

NATIONAL LOTTERIES BOARD

Consolidated Report - Provincial Consultative Workshops

25 May 2011 – 10 June 2011





EXECUTIVE SUMMARY

One of the challenges that an organisation such as the NLB faces, is the importance of remaining relevant and being able to still ensure fair play and provide funding that benefits thousands of organisations which build communities.

Global contextual factors impact on local conditions, but so too do adjustments to national priorities and local conditions. In an attempt to strive to maximise its power to do good, the NLB continually reviews its performance and the way in which it delivers its services.

Consulting with its stakeholders is a critical element in this reflection process.

On 20 – 21 June 2011 the National Lotteries Board (NLB) will hold a two-day national conference to explore the future of NLDTF funding. This will be the first National Consultative Conference which provides participants with a platform to share ideas with the Board on who should get funding, what funding model should be applied, and how to improve issues of governance, managing risk and ensuring sustainability.

In October and November 2010 the NLB conducted 18 highly successful information workshops in all nine provinces which resulted in many constructive issues being raised by participants. The NLB then proceeded to hold provincial consultative workshops to understand and document the concerns of beneficiaries and other stakeholders in relation to a new funding model. The results of the consultative workshops will be further discussed at the two-day national conference.

At the consultative workshops, the following two key questions were presented and responded to by the delegates:

1. What should the NLDTF fund (in terms of priorities and reach)
2. How should the NLDTF do it? (operational model)

This report contains the inputs, comments and suggestions of beneficiaries and other stakeholders as presented during the nine provincial consultative workshops.

The consolidated report is a synthesis of issues repeated in all nine provinces. In other words, those issues captured in this report do not reflect the views of individuals or individual provinces, but are an expression of a national perspective on current practices. The inputs have been clustered around five themes, and are then discussed in terms of their implications for the NLB's strategy, structure, processes and resources.

In summary, the main issues raised by the delegates coalesce around five main areas of consideration, viz:

- **Funding model:** Ways in which the funding model could be amended to be more responsive to current conditions on a national scale, but also to particular circumstances in the provinces. Concerns were raised about the current funding model which doesn't account for the fact that not all organizations have the same level of business-cycle maturity. Emerging organizations



and ones who have been in existing for some time, should not necessarily be subject to the same application process. In addition, the issue of the funding cycle being a closed cycle means that submissions can only be considered once a year. Also, the funding model is a one-year cycle and not a multi-year cycle, which poses challenges for planning and sustainability. Finally, participants were concerned about the centralized process of application making it more difficult for those in the regions to submit their applications, and their particular situations not being fully appreciated or understood.

- **Governance:** issues of governance pivoted around the concern for more communication concerning the vision and funding strategy, rather than comments on the way in which the NLB is governed. In other words, the provinces argued that they are uncertain about priorities, and overall vision. Knowing this, would assist applicants to align their applications or re-consider submissions.
- **Funding allocations:** In this regard, the fundamental issue was about the equitable distribution of funds that do not suggest an urban bias, but account for the important work that takes place in rural or more remote areas.
- **Capacity building:** not all organizations are able to meet the funding criteria as a result of insufficient experience, skill and resources. This does not detract from the quality of their work, nor from the need which they serve. Application processes could be supported by the introduction of a capacity building programme which assists inexperienced, or emerging organizations to understand the requirements, and be able to make submissions. This could take the form of workshops and but also include mentoring support.
- **Application process:** Many applicants do not understand the application form. The request was for the form to be translated into all official languages and to be written in simple language. Applicants undertook to identify which aspects of the form they found cumbersome. The general feeling was that the application form is not user friendly in the Acrobat Adobe format. The request was for a more user friendly IT solution. Not all organisations have access to technology or traditional media to respond to calls for proposals. The request was for the NLB to create alternative avenues in order to increase access. The charity sector is big and largely undefined. The request was for the charity sector to be revisited and more clearly defined. When applications are rejected, applicants are unsure as to the reasons for the rejection. The request was for the NLDTF to provide constructive feedback in order for applicants to correct mistakes so that future applications could be successful.



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1. BACKGROUND AND CONTEXT TO CONSULTATIVE PROCESS

From October to November 2010 the National Lotteries Board (NLB) organised and hosted a series of country-wide road shows. The objectives of the road shows were to assist stakeholders to understand how the National Lottery Distribution Trust Fund (NLDTF) grant making process works in order to enable more organisations to access NLDTF funding as well as to assist potential applicants to prepare for future calls for applications.

In terms of the Lotteries Act (Act No 57 of 1997 as amended), the NLB acts a trustee of the funds it receives from the lottery operator, Gidani. It further has to protect the integrity of the lottery, and ensure that the money is in safe hands. The Act also prescribes how funds should be accessed and distributed to beneficiaries.

Following the 2010 road shows, the NLB decided to embark on a process of provincial consultative workshops in 2011 to further consult with stakeholders, including civil society organisations, lottery beneficiaries and the lottery players. The purpose of the consultative workshops was not about how to apply for funding and why people are not getting money timeously, but to consult with stakeholders to gather more information on priority areas and to invite inputs in terms of the current funding model.

