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**Grants Management** It is a combination of a definition of a time frame and the activities that take place during that time frame. Grants management is the phase of the grantsmanship process that begins when an applicant signs an agreement with a grantor (funder) to accept a grant award and becomes a grantee. Grant award offers can be made by letter or through a form or in an informal way. In some cases, grantors will notify applicants of a grant award via a telephone caller or an email message. This informal type of notification can be used by private funders such as foundations.

When a grant award is accepted, the implementation of the project begins on a specific date, and then the grantee has to manage the grant from both a programmatic and a financial standpoint until the final date of the grant award period. The grants management process ends for a specific grant when it is closed out. This is typically when all grant funds have been spent and accounted for, and the end date of the grant award period has been reached. Projects can, however, continue beyond this end date, and often do with funding from additional grantors and/or organizations building the expenses into their annual budgets. Typically, many grant awards will cover a 12-month period except in the case of continuation funding or multiyear grants. This means that the grants management process will also cover a 12-month period. Some grantors will allow grantees a 3-month period after the end date to submit their final programmatic and financial reports. Grantees who do not submit their final reports can lose the final payment of their grant award and may in fact jeopardize their chances of future funding from a grantor.

What types of activities does manage a grant include? Each grantor requires different activities during the grant’s management phase of a project; however, in general, the following are expected to be carried out by the grantee:

* Following all of the terms and conditions associated with the grant
* Fulfilling reporting requirements throughout the grant award period
* Making requests for changes to an award in a timely manner before the project end, if necessary
* Fulfilling financial reporting requirements
* Accounting for grant revenue and expenditures
* Submitting final reports in a timely manner
* Following closeout procedures as stipulated by the grantor
* Conducting the grants management process in an ethical manner

Effective Grants Management It is critical that a grantee exercise effective grants management strategy for a variety of reasons. Most important is that a grantee can lose funding during the implementation process of a project if he or she is not effectively managing the grant. Grantees need to fully understand the relationship that they are entering into when they sign the award agreement. In addition to this relationship with the grantor, grantees who accept grant awards are entering into a legal contract with them. In ex-change for financial support (the grant award), grantees are promising that they will honor the intent of the project and implement it to the best of their ability as out-lined in the proposal that was submitted. They will work towards achieving the objectives and goals as outlined, and they will conduct an evaluation to determine whether they successfully did so. In addition, they will spend the award funds as delineated in the line items listed in the budget. If a grantee chooses not to work to-ward the objectives, evaluating their success and spending the money appropriately, it can be considered a breach of contract, and grantors can request that funds be re-turned or they can stop the funding at any point during the project implementation. As already mentioned in regard to final report submission, the mismanagement of grants can have both immediate and long-term negative consequences for a grantee that include loss of funding from both current and would-be future grantors, damage of one’s reputation, and in the most severe cases, criminal prosecution.

**Community Foundation for the Western Region, Zimbabwe**

The Community Foundation for the Western Region of Zimbabwe (Western Region Foundation) was launched in 1998 as an independent nonprofit organization to address the critical needs and to improve the quality of life among rural people in the three provinces of Matebeleland – South, North and Midlands. Since its inception, WRF has supported 77 projects, for a total of US$500,000.

Background

Over three million people live in the three western provinces of Zimbabwe, which are the poorest provinces in the country with 70% of their population living on degraded communal lands. The region is characterized by extreme water shortage, recurrent droughts, persistent food insecurity, environmental stresses and inadequate economic opportunities. Communities in the region rely on subsistence farming and livestock production for their livelihoods.

The Beginnings

Over the course of the past 16 years, a broad-based rural movement of people in the communal lands has emerged with the goal of satisfying the basic needs of the population and improving their livelihoods by building on local traditions of self-reliance and mutual support. These communities now seek to establish a permanent financial base with which to seed and sustain ongoing and future community development projects. The foundation building process has been led by the Organization of Rural Associations for Progress (ORAP)- through an ongoing series of consultations within the rural communities beginning in 1995. Over 40,000 community members contributed to ORAP’s qogelela savings program during this period to provide the initial seed capital for the Foundation’s endowment. Although the donations totaled only $5,000 USD, their contributions gave community members a sense of ownership of the foundation.

Why a Community Foundation?

The communities in the Western Region strongly felt there was a need for a sustainable source of financing for their community initiatives because, after years of strengthening their social organization and ability to launch community programs and projects, they were eager to implement a wide range of creative and energetic development activities to improve conditions in their communities. However, the communities needed grants or loans and technical assistance to put them into action.

