risked compromising the community ownership for child support activities that had been painstakingly established over some time.

(Foster, 2002)

representation including government, multi- or bilateral agencies, civil society, academic institutions, the private sector, people living with the diseases and faith-based organisations, although where CCMs are distinct from government-constituted National AIDS Councils, they have sometimes been dominated by government representatives, with non-governmental representatives being appointed by processes that have not been completely transparent.

One half of World Bank MAP funds are earmarked for non-government use. The head of the World Bank stated that this programme deals with 30,000 CBOs (Wolfensohn, 2004). The Director of the HIV/AIDS programme explained: 'A Bank loan or grant goes to the government, and it is the central government that distributes the money through its channels. In the MAP we spent a lot of time building the financial plumbing system whereby 40 to 60 per cent of the resources go directly to the community' (Cashel, 2003). It is commendable that World Bank policy affirms the need to provide resources directly to communities that are on the front line of AIDS responses. However, recently established mechanisms

### Overwhelming community-based organisations

In their desire to support community initiatives, external organisations must be careful to avoid undermining community coping strategies. There is a proverb from the Congo that says: 'When you call for rain, remember to protect the banana trees.' In other words, the provision of external resources can, if we are not careful, actually make matters worse by flattening local responses. External agencies should remember that community initiatives are the front-line response to orphans and vulnerable children, and plan their support accordingly.

such as the national World Bank MAP programmes have operational issues to overcome before more money actually reaches communities. The 2004 interim review of MAP found weaknesses in governance, procedures and lack of multi-sectoral approaches, further noting there were no operational

### The AIDS Foundation of South Africa (AFSA)

AFSA has long recognised that smaller NGOs and CBOs face two major problems that impede their ability to perform and deliver effective and sustainable services to their communities: inadequate resources to work as effectively as possible, and limited capacity to plan, implement, monitor and evaluate their interventions effectively. AFSA makes longer-term (three-year) funding commitments to NGO and CBO grantees and strengthens these organisations through its technical support and capacity-building programme.

The thrust of the programme is to develop adequate levels of sustainability, enabling organisations to concentrate on delivering effective services instead of managing funding crises. The Foundation's approach to capacity building and technical support takes the form of 'coaching' and support by building close working relationships between the Foundation and each funded project. A member of the Foundation's project staff

visits each project four times a year. These visits afford the Foundation the opportunity to monitor progress, identify any problem areas and provide on-site support to projects. Also, each year the Foundation runs skills-building workshops of four days each for staff from grantee organisations, and two workshops for managers or directors of these organisations. AFSA reports that organisations it supports have demonstrated increased structural capacity, ability to manage their finances and use funds effectively, ability to plan, implement, monitor, and evaluate their work and technical capacity to run effective and relevant programmes. These improvements in turn have enabled NGOs and CBOs to deliver good quality HIV/AIDS services. By September 2001, the AIDS Foundation was supporting 45 organisations in KwaZulu-Natal, the Free State and Mpumalanga provinces.

(Referenced in Williamson *et al.*, 2002)

monitoring and evaluation systems at national level, nor incentives for them to be established (World Bank, 2004).

Confusion still exists in referring to ‘community’, which is often used synonymously with ‘non-governmental’. Giving money to an NGO is not the same as providing funds to ‘the community’; rather, we must look at what money is in fact getting closest to the ground to the implementing CBOs operating within their communities.

### Intermediary organisations

Few large donors use their grant-making mechanisms to directly support community groups. Donors wishing to channel resources to community groups usually use intermediary organisations, using a variety of local structures and organisations.

The following table outlines a number of different structures. It offers a brief description of key features and looks at advantages and disadvantages of each structure.