Because many issues raised at the road shows impacted on the current legislation, it became necessary for all stakeholders to familiarise themselves with what the Act prescribes and to adhere to its guidelines. What became clear to the NLB was that the current Act is more relevant to a first world country than a developing country, especially in terms of the legislative requirement of applicants having to submit audited financial statements as part of their funding application. Given the history and current context of the country, many organisations are not able to do so, and therefore the current model should be revisited and adjusted to meet the gaps identified.

The NLB therefore decided to consult with the people, so that stakeholders have the opportunity to make input into a new funding model so that, when legislative changes are brought about, it will not come as a surprise to them.

At the consultative workshops, the NLB required the beneficiaries to consider the following questions in relation to the national lottery:

1. What should the NLDTF fund? (Priorities & Reach)
2. How should this be done? (The Operational Model)

In considering a new funding model, the NLB is cognisant of not promoting the creation of a welfare state where people rely on handouts and cannot sustain their projects. For the NLB, the main issue regarding the funding of projects is to ensure sustainability, so that these projects can continue after the funding ceases.



The current funding model is application-based which means that funds can only be accessed through an application process. If there is no advertised call for proposals, no funding applications can be made by any organisation. Only when the NLB issues advertisements (and this might only be once a year), applications can be made to the NLDTF. There are currently four sectors that qualify for funding, namely:

- Arts, Culture and National Heritage (including Environment)
- Charities
- Sport and Recreation
- Miscellaneous Purposes

These current categories exclude areas such as education and health, for instance. One of the discussion points at the consultative workshops was whether the existing categories should be changed or expanded in order to include a wider sector of beneficiaries. Since the inception of the Act, funding needs have changed, and the NLB has to be responsive to these changes.

Following the provincial consultative workshops, one in each of the nine provinces, will be a National Indaba on 20 and 21 June 2011 to further interrogate issues pertaining to the current funding model and consolidate inputs for possible legislative and other changes.

Because the lottery player is an important stakeholder and should also be consulted, the NLB has set up a website survey for the lottery players to provide input on where they want their money to go.

South Africa has embarked on a growth path, and the President has made it clear that job creation is a priority. The NLB is of the view that it is not only up to government to employ people, but also the private sector, NGOs, community trusts etc. The question is how many job opportunities were created by funds disbursed by the NLDTF since inception, thus creating jobs through funding. To date R 13.5 billion has been allocated to 16 000 beneficiaries, but it is not clear how many people have benefitted from this money through job creation.

The NLB invited all stakeholders to think pragmatically on how to move forward and to reflect on what kind of funding model could best work in South Africa today.

2. PROCESS OF CONSULTATION

The provincial consultative workshops were conducted in all nine provinces as follows:

Province and Location	Date	Venue	Chairperson	Facilitators
Limpopo: Polokwane	25 May 2011	Protea Landmark Hotel, Polokwane	Prof Alfred Nevhutanda – Chairperson of the NLB	Mr Sershan Naidoo – Spokesperson of the NLB



Province and Location	Date	Venue	Chairperson	Facilitators
				Prof Alfred Nevhutanda
North West: Mafikeng	26 May 2011	Protea Hotel - Mafikeng	Prof Alfred Nevhutanda – Chairperson of the NLB	Mr Sershan Naidoo – Spokesperson of the NLB Prof Alfred Nevhutanda
Mpumalanga: Nelspruit	27 May 2011	Mercure Hotel Nelspruit	Prof Alfred Nevhutanda – Chairperson of the NLB	Mr Sershan Naidoo – Spokesperson of the NLB Prof Alfred Nevhutanda
Free State: Bloemfontein	30 May 2011	Protea Central Bloemfontein	Prof Govind Reddy – Board Member of NLB	Mr Sershan Naidoo – Spokesperson of the NLB Prof Vevek Ram - CEO
Eastern Cape: East London	1 June 2011	Holiday Inn Garden Court East London	Ms Portia Loyilane – Board Member of NLB	Mr Sershan Naidoo – Spokesperson of the NLB Mr Jeffrey du Preez - COO
Northern Cape: Kimberley	3 June 2011	Holiday Inn Garden Court Kimberley	Adv Collen Weapond– Board Member of NLB	Mr Sershan Naidoo – Spokesperson of the NLB Mr Jeffrey du Preez - COO
Gauteng: Pretoria	6 June 2011	Holiday Inn Garden Court Pretoria	Prof Alfred Nevhutanda – Chairperson of the NLB	Mr Sershan Naidoo – Spokesperson of the NLB Prof Alfred Nevhutanda
Western Cape: Cape Town	8 June 2011	Protea Hotel Fire and Ice Cape Town	Prof Alfred Nevhutanda – Chairperson of the NLB	Mr Sershan Naidoo – Spokesperson of the NLB Prof Alfred Nevhutanda



Province and Location	Date	Venue	Chairperson	Facilitators
KwaZulu Natal: Durban	10 June 2011	Protea Hotel Edward Durban	Ms Portia Loyilane – Board Member	Mr Sershan Naidoo – Spokesperson of the NLB Prof Vevek Ram – CEO

3. CURRENT FUNDING MODEL

Mr S Naidoo presented the current funding model and challenges, and invited people to think about the best funding model for SA. He indicated that the NLB would welcome people's input in the consultative workshop.