Today, in the Western Region, a wide variety of actors are engaged in social and economic development efforts including: the government, external development agencies, ORAP, local NGOs, church groups and businesses, as well as organizations based in the communities. They all have their own approaches and priorities, which makes it very difficult for communities to work in an integrated manner with them.

What is needed is a facility that can join these outside agencies with communities in co-financed and co-designed local development efforts. Therefore, the Western Region Foundation (WRF) aims to mobilize both financial resources and technical assistance for community initiatives by serving as a builder, broker and co-financer of partnerships between poor communities and the existing development actors in the region.

How the Community Foundation Works

The WRF supports and co-finances community initiatives through a process that builds resources and collaboration between the communities and other sectors of society. The Foundation uses a three-step process which consists of: (1) stimulating and identifying community-based initiatives for co-financing; (2) forming action partnerships around community initiatives; and (3) co-financing the plan.

The Foundation has discovered that giving grants without capacity building through training does not adequately empower the communities to run their projects effectively. Therefore, after each grant ceremony WRF conducts a training workshop to impart management skills to the project holders.

Achievements In consultation with communities, government departments, rural district councils and other key stakeholders, the WRF identified five areas of focus: Education and Development, Water Provision, Women’s Economic Empowerment, Youth Development and Economic Empowerment and HIV/AIDS and Development. Since its inception, WRF has supported 77 projects, some in each of the five focus areas, for a total of US$500,000.

The Foundation has managed to acquire two properties as part of its endowment building strategy. One building is used to house the Foundation’s operations and the other is rented for ongoing income generation.

“A community foundation, which combines stewardship over community resources with a specialization in building co-financed partnerships at the community level, is a critical element in meeting the needs of disadvantaged communities.”

Inviolatta Moyo, Executive Director: Western Region Foundation, Zimbabwe

Challenges Ahead The current economic environment (due to the drought and inflation, now pegged at almost 550%) is having a negative impact on the activities of many institutions and organizations in Zimbabwe, including the WRF. Some donors have withdrawn their funding and this has in turn reduced the number of grants that can be made by the Foundation. Therefore, the biggest challenge for WRF is to continue to meet community needs that are growing due to the local economic situation.

**The Greater Rustenburg Community Foundation, South Africa**

Since its inception in 1997, the Greater Rustenburg Community Foundation (GRCF) has built an endowment of US$600,000 through its work with the private sector, international donors and the communities it represents. Over the course of the last three years, GRCF has supported 35 projects, representing a total of $US75,000.

Background

GRCF serves a geographic area in the northwest of South Africa inhabited by 1.2 million people. Eighty percent of this population lives in rural and very remote areas that lack electricity, clean water, roads and educational opportunities. However, amid high levels of unemployment, illiteracy and poverty there are pockets of wealth represented, in particular, by two large platinum mining companies. One of GRCF’s challenges was to encourage these companies to engage with local communities and find ways to direct some of their corporate social investment funds to support community services for sustainable local development.

The Beginnings

In 1997, a small group of six people, including Christine Delport, a concerned community member, and the board members of the Rustenburg Community Development Centre, began looking for ways to secure resources for the future while there was still an economic boom in area, due to platinum mining. During the following two years this small group conducted research and built a collaboration with the Southern African Grantmakers Association (SAGA). At the time, SAGA was involved in discussions with a group of foreign donors exploring the possibility of establishing community foundations in South Africa.

“We talked with the SAGA and three international donors and we also did our own research. We needed to ensure that the community foundation would not be seen as competition for scarce resources by other nonprofit organizations in the community. We also had to decide the ‘face and place’ of this new type of organization. We decided to fill the gap where government and the private sector cannot reach and to mobilize local giving for development.”

Christine Delport: Executive Director, GRCF

Why a community foundation?

The 1994 elections in South Africa left a vacuum in the leadership of the nonprofit sector, when many civil society leaders moved into business and government positions.

As a result, many nonprofit social services collapsed. Corporate and foreign donors supported social development to relieve the most immediate and evident needs. Thus, there was very little focus on sustainability and resolving the issues of dependency. What was needed was a sense of community and the creation of social capital, which is so critically important in building a new democracy.

“In South Africa, community foundations are a matter of social development. Our community foundation was born because there was a great need for sustainable development and an interest within the community in creating solutions and actions for its own future.”

Christine Delport: Executive Director, GRCF

Community and Business Involvement

It was vital for the emerging community foundation to reflect the broader community through its Board of Trustees. In order to be as inclusive as possible, GRFC invited community and tribal leaders, organizations, institutions and local governments to various conversations and carefully listened to their views. In return, the foundation promoted the concept of community giving and the idea of pooling resources through a community foundation.