**Table 1: Advantages and disadvantages of different support structures**

Structure	Key features	Advantages	Disadvantages
Multi-layer committees <i>CCMs, NACs</i>	<ul style="list-style-type: none"> <li>usually set up by government, including government and civil society; at national, district and sub-district levels; co-ordinates HIV/AIDS activities generally, but may have specific interest in vulnerable children</li> <li>some sought to act in advisory role to donors by reviewing proposals or have proposed that committees be used to manage ‘basket’ for supporting community groups</li> </ul>	<ul style="list-style-type: none"> <li>notional reach to grassroots level</li> <li>lack of comprehensive coverage</li> <li>incorporation of key stakeholders at each level</li> <li>can support enabling environment through government involvement</li> </ul>	<ul style="list-style-type: none"> <li>lack of capacity to enable committee meetings to function and implement decisions</li> <li>politicisation of committees and favouritism in recommendations</li> </ul>
Networks, umbrella bodies and religious co-ordinating bodies: <i>Children in Need Network (Zambia), Network of Organizations Working in Support of Orphans and Vulnerable Children (Ethiopia), Church Alliance for Orphans (Namibia) and Zimbabwe Orphans through Extended Hands.</i>	<ul style="list-style-type: none"> <li>national or sub-national networks working for children; can be formal (secretariat and full-time staff) or informal (rotating secretariat)</li> <li>facilitate information exchange, collaboration, support, capacity building, research and sometimes distribution of funding</li> <li>membership may include NGOs, CBOs, national and local government, faith-based groups</li> <li>some receive funding from donors for onward granting; others advise linking donors to applicants; may assess quality and consistency of proposals with national policies</li> </ul>	<ul style="list-style-type: none"> <li>some involve key organisations</li> <li>may have technical support capacity</li> <li>able to assess legitimacy and capacity of applicants for funding</li> </ul>	<ul style="list-style-type: none"> <li>induces competition among members</li> <li>favouritism and prioritisation of powerful members</li> <li>lack of capacity and skills to supervise use of funds</li> <li>limited coverage and lack of inclusion of community groups</li> </ul>

*continued opposite*

Table I continued

Structure	Key features	Advantages	Disadvantages
<p>Intermediary NGOs (or CBO/NGO support organisation)</p> <p><i>International HIV/AIDS Alliance, Initiative Privée et Communautaire contre le SIDA (Burkina Faso), Family AIDS Caring Trust (Zimbabwe) and Private Agencies Cooperating Together (Ethiopia)</i></p>	<ul style="list-style-type: none"> <li>• has skills to mediate between grassroots groups and funding organisations</li> <li>• intermediary functions include training, capacity building, advocacy, information sharing, facilitation of networks and linkages between communities, resource channelling or grant-making</li> <li>• few provide capacity building to community groups not in their own service delivery programme</li> <li>• few include grant-making to CBOs due to lack of funds, grant management skills, and concern that grant-making may alter their relationship to other organisations</li> </ul>	<ul style="list-style-type: none"> <li>• strong management capacity and fiscal accountability</li> <li>• commitment to capacity building of partners</li> <li>• ability to provide appropriate mix of technical and financial support</li> </ul>	<ul style="list-style-type: none"> <li>• potential for high overhead costs, especially international NGOs</li> <li>• limited coverage</li> <li>• selective involvement of community groups</li> </ul>
<p>National or area fund or foundation</p> <p><i>Tanzania Social Action Trust Fund, Nelson Mandela Children's Fund (South Africa), and Malawi Social Action Fund</i></p>	<ul style="list-style-type: none"> <li>• larger scope, country-wide or sub-national geographic established within existing grant-making structure</li> <li>• creation of independent foundation or trust with specific purpose of promoting and supporting vulnerable children or supporting overall response to HIV/AIDS</li> <li>• decision-making boards with representatives of government bodies, civil society organisations, and/or businesses which set criteria for assessment of proposals</li> <li>• receive proposals directly from community groups or through intermediary bodies, who may play advisory role or decision-making role in relation to local proposals</li> <li>• receive funding from donors and/or generate resources through private sector investments or loans</li> <li>• may have capacity to conduct training and other forms of organisational development</li> </ul>	<ul style="list-style-type: none"> <li>• decision-makers knowledgeable about local conditions</li> <li>• works through or collaborates with existing structures or networks extending to grassroots level</li> <li>• grants in keeping with national policies and plans</li> <li>• provides a single vehicle for donors to support communities</li> <li>• can distribute large or small grants reaching large numbers of grassroots groups</li> </ul>	<ul style="list-style-type: none"> <li>• may lack access to networks reaching the grassroots level or only fund NGOs leading to difficulties in decision-making about which proposals to fund</li> <li>• higher overhead costs than less formal mechanisms due to need for staff to manage disbursements, ensure accountability and provide capacity building</li> <li>• demands high level of skills such as Board establishment, grant-making and capacity building</li> </ul>