3.1 Who is who in the Lottery Environment:

Mr Naidoo explained the main role players in the lottery environment, and highlighted their main functions:

- National Lotteries Board (NLB) – its function is to regulate the national lottery and other lotteries. The NLB is also the Trustee of the NLDTF
- Gidani – the lottery operator
- National Lottery Distribution Trust Fund (NLDTF) - distributes the funds
- Distribution Agencies (DAs) (Charities, Arts, Culture and National Heritage, Sport and Recreation and Miscellaneous Purposes)

3.2 Who is Eligible for Funding

In term of current legislation, the following entities and organisations are eligible for funding from the NLDTF

- NPOs (30 000 registered with Department of Social Development)
- NGOs (section 21 companies and public benefit trusts)
- Municipalities and parastatal bodies
- Institutions of Higher Learning
- Public Schools (with an EMIS number)
- Museums, Libraries, National Parks and Institutions
- Provincial Academies of Sport
- National Sports Federations
- Affiliates to National Sports Federations
- Sports Bodies
- Recreational Clubs



3.3 Beneficiary Sectors

Legislation currently provides for the following beneficiary sectors:

- Arts, Culture and National Heritage (including environment) (28%)
- Charities (45%)
- Sport and Recreation (22%)
- Miscellaneous Purposes (5%)

3.4 Funding Requirements

Organisations that apply for funding have to comply with the following funding requirements:

- Prescribed Application Form (2010/1)
- Registration Certificate
- Signed and dated Constitution/Founding documents
- New applicants: Two most recent and consecutive sets of Annual Financial Statements - signed and dated by a registered accounting officer
- Previously funded applicants – the most recent year's Audited Financial Statements – signed and dated by an auditor
- Signed and dated Auditor's or Accounting Officer's report
- Detailed project/business/implementation plan
- Detailed project budget
- Project motivation

3.5 Central Applications Office

The role of the Central Applications Office includes the following main areas:

- To manage the application process
- To provide information and support to applicants and grantees
- To monitor grantee reporting

3.6 Distributing Agencies

The Distributing Agencies (DAs) for each sector are:

- Appointed by Minister of DTI for period of 5 years, in consultation with the relevant Cabinet Minister.
- Experts in their respective fields

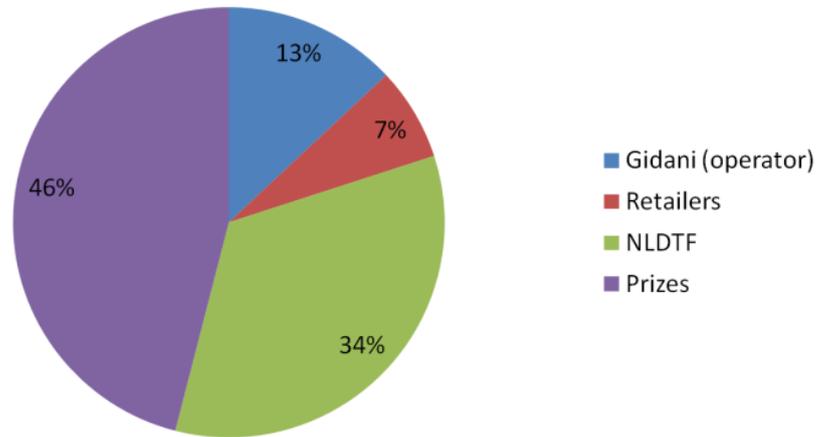
The DAs' duties are to:

- Develop policy and guidelines for funding
- Adjudicate applications for funding
- Allocate funds



