

THE NLDTF CONSULTATIVE INDABA



NLDTF FOR THE 21st CENTURY: MAKING LOTTERY FUNDS WORK FOR ALL

Aligning NLDTF to
Developmental Needs of our Country

PRESENTATION OF ISSUES ARISING OUT OF PROVINCIAL CONSULTATIONS



Presentation Outline

- Background
- Where should the money go for Maximum Impact?
- How should it be done?
- Risk, Governance & Sustainability
- Summary

Background

- Nine provincial consultations between 25 May and 10 June 2011
- Two main questions posed: **What should the NLDTF fund? & How should this be done?**
- Mainly similarly issues raised across all 9 provinces, although there were some provincial-specific comments
- Online Player Survey: 5 Questions

Where should the money go for Maximum Impact?.. Policy

- The world has changed since the Lotteries Act was promulgated
- NLB/NLDTF lacks a clearly communicated funding vision & strategy, resulting in:
 - ✓ No articulated overall strategic intent of the NLDTF
 - ✓ Adjudication of applications outside a strategic framework

Where should the money go for Maximum Impact?.. Policy

- Funding not aligned to Government's national priorities and/or strategic objectives of relevant government departments
- Research & statistics should be utilized to facilitate alignment to national strategic priorities

Where should the money go for Maximum Impact?.. Funding Model

- Funding model should ensure measurable impact
- Mixed model: Current Applications-based approach together with Proactive targeting of projects with high impact
- An overwhelming number of player respondents (69%) supports a mixed model , with 19% opting for status quo and 12% for a solely proactive approach.
- Provide for a mentoring/capacity building element in funding model



Where should the money go for Maximum Impact?.. Funding Model

- Should the NLDTF fund a few high impact projects of national significance or should it distribute it to as many projects as possible with lower value and impact?

55% of player respondents favor the “as many as possible” option with 15% opting for “a few high impact projects”. 20 % supports a combination of both, with the balance of 10% representing ‘no comment’ and ‘inconclusive comments’

Where should the money go for Maximum Impact?.. Funding Model

- Should provide for at least 2 'calls for applications' a year
- Model should allow for multiple-year funding to credible institutions
- Current model may encourage dependency on NLDTF funding, and not facilitating beneficiary organizations' sustainability

Where should the money go for Maximum Impact?.. Funding Model

- Model should include a clear policy on funding of operational costs
- Funding Model should allow for differentiated requirements/approach, based on e.g.
 - Established vs. emerging NGO's
 - Size of Grants

Where should the money go for Maximum Impact?.. Priorities

- Funding priorities are not always clear
- Current Sectors are fine, however need to prioritize specific areas within sectors
- Miscellaneous funding not focused on priority areas and needs to be reviewed
- Miscellaneous category could be transformed to facilitate the proposed pro-active targeted projects approach with clear guidelines

Where should the money go for Maximum Impact?.. Priorities

- Priorities may differ amongst provinces
- Additional Sectors/Categories to be considered include: Education, Health, Crime Prevention, Agriculture, Rural Development, Poverty Alleviation, Animal Welfare, Environment (to be de-linked from Arts & Culture)
- Current scope of Charities sector too broad

Where should the money go for Maximum Impact?.. Priorities (Players)

- If you were to identify 5 priority areas of funding from the Lottery, what would that be?
 - ❖ Charities (36%)
 - ❖ Education & Training (18%)-incl. 3% for 'schools'
 - ❖ Health Care (9%)
 - ❖ Sport & Recreation (7%)
 - ❖ Arts, Culture, Heritage, Environment (6%)

Where should the money go for Maximum Impact?.. Priorities (Players)

- **Charities Breakdown**

- ❖ Animal Welfare (9%)
- ❖ Abuse against Women/Children (4%)
- ❖ **Care for Elderly/Homeless (25%)**
- ❖ **'Charities' (19%)**
- ❖ **Child Welfare (23%)**
- ❖ Feeding Schemes (7%)
- ❖ **People with Disabilities (12%)**