## 5 Bottlenecks in delivery mechanisms

It is clear that external resources for HIV/AIDS are proliferating and community responses are expanding. Yet the two processes function almost completely separately, despite the professed desire of donors to channel resources to community level. As previously stated, our in-country research found very few examples of effective mechanisms for channelling resources to community-level organisations responding to vulnerable children. Neither donors, government

departments, intermediary NGOs nor community groups could provide examples of effective mechanisms channelling resources to large numbers of community-level groups.

The systems along which funding flows can be lengthy, with central government funds following intricate paths through various departments and then out through different bureaucracies and

### Approaches in Zambia

Zambia took an innovative approach to The Global Fund. It set up four Principal Recipients representing different approaches to disbursement:

- Central Board of Health of Zambia – the implementing arm of the Ministry of Health
- Churches Health Association of Zambia (CHAZ) – a national faith-based organisation
- Ministry of Finance and National Planning – which manages funds for ministries in the public sector
- Zambia National AIDS Network – NGO/CBO network with significant reach into local communities.

CHAZ is an umbrella organisation of church health institutions in Zambia. With an established network of health staff, it provides 30 per cent of all healthcare in Zambia, and 50 per cent of all healthcare in rural areas. It was at the forefront of responding to AIDS in Zambia, and so has played a significant role in developing Zambia's Global Fund proposals. Under Zambia's Round One proposal, The Global Fund will provide CHAZ with more than \$6m to respond to AIDS. CHAZ passes these funds to 13 sub-recipients, including the Evangelical Fellowship of Zambia (EFZ).

EFZ is the secretariat of a national network of more than 100 churches and organisations. Some EFZ members are themselves denominations with thousands of local congregations. EFZ's first Global Fund resources totalled more than \$40,000 and covered start-up costs for EFZ and grants to 16 churches to enable them to scale up and continue existing initiatives. Some of these grants were for recurrent costs, others for one-offs such as payment of school fees or provision of uniforms.

EFZ is committed to enabling other churches to start up responses to HIV and AIDS. It has proactively shared the opportunities and information with church leaders in the provinces. To make applications easier, EFZ has developed a simple, standard questionnaire for proposals. Two members of staff are available to provide advice and assist with the proposal: in some cases they will visit and complete the questionnaire with the applying congregation. A sub-committee then appraises completed proposals. Given this approach, EFZ has many proposals in the pipeline and anticipates a programme that will grow considerably over several years.

(Taylor, 2005a and b)