The involvement of corporations was also critical in this process. The role for the GRCF was, and remains, that of building bridges between communities and businesses, and creating public-private partnerships. GRCF’s full transparency and accountability is vital for building the necessary mutual trust.

Achievements

GRCF has accomplished a great deal during the three years since they started to operate.

* GRCF has supported 35 projects, representing a total of $US75,000, in the nine target areas identified by the foundation: health, youth, environmental management, children, women, social capital and community vitality, sports, arts and culture, trauma and education.

* Part of the US$600,000 total endowment is a US$350,000 unrestricted fund set up with seed money from the Ford Foundation (US$250,000) and then increased by using the fund to leverage money from the mining companies (US$100,000.) This unrestricted part of the endowment can be used to address needs other than the foundation’s designated target areas.

* The total endowment has also been augmented by several other permanently endowed funds that were capitalized by private individual donors and family

(1 The figure of $US 75,000 is approximately 75% of the interest earned on the US$600,000 endowment.)

foundations. For the most part, these are “designated” endowment funds for specific areas of interest, such as children’s health issues.

* In 2003, GRCF secured an amount of US$2 million from the mining companies to set up a permanent endowed fund for the operational costs of the foundation that will ensure its financial stability. This funding is not yet included in the endowment total because it will be received incrementally over the next five years.

Challenges Ahead

The GRCF aspires to be a permanent community institution serving the people of the Rustenburg area over the long term. There are some policy changes that could further help the GRCF and other community foundations in Africa make an impact and advance sustainable development. These include:

* Providing tax incentives and policies that encourage individual giving as well as the private sector and large donors to provide funding for permanently endowed funds.

* Helping with a corporate sector "paradigm shift" in their policies, which currently restrict many of them from making financial contributions to permanently endowed funds.

“Community foundations are key organizations that can create a sense of community, and energize the spirit of community giving and develop organized philanthropy among ordinary people and corporate actors.”

Christine Delport: Executive Director, GRCF

**SERBIA**

BACKGROUND

Serbia is an upper middle-income country with a population of 7 million and low HIV prevalence. In 2016, there were approximately 2,700 people living with HIV. The epidemic burden is now concentrated among men who have sex with men, while HIV control has been successful among people who inject drugs. Building on Serbia’s initial HIV response, which included the early introduction of ART (antiretroviral therapy)

and the establishment of the first national committee on AIDS in 2001, the Global Fund invested nearly $31 million for HIV in Serbia from 2002 to 2014.

SERBIA’S EPIDEMIC IN THE 1980S AND 1990S was largely driven by injecting drug use, in contrast to other countries in South Eastern Europe. Global Fund support played a key role in reversing the epidemic among people who inject drugs: the prevalence rate dropped from 70 percent in 1991 to 5 percent in 2008, and then to 3 percent in 2013.

However, harm reduction services coverage was still below recommended levels in 2013, when direct coverage reached up to one third of the estimated 20,000 people who inject drugs. Needle exchange programming covered approximately 4,300 people who inject drugs, and opioid substitution therapy reached 2,600. Global Fund grants to Serbia supported the development of a vibrant network of NGO-managed drop-in centers with outreach to key populations such as people who inject drugs, sex workers, MSM, and Roma, and funded service delivery through this network. During the period of Global Fund support, Serbia expanded opioid substitution therapy to 29 sites across the country and also began providing it in prisons. In the final years of Global Fund support, grant making concentrated further on funding NGOs to deliver treatment support and prevention among key and other vulnerable populations. Twenty-seven NGOs received around $1 million per year, corresponding to 40 percent of the last HIV grant. Of this annual total amount, $129,000 went to services for people who inject drugs, and $280,000 each to services targeting MSM and sex workers, respectively. Opioid substitution therapy among people who inject drugs was an exception, however, as it was and continues to be implemented by health system institutions rather than NGOs.

Serbia has been successful at sustaining low HIV prevalence among sex workers, but not among MSM. At the end of Global Fund support in 2014, preliminary results of new surveillance showed that the HIV rate, successfully reduced in 2010, had bounced back to 2008 levels, once again surpassing the WHO-defined boundary of 5 percent in this population for defining a concentrated epidemic. This increase would have made Serbia eligible for additional Global Fund grants in 2015, but the results were announced in the middle of the Global Fund’s three-year allocation period, making it impossible for the country to receive support within that time frame.