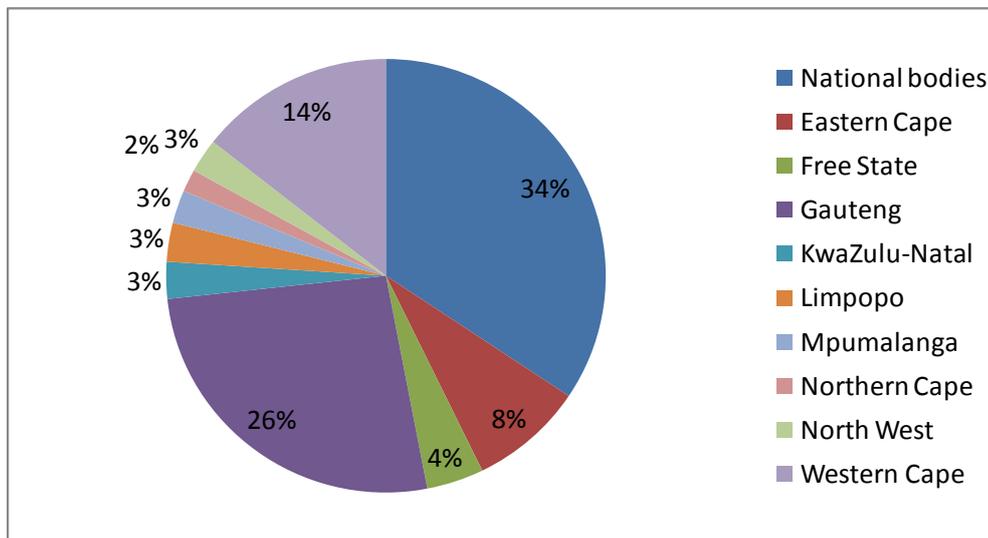
3.7 National Lottery Revenue Split

The following pie chart reflects the national lottery revenue split:



3.8 NLDTF Provincial Allocations 2010

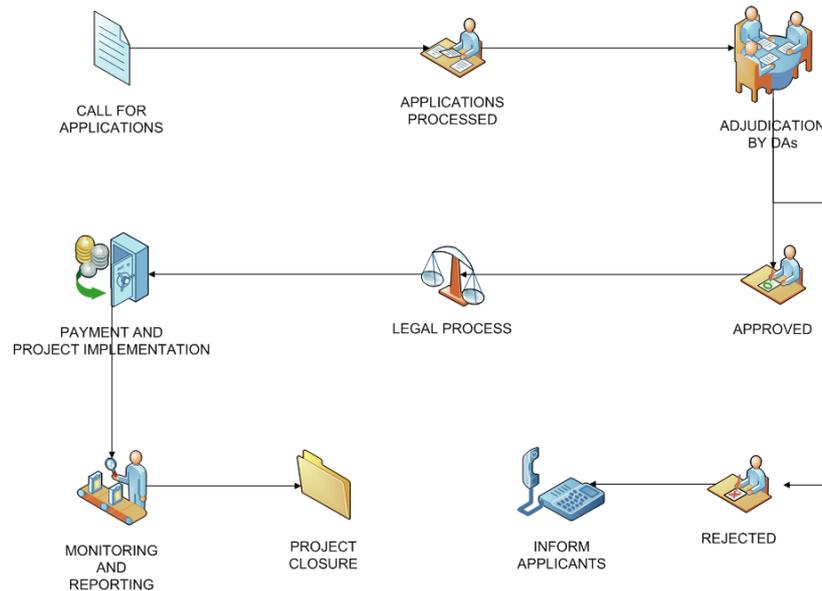
The pie chart below reflects the NLDTF provincial allocations for 2009/2010:





2.9 NLDTF Application Process

The diagram below charts the NLDTF Application Process:



3.10 Challenges

Considering the application, adjudication and disbursement process, the NLB has identified a number of challenges. These include:

- High rate of declines
- Applications falling outside the mandate of the DA
- Corporate governance not strong enough
- Grant agreements not properly signed
- Grant agreements not being read/complied with
- Incorrect, incomplete or unsatisfactory progress reports
- Improper record keeping when implementing the grant
- Delays in submitting additional information requested
- Consultants posing as NLDTF agents
- Failure to give the NLDTF adequate recognition
- Unauthorised deviation from project plan/Grant Agreement
- Applications being submitted just before the deadline and expecting a quick response



4. CONSOLIDATED FEEDBACK

This section of the report is a summary of the issues raised at the nine consultative workshops. The issue identified is then unpacked in terms of a proposed new operational model, and its impact in terms of the NLB strategy, structure, process and resources

The table below provides brief descriptions of each of the categories:

About strategy “Strategy” is the process whereby one defines the key drivers, inputs, outputs and outcomes of an operation in an effort to achieve a defined vision and strategic objectives.
About structure Structure, in theory, relates to the organisational design of an entity, including its employment hierarchy, shared services, in-sourced and out-sourced services and delivery partners. In the context of this project, structure will refer to institutional relationships.
About process “Process” is the sequential progression from one state to another in the service of achieving an output. In this context, process will map the way the various components of the model work and how relationships will be activated and monitored and evaluated.
About resources “Resources” refers to the input – human, technological and financial - that fuels the strategy and process.