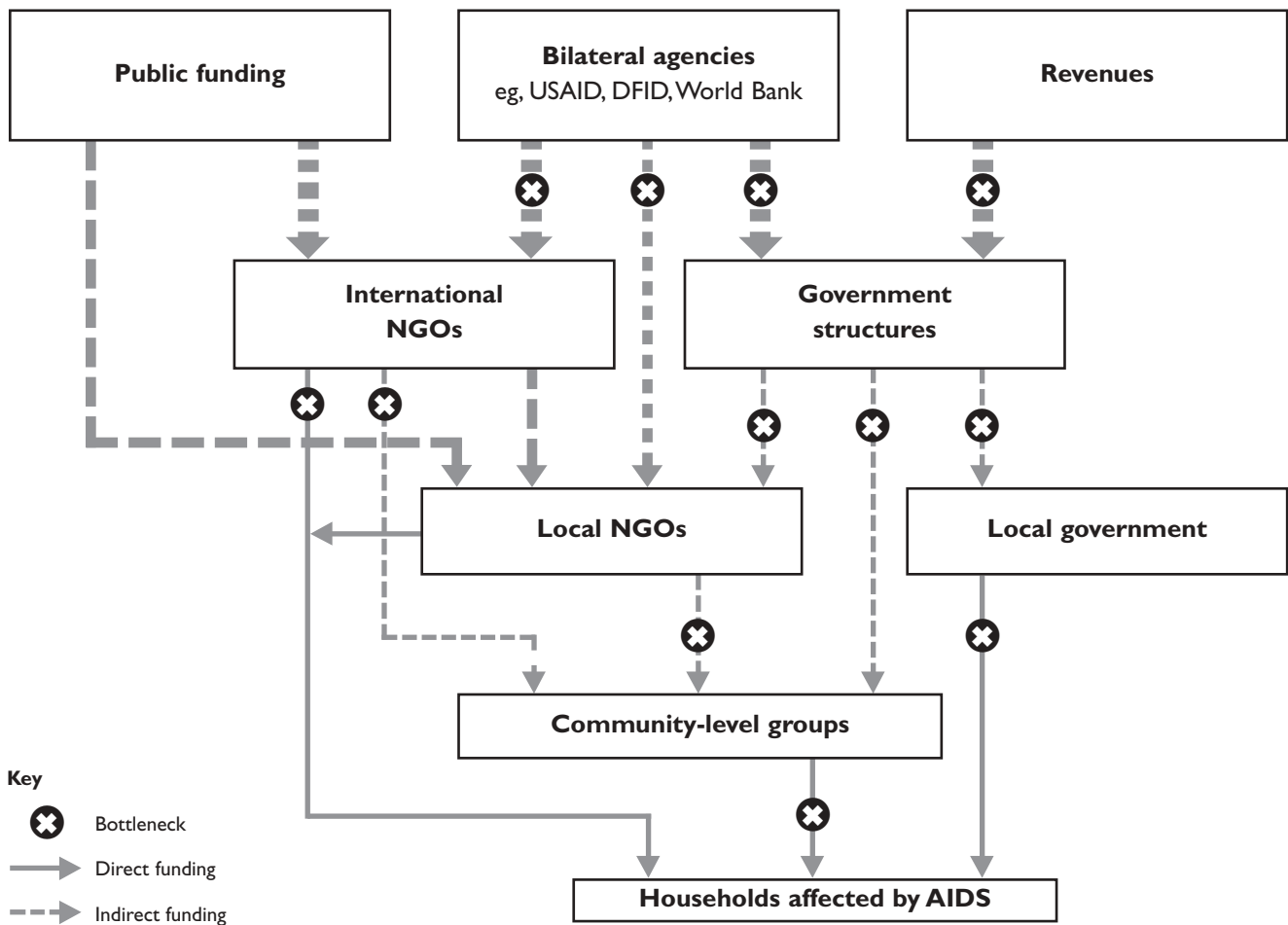


Figure 5: Blockages in resource flows to communities and households

cascades of sub-contracted organisations. At each step, a percentage, sometimes a major proportion of the money available for on-granting, is utilised by the intermediary for its own activities. With many steps in the funding process, the amount of money that eventually trickles down to communities – if any – is a minute fraction of the initially available resources.

Some governments have shown that it is possible to establish effective funding partnerships with civil society and overcome their capacity constraints, as the Zambia example opposite shows. But in the study

countries, implementing NGOs and community respondents expressed frustration with national funding mechanisms. Submission of numerous proposals, lack of communication, delays and rejection of proposals were common experiences (Taylor, 2005a and b).

Bottlenecks in the channelling of resources to communities occur at all levels and in many different places. The diagram above reflects where the principal bottlenecks have been identified through the literature review and country studies. We look explicitly at the bottlenecks and spell out recommendations.

## Bottlenecks and recommendations

### **Bottleneck 1: Providing care and support for children within their communities is not a high priority for donors and national decision-making bodies**

International frameworks recognise communities as the front line of support for children. However, this is not translating into adequate resourcing for care and support of the most vulnerable.

More work is needed to test the merits of different funding systems and types of funding organisation, and to identify which schemes work best in different contexts. Funding mechanisms that promote local ownership and long-term perspectives, and which provide the technical support for small groups to improve their capacity to support children, appear to strengthen community responses. Effective mechanisms that were identified in this study include community foundations and government–NGO partnerships.