Where should the money go for Maximum Impact?.. Priorities

- Need to review the percentage split between current sectors/funding categories
- Consider periodic rotation of priorities based on structured reviews/evaluation
- Charities should get the largest portion, and should be increased

Where should the money go for Maximum Impact?.. Priorities (Players)

- Do you believe that the categories and allocated percentages are adequate? Majority response was 'NO'. Argument for reduction in percentages for 3 categories outside Charities
- If not, what other categories would you like to add As earlier indicated big support for Education and Health Care as additional categories
- and what percentages would you allocate to each? The majority suggests the biggest slice should go to Charities (average min 50%)

Where should the money go for Maximum Impact?.. Reach

- Uneven Provincial Spread should be corrected
- Urban vs. Rural Spread
- People with Disabilities
- National vs. Provincial vs. Local spread (e.g. nationally based NGO's, National Federations)

Where should the money go for Maximum Impact?.. Reach

- Individual organisations vs. Intermediaries
- ‘Major’ vs. ‘Minor’ Sporting Codes
- Development vs. High Performance/International Participation
- Competitive/Professional vs. Mass Participation

How should it be done? (Operational Model)

- The criteria for funding should differentiate between inter alia: (1) emerging/new vs. established and (2) big vs. small grants
- Provide mentoring support to emerging/rural organisations
- Provide support for institutional capacity building
- NLB provincial offices should be fully equipped to provide full range of services to the people

How should it be done? (Operational Model)

- Implement a decentralised adjudication system
- Current terms and conditions of Distributing Agencies' appointment need to be reviewed
- Review/Streamline business processes to reduce turnaround times
- Put required NLDTF capacity in place

How should it be done? (Operational Model)

- Improved communication between NLDTF and Beneficiaries/Applicants
- NLB should commit to reasonable turnaround times, and more regular feedback on progress re: applications
- Improved communication with beneficiaries and other stakeholders on projects funded, declined, etc. (e.g. on quarterly basis)

How should it be done?(Operational Model)..Application Process

- Applications should at least be open twice a year, and timeframes should be communicated well in advance
- Application form needs to be simplified/user-friendly
- Ensure accessibility of forms & application documents for different strata of applicants
- Provide for on-line application/tracking system

How should it be done?(Operational Model)..Application Process

- Timeframe between call for applications and closing date is too short
- Review media/channels used to advertise calls to cater for inter alia rural areas
- NLB needs to provide adequate information to applicants on reasons for decline , as these are not always clear

Risk, Governance & Sustainability

- NLDTF 's inadequate monitoring & evaluation of project implementation, create opportunities for mismanagement of projects, double dipping, fraudulent activities, etc.
- Perceived conflict of interest in allocation of funds by Distributing Agencies
- Institutional arrangement-
accountability/relationship clarification
between NLB and Distributing Agencies

Risk, Governance & Sustainability

- Due to capacity constraints, some emerging organisations make use of ‘consultants’ who offer their services at a cost: could result in unnecessary ‘leakage’ of project funding
- ‘Professionals’ misrepresenting themselves as duly registered Accountants/Auditors
- Current adjudication of applications doesn’t really consider growth and sustainability elements of projects/organisations

Player Survey

- Does knowing where and how the money is distributed affect your playing patterns?
 - ❖ Yes- 56%
 - ❖ No- 38%
 - ❖ Neutral/Undecided- 6%

Summary

- Overall call to clarify and review the strategic focus of the NLDTF
- Align funding priorities with national priorities
- Consider additional funding categories, e.g. education, health care
- Identify priorities/focus areas within sectors

Summary

- Combine applications-based process with a more proactive project funding for high impact
- Need to improve efficiency of NLDTF, with special reference to turnaround times
- Address 'gaps' in governance of NLDTF
- Address capacity within NLDTF (incl. Research, M&E) and Beneficiaries

Summary

- Build in mentoring-and capacity building in funding model
- Differentiated approach re: funding criteria
- Call for decentralized adjudication system
- Equitable Distribution as a cross-cutting imperative

I THANK YOU