In addition, we have clustered feedback into five areas, viz:

- Funding model
- Governance
- Funding Allocations
- Capacity Building
- Application Process

4.1 Funding Model

Issue	Strategy implications	Structure implications	Process implications	Resource implications
<p>The current Funding Cycle is a closed cycle - calls for proposals are only advertised once a year per sector, and does not allow for ad hoc applications throughout the year. In addition, this cycle does not provide for disaster funding application.</p>	<p>NLB to develop an Open Funding Cycle model where applications can be submitted by all sectors throughout the year as and when organisations need funding. This model will also provide for special circumstances such as enabling disaster relief funding.</p> <p>Introduce a combined model – the NLB still makes a general call for proposals once a year, but can also make targeted calls throughout the year (e.g. applications for projects with specific funding caps not exceeding R 50 000, R 100 000, etc)</p>	<p>NLB Central Applications Office structure to be adjusted to meet requirements of continuous receipt of applications.</p>	<p>NLB to streamline internal processes for all applications to be dealt with within reasonable or accepted time frames.</p>	<p>Central Applications Office to be adequately resourced to deal with constant stream of funding applications.</p>
<p>Not all organisations comply with the financial criteria for funding. This is in the most part due to the fact that organisations apply for funding at different points in their business</p>	<p>NLDTF to create a special dispensation or entry level application mechanism for</p>	<p>-</p>	<p>NLDTF to set up an open application process to provide new and emerging</p>	<p>-</p>



Issue	Strategy implications	Structure implications	Process implications	Resource implications
<p>cycle. In other words, some organisations are new or emerging, and others are more mature. The newer ones do not have financial statements or audited statements, and need the funding in order to open bank accounts so that financial and banks statements can be submitted. This sets in place something of a vicious cycle.</p>	<p>emerging organisations, where funding is disbursed on the condition that financial statements be submitted within a specified time period after the funding was received. In addition, such applicants must also formally commit to appointing the appropriate financial officers (including registered auditors) and adopting formal financial management policies and procedures.</p> <p>NLDTF can place a cap on the amount applied for to allow organisations to grow.</p>		<p>organisations with adequate time to get their financial affairs in order.</p>	
<p>The current funding model is application-based, and organisations can only apply for funding through a vigorous application process. It does not require the submission of a needs analysis nor any consideration of future sustainability and growth.</p>	<p>NLB to create a mixed funding model where applications can be submitted in line with provincial/regional needs analyses study as well as an organisational</p>	<p>-</p>	<p>In addition, applications should not only be by written submission, organisations should be offered an opportunity to make formal presentations.</p>	<p>A panel of representative adjudicators may have to avail themselves in order to consider the presentation-based application.</p>



Issue	Strategy implications	Structure implications	Process implications	Resource implications
	<p>development plan to ensure sustainability.</p> <p>NLDTF can create a platform where organisations can be called to make presentations to the adjudicating body as part of the application process (instead of completing application forms).</p>			
<p>The current adjudication of funding applications is a centralised system – all applications are received and adjudicated centrally at head office by the relevant DA.</p> <p>The current adjudication mechanism is inadequate – only three DAs adjudicating thousands of applications result in long turnaround times.</p>	<p>Develop a decentralised provincial adjudication system.</p>	<p>NLB to create provincial adjudication structures to deal with provincial applications Make provision for permanent provincial DAs to deal with applications expeditiously and to enable organisations in remote rural areas easier access to provincial structures.</p>	<p>Provincial DAs to report directly to the NLB, with measurable performance standards in place for DAs.</p> <p>Permanent provincial DAs will ensure continuity in the adjudication and disbursement of funds, and ensure that each application receives the attention it deserves.</p> <p>NLDTF to institute</p>	<p>Provincial DAs to be representative of provincial experts who can adjudicate the applications based on provincial needs and priorities.</p>



Issue	Strategy implications	Structure implications	Process implications	Resource implications
			transparent adjudication processes.	
<p>The current provisions of appoint of DAs does not adequately cater for the volume of applications. DAs are appointed by the Minister and report to the Minister. They meet once or twice a month to adjudicate applications, which is not often enough to deal with the numbers of applications. At the current rate it takes more than a year to adjudicate applications, making turnaround times long and cumbersome.</p>	<p>The appointment of DAs is legislated for. In order to revise the number and terms of appointment, legislative amendments are required.</p>	-	<p>Increased number of DAs and longer-working hours will impact on HR.</p>	<p>The appointment of DA members should be on full time basis. This will have a run-on effect on all necessary work resources, including, of course, budget.</p>
<p>The current one-year funding period bogs down beneficiary processes – it affects continuity of projects when the turnaround time for funding is so long. Beneficiaries are unclear as to whether they should continue with projects pending the outcome of the application.</p>	<p>Change funding criteria to a multi-year funding period (three to five years) so that beneficiaries can implement more sustainable projects for a longer period of time.</p>	-	<p>Multi-year funding models will impact on administration by reducing the amount of times adjudication must occur, and the amount of times fund must be disbursed.</p>	-
<p>The current funding model is not necessarily aligned to Government’s 10 priorities translated in to 12 outcome areas. (and in particular the five areas the President has identified in his Opening of Parliament Speech in February 2011, viz: job creation specifically focused on youth employment; education and skills development; health;</p>	<p>NLDTF to consider the government’s Medium-term framework and fund programmes that support the MDG priorities.</p>	-	-	-