### **Recommendation 1: Long-term funding must be committed to meet the needs of orphans and vulnerable children**

Donors<sup>3</sup> and national co-ordinating bodies<sup>4</sup> must:

- identify indigenous mechanisms that communicate well with communities and are able to get money to CBOs, and invest in these mechanisms to build their ability to make grants and to support CBOs
- evaluate a range of disbursement mechanisms – including the public sector – to decide which enable community groups to support vulnerable children most rapidly and efficiently
- share best practices in funding OVC programmes with other donors and national decision-making bodies
- commit to resourcing OVC programming for the long term as part of long-term interventions on HIV and AIDS.

Intermediary organisations<sup>5</sup> must:

- commit to ‘drip-feeds’ – long-term commitment of funds to CBOs with incremental increases at a rate CBOs can handle.

### **Bottleneck 2: Existing funding arrangements are not designed to meet community needs, making it difficult for CBOs to access available funding**

Despite the professed desire of donors to channel resources to community level, CBOs are unable to access the available resources. At national level, there is little co-ordination between donors over allocation of resources. At sub-national level, multi-sectoral co-ordinating bodies do not always know which resources are available for community responses. When CBOs hear of resources or funds available, they find it hard to access them because of lack of information, and cumbersome administrative procedures.

CBO respondents identified many obstacles to applying for and obtaining funding: difficulties in identifying funders; incompatibility of community groups’ activities with funders’ requirements; complexity of submitting applications; lack of feedback about the progress of applications; and delays in getting the funds. Conditions on funding are often inflexible. NGOs and donors often require a commitment to their strategies and priorities from CBOs. This reduces a community’s ownership of an initiative and compromises its sustainability. Examples of this found in the research include community healthcare and preschool schemes that were heavily supported by donors but collapsed when donor funding stopped.

CBOs suggested that funding mechanisms should be modified in a number of ways: simpler application processes; better feedback on proposals; appropriate grant size; long-term funding; and flexibility over both how grants are spent and the time limits for spending. Furthermore, funding should be accompanied by capacity building, in the form of technical support and training.

**Recommendation 2: Greater investment is needed at different levels of the funding system to ensure resources reach communities and respond rapidly to the needs of children, taking risks where necessary**

**Donors and national decision-making bodies** must:

- design and make public a funding plan that shows how different layers in the funding system are linked, and what costs are needed for effective functioning at all levels
- hold international and national NGOs accountable for financing and strengthening CBO financial skills and systems
- take risks in trying out quicker systems for disbursement, making use of existing networks, including religious co-ordinating bodies, and supporting intermediary bodies to be able to make small grants
- support intermediary organisations to be innovative, such as offering ‘risk grants’ to new groups.

**Intermediary organisations** must:

- help build the capacity of local organisations rather than carry out direct service delivery themselves
- strengthen CBOs’ financial capabilities and systems
- ensure that information on resources is made available to CBOs using appropriate media and facilitating information exchange
- simplify financial reporting systems to ensure that small amounts of funding move quickly
- support CBO beneficiaries to ensure that simple monitoring of resources is carried out and reported upward.

**Bottleneck 3: Monitoring and evaluation of impact is weak and support for quality programming is inadequate**

Monitoring and evaluation is weak at all levels in the funding stream. Simply directing more resources through a flawed system will do nothing without investment at all levels. Only when the capacity and confidence of intermediary organisations is strong

and their mandate clear will they be able to support CBOs to ensure appropriate impact and coverage.

Because CBOs do not have paid staff they are not able to meet complex reporting requirements. The responsibility for ensuring quality, coverage and a holistic response lies with the organisations that provide direct support to them, usually a local government agency, faith-based organisation or NGO. CBOs also need support to reach the most vulnerable and to measure the impact of their work on the lives of children.

Community organisations understand the situation on the ground and know which children are in need. Effective targeting of the most vulnerable children has to be done at community level with the participation of children.

**Recommendation 3: Technical support must be increased at all levels**

**Donors and national decision-making bodies** must:

- support and resource organisations that provide technical support to CBOs to improve impact measurement and effectiveness
- monitor disbursement of grants to ensure that resource allocation at national level leads to improved impact measurement at sub-national level
- promote mentoring of NGOs to enable them to become intermediary organisations
- ensure that children are included in programme design, monitoring and evaluation.