Transition Challenges SERBIA BECAME INELIGIBLE for Global Fund support in 2014, and the last grant funding ended in September of that year. The cessation of Global Fund investment came at the worst possible time for Serbia: in the spring of 2014, the country had been devastated by major flooding that shook its economy. Disaster response and relief efforts required Serbia to re-direct major national resources to the task, as well as EU support that was previously allocated to reforms to help Serbia meet EU standards in governance, the rule of law, and similar areas. As a result, NGO services among key populations collapsed during the more than two-year break in international support that followed Global Fund withdrawal from Serbia. HIV rates increased from 2014 to 2015, with MSM accounting for 73 percent of new infections.

There have been no updated bio-behavioral studies since 2013. Serbia’s transition was further hampered by already existing weaknesses. In December 2013, the Global Fund informed Youth of Jazas, an NGO that was one of the two principal recipients, that its contract would be terminated due to failure to comply with Article 21 of the standard terms and conditions regarding code of conduct for suppliers. As a result, Youth of Jazas had to halt its management functions and hand over its portfolio to the other principal recipient, the Ministry of Health.

Half a year before the closure of the grant, an advisor working for the Minister of Health (both of whom have since left office) trigged changes to the status of the CCM. The new version no longer met Global Fund criteria for a CCM and therefore did not receive recognition from the Fund. according to UNDP, the CCM has not been operational since 2014. The CCM and the two principal recipients sought to lay the groundwork for sustainability. In September 2014, just before the closure of the grant, the Ministry of Health organized a consensus conference that affirmed the importance of continuing services among key populations—including harm reduction, drop-in centers and mobile units, voluntary testing, and treatment support. Unfortunately, soon after, the transition process was blocked and all the efforts were lost. The National AIDS Strategy expired in 2015 and was not extended.

However, government funding for HIV response did not disappear. The Serbian government began funding ART (antiretroviral therapy) before Global Fund investment, and as of 2016, it was covering ART for 1,400 patients. The government also took over funding for opioid substitution therapy, which had largely depended on the Global Fund support, and actually increased coverage from the reported 2,460 patients and 143 prisoners in 2013 to more than 4,000 patients in 2015. The government also funds voluntary testing and counseling, which reportedly intensified among MSM in 2015. In 2015, Serbia spent €8 million on ART and €1.2 million on opioid substitution therapy. Local and regional authorities provided an additional €60,700 for NGO projects in the HIV field.

The transition led to the collapse of both NGO led services, and a coherent dialogue among HIV stakeholders around HIV. Funding support to NGOs has declined steeply: the UNDP estimates that of the average annual HIV grant budget available to NGOs in 2013-2014, only 6 percent was replaced by domestic sources in 2015. Services for key populations, including people who inject drugs, sex workers and MSM/LGBT communities, were particularly hard hit. None operate in Belgrade, the country’s capital and largest city. A drop-in center for people who inject drugs in Novi Sad, the second largest city, is supported by a municipal grant of just €2,000—far less than the €30,000 needed—and is basically maintained by volunteers, who need to find ways to bring needles and condoms from services in nearby countries where supplies remain available because of Global Fund support. A drop-in center for sex workers runs by the same NGO received a two-year grant of €100,000 from a Roma-focused EU project, as most of their clients are Roma. According to the UNDP, community-based groups continue to the provide some MSM and sex worker services in several other towns and cities with small amounts of support from municipal and local governments

**Progress Toward Sustainability**

As a result of these setbacks, Serbia is now again eligible for Global Fund support in the new allocation period of 2017-2019, due to the rise in disease burden among MSM. However, the amount allocated is only $1 million—roughly twice the amount allocated to Montenegro, but for a country ten times the size—which is not sufficient to cover the need. Moreover, Serbia will need additional time and support to meet pre-conditions of renewed Global Fund investment, namely to re-establish the CCM or a national AIDS council, and to prove social contracting is operational. The national stakeholders still have not agreed on a governance body, and it is uncertain whether the national board on HIV and TB will meet Global Fund criteria. NGOs are seeking a CCM with greater NGO representation, while the Institute of Public Health’s vision of a national council may differ. The plans for a social contracting mechanism are unclear, and there has been little discussion about how to rebuild the network of services reaching key population.