Issue	Strategy implications	Structure implications	Process implications	Resource implications
<p>infrastructure development; and vibrant, equitable and sustainable rural communities. This may result in the wrong priority areas being funded.</p>				
<p>The current funding model may encourage the notion of a welfare state where organisations are dependent on handouts and are not able to sustain themselves and their projects.</p>	<p>Move away from the notion of a welfare state and move towards encouraging sustainable organisations and projects.</p>	-	<p>NLDTF to require organisations to submit three to five year growth and development plans with their application to encourage them to be sustainable beyond the funding period.</p>	-
<p>The current funding model does not allow the NLDTF to fund 'special projects'. These are projects which may be identified by a third-party or by the NLDTF itself.</p>	<p>NLDTF to adopt a pro-active funding model where it can identify special projects within a province and fund those as special NLDTF projects.</p>	-	<p>NLDTF to enhance its research capability in order to identify worthy projects that can qualify for special funding.</p>	<p>Identify appropriate personnel to undertake this function.</p>
<p>The current funding model does not allow the funding of operational costs.</p>	<p>NLDTF to expand funding criteria to allow for funding of operational costs (which would enhance job creation through the funding of salaries).</p>	-	-	-
<p>Additional sectors to be funded.</p>	<p>NLB to consider identified sectors. If new</p>	<p>This may require the appointment of</p>	-	-



Issue	Strategy implications	Structure implications	Process implications	Resource implications
<ol style="list-style-type: none"> 1. Education <ol style="list-style-type: none"> a. Vocational Education b. Skills Development c. Pre-schools registered as NPOs 2. Crime Prevention 3. Social Development <ol style="list-style-type: none"> a. Youth Development Programmes b. Early childhood development c. Human Rights Forums d. Job creation Programmes e. People with disabilities f. The aged g. Women (women's rights, domestic violence widows, rural women) 4. Economic Development 5. Health <ol style="list-style-type: none"> a. Reproductive health b. Family planning c. Teenage pregnancies 6. Agriculture 7. Environment (Environment to be de-linked from arts and culture) 8. Rural Development <ol style="list-style-type: none"> a. Land reform 9. Animal Welfare 10. Co-operatives 11. Traditional Councils 	<p>sectors are adopted, legislation will have to be amended.</p> <p>It is also important that the NLB agree on these sectors as matter of strategy, and this be communicated publically. This should mitigate expectations for funding projects that fall outside their mandate and may form part of other agencies mandates (eg skills training forms part of the SETA's work).</p> <p>Additional sectors must also be aligned to national and provincial priorities and outcomes.</p>	<p>additional DAs aligned to new sectors.</p>		



Issue	Strategy implications	Structure implications	Process implications	Resource implications
12. Informal and Rural Economic Development 13. Job creation 14. Change the Miscellaneous sector format so that the NLB wants to be a more proactive organisation that from time to time assess people's needs – to go to areas, identify projects that address specific needs and to also conduct follow ups as part of M&E.				

4.2 Governance

Issue	Strategy implications	Structure implications	Process implications	Resource implications
NLDTF does not adequately monitor and evaluate the implementation of beneficiary projects, leaving room for mismanagement of projects.	Revise policies documents which require the rigorous monitoring and evaluation of all projects and their performance.	Set up provincial NLDTF structures to enable tighter M&E measures.	Create administrative capacity within provincial NLDTF office to carry out verification and M&E. This will strengthen the overall NLDTF M&E function.	NLDTF Provincial officers can be tasked conduct site visits of projects in regions and districts to monitor project implementation and evaluate project in line with the beneficiaries' business plans. NLDTF officers can offer guidance and



Issue	Strategy implications	Structure implications	Process implications	Resource implications
				advice to ensure sustainable projects.
<p>The seemingly inadequate M&E capability of the NLDTF may result in double dipping – where organisations receive funding from more than one funding agency for the same project.</p>	<p>NLDTF to develop a collaboration strategy with other funding agencies (such as the NDA) to jointly develop funding priorities and criteria to prevent possibility of double dipping.</p>	<p>NLDTF governance structure model should eliminate the notion of double dipping – receiving funds from more than one funding agency for the same project.</p>	<p>Regularised mechanisms for interaction with other funding agencies including meetings, sharing of documentation and may even include a shared database.</p>	<p>-</p>
<p>NLB/NLDTF does not have a clearly communicated funding Vision and strategy, resulting in no clearly articulated strategic intent for funding. This filters down to the DAs, resulting in the adjudication of applications outside a strategic framework.</p> <p>The NDLTF Vision should be focused on transformation and to uplift marginalised communities and also be aligned with national priorities and outcomes.</p>	<p>Clearly formulate a funding strategy with a well articulated strategic intent that will allow for the strategically focused disbursement of funds by the DAs, and at the same time addressing the country's current development priorities.</p> <p>The NLDTF funding priorities should be dynamic and evolve as the needs of the country change.</p>	<p>-</p>	<p>Create a clear process framework for DAs that informs adjudication of applications and disbursements of funds.</p> <p>Communicate campaign which creates awareness about vision, strategy and priority areas.</p>	<p>-</p>