**Intermediary organisations** must:

- develop technical support skills, from CBO training to small grant-making
- introduce mechanisms that can assess effectiveness, impact and capacity of CBO interventions
- invest in developing the ability of CBOs and NGOs to increase both geographic and programmatic reach
- consult with CBOs on developing appropriate grant-making and monitoring processes.



#### **Bottleneck 4: Little data is currently available to track government spending**

Good OVC programming requires information to determine where gaps occur and to prioritise spending. In addition, there must be control mechanisms that enable administrators to move money rapidly when required. Community groups must be involved in designing funding strategies.

However, most countries only monitor HIV/AIDS funding flowing to ministries of health or National AIDS Councils. To date, we have not been able to disaggregate government spending to support orphans and other children made vulnerable by HIV/AIDS. Without this information we cannot reasonably assess the quality of the response.

#### **Recommendation 4: HIV/AIDS funding must be tracked to determine how much reaches communities to benefit children**

**Donors and national decision-making bodies must:**

- prioritise the tracking of HIV/AIDS expenditure on orphans and vulnerable children, particularly below national level, to identify where additional resources are required
- ensure information is available on the amount of HIV/AIDS funding actually reaching community level, as well as the operational costs within each sub-granting organisation
- build in-country capacity of independent public expenditure monitors to track spending of resources
- include CBOs in developing tracking systems.

#### **Notes**

3 Donors means all international and national donors supplying funding for orphans and vulnerable children.

4 National decision-making bodies include National AIDS Councils, OVC Secretariats and other multi-sectoral bodies with responsibility for orphans and vulnerable children.

5 Intermediary organisations refers to government or non-government bodies that have a direct link with CBOs and are able to provide both funding and technical support, and take on responsibility for reporting to donors.

## 6 Conclusions

Until recently, most responses to the impacts of HIV/AIDS have been at local and community levels rather than at regional and national levels, with virtually none at international level (Barnett and Whiteside, 2002). This study highlights the fact that many donors and government bodies have limited knowledge of the contributions that community-level groups make to the support of households and children made vulnerable by HIV/AIDS.

While there are clearly bottlenecks hampering communities' ability to access resources, it is important to recognise that the financial plumbing system may also be too porous, with leakage due to poor targeting, or the financial reservoir sometimes being siphoned off before money starts to flow. The pipes down which funds and materials are poured may be too narrow, or funds may go to places where they are not needed, or in fact, there may be no pipes at all. However, another reason why grants are not being provided to community groups may be because intermediaries are unwilling to empower community groups, and instead seek to maintain control of financial resources. This may be due to the need for intermediaries to maintain their market niche, or

because individuals seek to personally benefit from funds meant to benefit vulnerable children. Negative attitudes concerning the ability of community groups to manage funds were not uncommon in the study; one NGO employee stated: 'Nothing binds community volunteers so that they can account for funds. Until there are mechanisms that will bind people, they can do anything they feel like doing without caring about the money being misused.'

Blockages do exist. Current aid allocations are unable to find their way through to community groups, and it is unlikely that simply increasing aid flows will result in sufficient resources reaching community level. This report brings to light the discrepancy between the increasing resources that are being mobilised or acquired by donors, governments and international organisations for expanded HIV/AIDS responses, and the actual amounts being channelled to affected households and communities. Local people have committed themselves and their resources to helping vulnerable children, and external agencies now have a golden opportunity to help strengthen community responses through ensuring that donated funds are channelled to these community groups.

# Appendix I: Organisations and groups interviewed

## South Africa

### Key informants

AIDS Foundation of South Africa  
Children in Distress Network  
Msundizi Municipality Health Department  
The SEED Trust  
Sinoziso Home Based Care  
Training and Resources in Early Education  
Zulu Regional Pastoral Council Interdiocesan  
HIV/AIDS Committee

### Field level

Clermont Community Resource Centre  
Hillcrest AIDS Centre Trust  
Jabulani Centre Self-Help Project  
Mnini Crisis Care Centre  
Pinetown Highway Child and Family Welfare Society  
Training and Resources in Early Education  
Vulamehlo Health Organisation

