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RAMBOLL

Funded by Danida

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List of Abbreviations

CBO	Community Based Organisation
CPPP	Community Public Private Partnership
CSI	Corporate Social Investment
Danida	Danish International Development Assistance
DBSA	Development Bank of South Africa
DEAT	Department of Environmental Affairs and Tourism
DWAF	Department of Water Affairs and Forestry
ECDC	Eastern Cape Development Corporation
EU	European Union
GEF	Global Environmental Facility
GTZ	German Technical Co-operation
IDC	Industrial Development Corporation
LED	Local Economic Development
LFA	Logical Framework Approach
N/A	Not applicable
NDA	National Development Agency
NGO	Non Governmental Organisation
PAYE	Pay as You Earn
PFM	Participatory Forest Management
SAGA	Southern African Grantmakers' Association
SARS	South African Revenue Service
SETA	Sectoral Education Training Authority
SMME	Small, Medium and Micro Enterprises
UIF	Unemployment Insurance Fund
UN	United Nations
UNDP	United Nations Development Program
WWF-SA	World Wide Fund For Nature - South Africa



1. Introduction

The Department of Water Affairs and Forestry (DWAF) has adopted Participatory Forest Management (PFM) as a general approach to all its activities. PFM seeks to ensure that there is a shared responsibility of forest management between key stakeholders and the state, and that there is a sustainable flow of benefits to key stakeholders. DWAF thus strives to consider local people's forest-based needs, their role in sustainable forest management and their involvement in decision-making processes.

Most forest projects/business ventures involving local communities will need to raise funds for implementation of activities and achieving of objectives. Within the South African development context, there are a large number of organisations and donors aiming to support development. While there is a huge sum of development capital available, capacity to develop good interventions and partnerships within community-based projects is often lacking. Donors want to support projects that are well developed and realistic. A skilled fund raiser can apply a great deal of creativity in seeking to establish partnership opportunities and be highly successful in this regard.

This Guideline provides a clear understanding of various aspects and formalities of fund raising and details sources of funding and partnership options.

This Guideline is part of the PFM Guidelines developed during the DWAF/Danida PFM Project (2001-2005). The PFM Guidelines aim to empower DWAF staff, the new custodians of state forests and partners at local level to implement the new DWAF Forestry Vision. The PFM Guidelines are thus meant to support community upliftment in accordance with the DWAF Criteria, Indicators and Standards for Sustainable Forest Management.



2. About this Guideline

2.1 Aim and Objectives

This Guideline aims to provide a simple guide to community structures and other relevant agencies on how and where to apply for funding in order to effectively implement their projects/business ventures. It details in a clear manner the different elements of fund raising and how successful fund raising is closely linked to the process of project development. It discusses the Project Funding Proposal Document, which is essential as a first step in applying for funding.

This Guideline also provides a funder database for various funding categories with contact information and numerous website addresses.

Establishing a sound fund raising programme may require specialist assistance with fund raising or project management. However, this Guideline covers most key aspects of the fund raising process.

The objectives of this Guideline are to:

- Explain what fund raising encompasses;
- Detail how a funding proposal should be structured;
- Provide information on the different funding and partnership options available and where to find funding for different projects;
- Describe the formalities that need to be put in place when seeking funds.

2.2 Who is this Guideline for?

The primary target groups of this Guideline are local groupings such as PFM Forum/Committee members, CBOs, forest user groups, NGOs, development organisations and any other organisations that are establishing public participation projects and programmes, and require guidance on how and where to find funding.

Forest managers who are facilitating the implementation of forest enterprises and projects for communities will also benefit from this Guideline.

2.3 How to Use this Guideline

Chapter 3 defines fund raising and deals with various aspects of project funding.

Chapter 4 focuses on the project and the essential elements of project planning, which will assist in ensuring successful fund raising.

Chapter 5 covers fund raising formalities. This section addresses the legal structure of the project, organisation and management, mandates, systems and strategy.

Chapter 6 addresses different types of funding plus how to match partnership structures with projects.

Annex 1 provides an example of the Logical Framework Approach (LFA).

Annex 2 takes a brief look at what a Project Document should contain.

Annex 3 provides a checklist for compiling a Business Plan.

Annex 4 describes a checklist for researching different funding organisations before applying for funding.

Annex 5 provides detailed lists and information on available funding organisations.

Annex 6 provides a glossary explaining words and terms used in the Guideline.

Annex 7 gives an overview of the eight PFM Guidelines produced by DWAF.

Sections of this Guideline can be easily copied for members of a fund raising project group, for discussions with potential participants or beneficiaries, group presentations, or for training and development purposes.



3. Aspects of Fund Raising

3.1 What is Fund Raising?

Fund Raising

An organised effort to secure resources, particularly financial resources, on behalf of a project or an organisation. Some of the resources that are secured may need to be repaid or returned, while others may be retained as a form of gift.

Fund raising covers more than the securing of financial support for a project. It can involve obtaining the use of resources such as rent-free premises, free use of equipment such as vehicles and agricultural equipment, free provision of particular types of expertise (e.g. legal or financial) by volunteers, etc. The support of influential people is also a form of resource. Fund raising can also include an important "own contribution" on the part of project participants or beneficiaries who make a contribution (other than their time) to demonstrate their commitment to the project.