Issue	Strategy implications	Structure implications	Process implications	Resource implications
Applicants are not clear about the current funding priorities of the NLDTF, and therefore cannot align their applications with the NLDTF funding priorities.	NLB and NLDTF to formulate and articulate funding priorities to all stakeholders.	-	NLDTF to provide statistics regarding successful applications and disbursements for beneficiaries to access. This will provide vital information regarding provincial needs and priorities and how they are addressed through projects.	-
Funding priorities may be different from province to province.	NLB/NLDTF to develop collaboration strategies with provincial governments to determine provincial growth and development priorities and to fund projects accordingly. This may be aligned to provincial Growth and Development Strategies. NLB/NLDTF to form partnerships with government funding agencies and work in	-	Create a mechanism/formula to adequately deal with rural/urban bias so that all communities benefit from funded projects.	-



Issue	Strategy implications	Structure implications	Process implications	Resource implications
	<p>collaboration with them - be proactive and refer applications received that do not cover the NLDTF sectors to the relevant government funding agencies (e.g. municipal funding).</p> <p>NLDTF to issue research based calls for proposals to ensure that provincial and regional needs are accommodated in the applications.</p>			
<p>Not all beneficiaries receive payments as per the funding agreement, causing projects to be disrupted/halted until funds are received. Organisations project manage and implement according to agreed up schedules, and late payments have damaging consequences for deadlines and even ability to continue. This is not a funding issue, but more one of administration.</p>	-	-	<p>NLDTF to streamline the disbursement process so that beneficiaries receive the funds on time and in line with reporting requirements and time frames.</p>	-



4.3 Funding Allocations

Issue	Strategy implications	Structure implications	Process implications	Resource implications
<p>Provincial allocation percentages, more especially to the rural provinces are not equitable. It appears as if the majority of the funding allocation has an urban bias.</p>	<p>Increase distribution percentages to other provinces (those with vast rural areas) and accommodate organisations which address more pressing needs.</p> <p>A baseline funding percentage should be allocated to each province, and thereafter percentage increases should be based on provincial-specific needs and priorities.</p> <p>NLB to revisit provincial allocation percentages to enable a more equitable urban/rural bias.</p>	<p>-</p>	<p>Redistribute funding percentages to provinces that have high poverty and unemployment levels.</p> <p>Develop a mechanism/formula to deal with urban/rural bias so that rural communities can also benefit.</p>	<p>-</p>



4.4 Capacity Building

Issue	Strategy implications	Structure implications	Process implications	Resource implications
<p>Emerging organisations applying for funding do not always meet the NLDTF funding criteria and requirements because of capacity, skill and experience.</p>	<p>NLDTF to create a consortium application model so that emerging organisations can be part of the consortium and benefit from the funding.</p> <p>The NLDTF to put a mechanism in place whereby organisations can submit expressions of interest accompanied by company profiles and business plans.</p>	<p>-</p>	<p>Ensure that the consortium has a monitoring and evaluation capability within to strengthen emerging organisations in terms of their systems and processes.</p>	<p>NLDTF to institute a mentoring programme that would assist new or emerging organisations to grow and eventually qualify to successfully apply for funding.</p>
<p>Many organisations (emerging and other) that operate in mostly rural areas do not comply with NLDTF funding criteria and requirements (e.g. no audited statements or proper financial records, lack of governance structures). This is an issue of capacity, skill and experience,</p>	<p>NLDTF to adopt strategy position on skills transfer as a mechanism for empowerment and growth.</p>	<p>NLDTF to create a help desk within the provincial NLDTF office to assist applicants to comply with funding requirements prior to adjudication of application.</p>	<p>NLDTF to encourage registered organisations to “adopt” emerging organisations operating on grass roots level, assist them in terms of growth and development. This would also give such</p>	<p>NLDTF to dedicate resources within the provincial office to assist organisations with application process, provide training and development programmes to capacitate</p>



Issue	Strategy implications	Structure implications	Process implications	Resource implications
			emerging organisations indirect access to funding.	organisations.
Emerging organisations sometimes use the services of auditors not registered with a professional body, resulting in their funding application to be declined.			NLDTF to assist rural based organisations by providing guidelines on how to access registered auditors.	
Organisations, especially in rural areas, do not have access to registered auditors, making it difficult to submit audited statements with their funding applications.	-	-	NLDTF to assist rural based organisations by providing guidelines on how to appoint registered auditors.	NLDTF provincial office to provide guidance to organisations on how to access registered auditors.
Some emerging organisations enlist the help of agents (at a cost) to assist them in completing and delivering the application forms.	-	-	NLDTF to run annual application workshops to assist potential applicants on how to complete forms. NLDTF to encourage communities to assist and capacitate each other in the application process.	NLDTF to create provincial capacity to assist emerging organisations in successfully completing application forms.
Not all beneficiaries understand the requirements and reporting criteria contained in	-	-	NLDTF to run annual workshops which	NLDTF to dedicate resources to introduce



Issue	Strategy implications	Structure implications	Process implications	Resource implications
the NLDTF grant agreement (the contract, responsibilities in terms of compliance).			assist organisations who have been awarded funding, to understand the terms of the grant agreement.	an induction programme for new beneficiaries to ensure compliance with the funding terms and conditions.