## Mozambique

### Key informants

Community Development Foundation  
DFID  
HACI Initiative  
Ministry of Women and Social Action  
Mozambican Civil Society Network for HIV/AIDS  
National HIV/AIDS Council  
RENSIDA (National Network of People living with  
HIV/AIDS)  
Save the Children USA  
Save the Children UK  
UNICEF  
USAID

### Field level

Associação Cristã para o Desenvolvimento  
Comunitário (Christian Association for Community  
Development)  
Centro de Reabilitação da Criança da Rua (Street  
Children Rehabilitation Center)  
Grupo Comunitário de Gestão de Escolinhas de Incaia  
(Incaia Community Pre-School Management Group)  
Lar da Rapariga (Girl Center)  
Centro Dia e Centro Vocacional Mães de Mavalane  
(Mothers of Mavalane Skills Training and Day Center)  
Grupo Comunitário de Gestão de Escolinhas da  
Palmeira (Palmeira Community Pre-School  
Management Group)

## Swaziland

### Key informants

Alliance of Mayors Initiative for Community Action on AIDS at the Local Level (AMICAALL)  
 Baphalali Red Cross Society  
 CARE Nakekela  
 Coordinating Assembly of NGOs  
 Deputy Prime Minister's Office, Women in Development  
 Lutheran Development Service  
 National Emergency Response Council on HIV/AIDS (NERCHA)  
 Orphan Aid – CARITAS  
 Salvation Army  
 SOS Children's Village, Swaziland  
 Swaziland Association for Crime Prevention and Rehabilitation of Offenders  
 UNDP  
 UNICEF  
 USAID, Peace Corps  
 World Vision Swaziland

### Field level

Swaziland Positive Living (SWAPOL)  
 Gigi's Place  
 Moya Centre  
 Murray Camp Care Point  
 Remar Christian Centre for Help and Rehabilitation

## Zimbabwe

### Key informants

Catholic Relief Services  
 DFID  
 Family AIDS Caring Trust – Mutare  
 National Aids Control Programme  
 National AIDS Council  
 Oak Foundation  
 PACT  
 Plan International  
 Save the Children UK  
 Southern African Aids Trust  
 UNICEF  
 Zimbabwe AIDS Network  
 Zimbabwe Association of Church-related Hospitals

### Field level

Baptist Orphan Care Programme  
 Centre for Total Transformation  
 Hillside Home of Hope  
 National AIDS Council, Epworth District  
 New Frontier International  
 Newstart Children's Home  
 Rose of Sharon  
 Rural Unity for Development Organisation  
 Seke Rural Home Based Care  
 Uzumba Orphan Care Trust