However, there are also some positive signs that may help lay the groundwork for progress toward sustainability. There is solid government support for funding ART treatment (antiretroviral therapy) and opioid substitution therapy, and a relatively strong Institute of Public Health. Other sources of external funding may be available—for example, EU funds for Roma programming may be able to support some HIV services. And there are new opportunities and increasing capacity for action on drug policy. In 2016, NGOs began to re-engage in advocacy for policy reform and investment to the currently unfunded national drug strategy. The Drug Policy Network for South-East Europe established its regional office in Serbia, and is working together with local NGOs to campaign for decriminalization, including changes to the Criminal Law and the Law on Psychoactive Controlled Substances, and to pursue funding for needle exchanges. A recently established national Office for Combating Drugs is currently signing memoranda of understanding with civil society organizations and may provide opportunities for engagement. Other positive steps include the establishment of the new National AIDS, TB, and Hepatitis Council in accordance with Global Fund criteria, which will take on the role of the CCM, and the development of a new National AIDS Strategy, the first draft of which is expected by the end of November 2017.

Serbia’s limited sustainability planning and the absence of external support during transition have left many gaps that could be remedied by sustainability bridge funding. Key areas that would benefit from grants are technical support for social contracting mechanisms in the Ministry of Health (and improvement of those already existing in the Ministry of Labor, Employment, Veteran and Social Affairs and the Ministry of Youth and Sports), including the process of identifying future funding sources for key populations; efforts to ensure the new CCM can function sustainably after external support ends; immediate bridging funds to re-establish drop in centers and other services for key populations in several cities; and assistance to NGOs to develop their capacity for coordination and budget advocacy and monitoring.

Transition after Global Fund withdrawal has presented a number of challenges for upper middle-income countries in South Eastern Europe—above all, the difficulty of sustaining service delivery to key populations, and ensuring civil society inclusion in the development of sustainable systems for national HIV response. There were three countries experienced budget shortfalls and service interruptions. The impact on frontline NGOs engaged in service delivery was particularly severe: funding cuts and uncertainty about future funding streams led not only to suspension of services, but to a loss of human resources and institutional capacity due to the attrition of experienced staff and volunteers. As the cases of Macedonia and Montenegro demonstrate, active civil society engagement can mitigate some of the pitfalls of the transition process by creating political pressure for domestic funding and building networks to facilitate cooperation with government and donor stakeholders.

The progress underway in the other two countries under the same case study (Macedonia and Montenegro) showed how sustainability bridge funding can make a difference just by keeping NGO-delivered services available and supporting civil society’s capacity to play an active role in the transition process. The challenges both countries are still facing suggest that technical assistance for social contracting should also be a key target for bridge funding support. Conversely, the absence of any significant bridge funding in Serbia has made the effects of an already difficult transition process even more apparent. Sustainability bridge funding offers an opportunity for bilateral donors and private foundations to work together with the Global Fund to address these challenges by providing time-bound grants to civil society organizations in countries no longer eligible for Global Fund support or about to transition. These grants would equip them to protect the investments and gains made during the period of Global Fund support, and advocate for domestic government commitments to HIV response.

In conclusion; In case of Serbia and the other two countries in Eastern-Europe that were hit with a Transition issues, Grants management should involve Sustainability Bridge Funding, these includes;

* Support ongoing exemplary programming that governments are unwilling or unable to fund;
* Re-establish services that have lapsed (e.g., harm reduction or peer-led service outreach programs for key populations) to prevent disease resurgence and demonstrate to national and local governments the value of these services;
* Support joint government/civil society action to establish legal and regulatory provisions for domestic financing of those HIV and TB services that are run by community or NGOs;
* Assist NGOs and civil society networks to advocate for price reduction for medicines through pooled procurement mechanisms and use of TRIPS flexibilities;
* Promote continued inclusive planning, governance, and accountability models for TB, malaria and HIV programs as embodied in the Third Economic countries coordinating mechanism approach; and
* Support community and civil society-led efforts to monitor and analyze government expenditures on health, Infrastructure, social well fare as well as Good Agriculture Practice to concur hunger and generate evidence to use in advocacy for budgetary commitments and delivery.

Involving community such as what happened with **Community Foundation for the Western Region, Zimbabwe** and **The Greater Rustenburg Community Foundation, South Africa** shows that; Organizations/Foundations should make sure their community are aware of their innovation or ideas, no matter if the ideal is new or not, so that the society can also own the activities that are to be carried out to achieve the desired goals. It makes them feel their part of the grant and their contributions, no matter how small there are, are valued.

A successful Grants Management is all about both parties complying with the Terms in the Grant Agreement and play their party to make sure they meet all the obligations and rules. In some cases, like political unrest and natural disasters that are out of human control, a Grants Management can severely be hunted and it will be neither the Grantor’s nor the Grantee’s fault.

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