4.5 Application Process

Issue	Strategy implications	Structure implications	Process implications	Resource implications
Completing the application form is cumbersome, and many applicants do not understand the application form.	-	-	Translate the form into all official languages so that more people have access and are able to understand the application form. Applicants to identify which aspects of the form is cumbersome Form to be written in simple language.	NLDTF to dedicate resources within the provincial office to assist organisations with application process.
The application form is not user friendly – it has to be completed in one go (Acrobat Adobe does not allow for the application form to be saved in order to be completed at a later time)	-	-	Create a more user friendly IT solution for the application form to be completed.	Strengthen NLDTF technical capability so that technical queries from beneficiaries can



Issue	Strategy implications	Structure implications	Process implications	Resource implications
The space on the application form is locked, making the font smaller and smaller as data is entered.			Create more space on forms for input of data.	be adequately addressed.
Many organisations wait until the last minute to complete and submit their applications. Because the CAO processes the applications in the order they are received, the last minute applications are dealt with last. This results in those applicants having to wait one to two years before any feedback on their applications is received.	NLDTF to encourage organisations to apply well within the time frame in order for their applications to be processed early on in the process.	NLDTF to create decentralised provincial applications offices so that applications can be processed in a more time efficient manner. CAO to identify applications that do not comply and be in a position to decline these. This will reduce turnaround times.	NLDTF to introduce a feedback tracking system for beneficiaries to be informed how far their applications are in the adjudication process.	NLDTF to set up a dedicated provincial applications capability to receive and process provincial applications more efficiently.
The time frame between the call for applications and submission of proposals is too short. Some organisations have to provide for the travel of long distances (at huge costs) to get to Pretoria in time to deliver the applications.	-	-	NLDTF to create a more realistic time frame for completion of applications.	-
Not all organisations have access to technology to download and complete the application forms.	-	-	NLDTF to provide hardcopy application forms as well as guidelines on how to	NLDTF to make hardcopy application forms and guidelines available at lotto ticket



Issue	Strategy implications	Structure implications	Process implications	Resource implications
			complete applications successfully.	retailers for easier access.
Not all organisations have access to the traditional media where calls for proposals are advertised by the NLB.	NLB/NLDTF to create alternative avenues for advertising the calls for proposals to enable greater access and reach.	-	NLDTF to institute process to call for applications with greater reach (e.g. use of the radio, retail outlets and bulk sms system).	-
The charity sector is very big and largely undefined.	Create new sectors within the broad charity sector (such as a Development Sector). This may be an opportune time to review the terminology of 'charity' and redefine this sector.	-	-	-
The volume of applications received from the charity sector is big, and places pressure on the Charity DA to adjudicate the applications within reasonable time frames.	-	Appoint DAs that reflect the unpacked/newly defined charity sector to spread the load of processing large application volumes.	This will reduce turn-around times as applications will be spread across more adjudicating forums.	-
Organisations whose applications have been rejected often do not know the reasons why their	Revise strategy to reflect the importance of	-	NLDTF to create a feedback process	Feedback should be included in the IT



Issue	Strategy implications	Structure implications	Process implications	Resource implications
applications have been rejected, and repeat the same mistakes every time they apply.	empowerment through feedback.		where rejected applicants are given an opportunity to correct mistakes made on the previous application.	system so that applicants' status can be easily tracked and communicated. This will provide the contact centre with the tools to provide immediate feedback to applicants.
Beneficiaries find it difficult to communicate with the NLDTF office.	-	-	-	Capacitate the contact centre to be fully operational and capable of handling large call volumes from beneficiaries.



5. SUMMARY OF MAIN ISSUES

- Overall a strong call to clarify and review the policy focus of the NLDTF and address deficiencies in current legislation, regulations and policy directives
- Priorities: Find connectivity within current frameworks to work together
- Education, health, unemployment and poverty – identify priorities within the charity sector
- NLB needs a more coherent and strategically focussed
- Institutional arrangements – relationship between NLB, and DAs, accountability and provincial representation
- Adjudication – turnaround time is too long.
- More regular feedback during project cycle as to the status of the project/application. Dedicated contact person for each applicant.
- Capacity within the NLDTF and beneficiaries – structure current partnership model more tightly
- Build in mentoring and capacity building in the funding process to ensure sustainability for emerging organisations and their projects
- Be honest in terms of own sectors and question what the DAs are funding - whether that is relevant and responsive to the current environment
- NLDTF should revisit its focus in terms of what it funds, also considering urban/rural spread to maximise reach