# References and bibliography

- Baird, S. (2005) *The Political Economy of the Zimbabwe's National AIDS Trust Fund*. United Nations Research Institute for Social Development
- Barnett, T. and Whiteside, A. (2002) 'Poverty and HIV/AIDS: Impact, coping and mitigation policy', in G. Cornia (ed), *AIDS, Public Policy and Child Well-Being*. UNICEF: Florence.  
<http://www.unicef-icdc.org/research/ESP/aids/chapter11.pdf>
- Bolton, P. and Wilk, C. (2004) 'How do Africans view the impact of HIV? A report from a Ugandan community', *AIDS Care* 16:1 pp.123–28
- Bonnel, R., Temin, M. and Tempest, F. (2004) *Poverty Reduction Strategy Papers: Do they matter for children and young people made vulnerable by HIV/AIDS?*. UNICEF/World Bank: New York
- Cashel, J. (2003) *AIDS and the World Bank*. Transcript of interview with Dr Debrework Zewdie of the World Bank, 29 April. IAEN Global Dialogue Series. [www.iaen.org/globaldialogue/zewdie/index.php](http://www.iaen.org/globaldialogue/zewdie/index.php)
- Deininger, K., Garcia, M. and Subbarao, K. (2001) *AIDS-induced Orphanhood as a Systemic Shock: Magnitude, impact and program interventions in Africa*. World Bank, Washington DC  
<http://www.iadb.org/sds/doc/povsubbarao.pdf>
- Drew R., Makufa C & Foster G. (1998) 'Strategies for providing care and support to children orphaned by AIDS', *AIDS Care* 10 Suppl 1: S10–S16
- Foster, G. (2002) 'Understanding Community Responses to the Situation of Children Affected by AIDS: Lessons for External Agencies', in *One Step Further – Responses to HIV/AIDS*. SIDA Studies no. 7 Chapter 5: pp. 91–115. SIDA: Stockholm.  
[http://www.repssi.co.zw/pss\\_files/programs/lessons.pdf](http://www.repssi.co.zw/pss_files/programs/lessons.pdf)
- Foster, G. (2004) *Study of the Response by Faith-Based Organizations to Orphans and Vulnerable Children*. World Conference of Religions for Peace/UNICEF: New York. [http://www.unicef.org/aids/FBO\\_OVC\\_study\\_summary.pdf](http://www.unicef.org/aids/FBO_OVC_study_summary.pdf)
- The Global Fund (2004) *Guidelines for proposals. Fourth call for proposals*. Geneva, January 10, 2004.  
[http://www.theglobalfund.org/pdf/2\\_pp\\_guidelines\\_4\\_en.pdf](http://www.theglobalfund.org/pdf/2_pp_guidelines_4_en.pdf)
- Gutierrez, J.P. and Bertozzi, S. (2004) *Resource Availability for HIV/AIDS & the Funding Gap*. Powerpoint presentation. National Institute of Public Health
- IDASA (2004) *Funding the Fight: Seminar to present the findings of the HIV/AIDS Budget Study in Africa and Latin America*. AIDS Budget Unit, Institute for Democracy in South Africa
- Luzze, F. (2002) *Survival in Child-headed Households: A study on the impact of World Vision support on coping strategies in child-headed households in Kakuuto County, Rakai District, Uganda*. Dissertation submitted in partial fulfilment of the requirement for the Degree of Masters of Arts in Theology and Development, University of Leeds
- Mutangadura, G., Mukurazita, D. and Jackson, H. (1999) *A Review of Household and Community Responses to the HIV/AIDS Epidemic in the Rural Areas of sub-Saharan Africa*. UNAIDS Best Practice Collection: Geneva. <http://www.unaids.org/publications/documents/economics/agriculture/una99e39.pdf>
- Phiri, S.N., Foster, G. and Nzima, M. (2001) *Expanding and strengthening community action: A study to explore ways to scale-up effective, sustainable community mobilization interventions to mitigate the impact of HIV/AIDS on children and families*. Draft, Washington: Displaced Children and Orphans Fund of USAID.
- Sachs, J.D. (2001) *Macroeconomics and Health: Investing in health for economic development*. Report of the Commission on Macroeconomics and Health. World Health Organization: Geneva
- Taylor, N. (2005a) *The Warriors and the Faithful: The World Bank MAP and local faith-based initiatives in the fight against HIV and AIDS*. Briefing Paper 5. Tearfund: London
- Taylor, N. (2005b) *Many clouds, little rain: The Global Fund and local faith-based responses to HIV and AIDS*. Briefing Paper 4. Tearfund: London
- UNAIDS (2004) *Report on the global AIDS epidemic: 4th global report*. UNAIDS: Geneva
- UNAIDS/UNICEF/USAID (2004) *Children on the Brink*. UNAIDS: Geneva

UNICEF (2004) *The Framework for the Protection, Care and Support of Orphans and Vulnerable Children Living in a World with HIV and AIDS*. UNICEF: New York

Williamson, J., Foster, G. and Lorey, M. (2002) *Mechanisms for channelling resources to grassroots groups supporting orphans and other vulnerable children*. USAID: Washington DC  
<http://www.synergyaids.com/resources.asp?id=3025>

Wolfensohn, J. (2004) Keynote Address to the Global Partners' Forum on Orphans and Vulnerable Children Washington, DC, December 15, 2004

World Bank (2004) *Interim Review of the Multi-country HIV/AIDS Program for Africa*, October.  
[http://www.worldbank.org/afr/aids/map/map\\_review.htm](http://www.worldbank.org/afr/aids/map/map_review.htm)

Yates, DeeDee (2003) *Situational Analysis of the Church Response to HIV/AIDS in Namibia: Final report*. Windhoek: Pan African Christian AIDS Network.