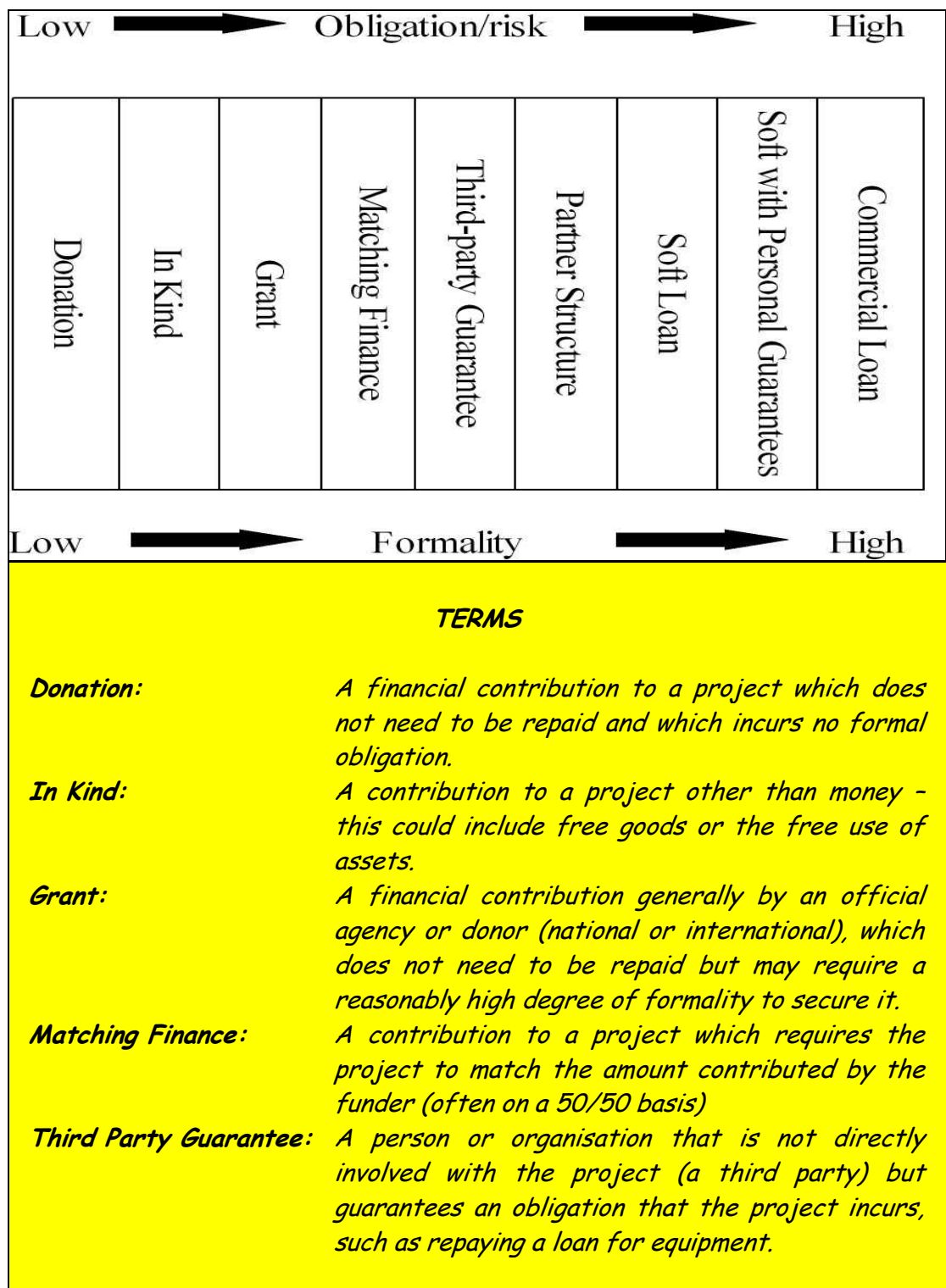
Some funds will not need to be repaid while others have specific repayment requirements. It is often possible to secure donations or grants to establish a project, which do not need to be repaid. However, as a project develops, a loan or other funding that has obligations attached to it (such as repayment) may well be needed.

Different funders provide funds for different types of project, for various types of project beneficiaries, or for various stages in the life of a project. This means that careful funder research is needed. One well-researched application for funding support is preferable to ten applications that are sent off to funders, whose funding requirements are not well researched and/or understood.

3.2 The Fund Raising Spectrum

Figure 1 below provides an overview of the spectrum (or range) of fund raising possibilities, which can be used to fund projects/business ventures.

Figure 1: Spectrum of Fund Raising



Partner Structure:	<i>A wide range of possible partnership structures exist. These include formal partnerships where both parties contribute funds, as well as less formal partnerships where one party supplies opportunities (such as training) instead of finance.</i>
Soft Loan:	<i>A loan where the usual stringent requirements and formalities are not applied.</i>
Soft with Personal Guarantee:	<i>A soft loan that is less strict than a commercial loan but requires that project participants give personal guarantees for the repayment of capital and interest.</i>
Commercial Loan:	<i>A loan where the funder conducts a very close scrutiny of project viability and sustainability, the business plan, participant skills and experience, etc.</i>

On the left of Figure 1 the level of formality of raising funds is low and the obligation or risk that the project takes is also low. Further to the right of the diagram the degree of formality and the extent to which obligations and risk arise, increases.

Formality here means the extent to which the fund raising approach needs to be carefully planned and needs to comply with specific, formal requirements. Obligation and risk refer to the amount of commitment and responsibility as well as possibility of financial loss that the project (or project participants) incurs or takes on.

An example of a low formality, low obligation form of fund raising might be requesting the local trading store to provide soft drinks and biscuits for a project meeting. The request can be through an informal face-to-face request to the store owner, and the project does not incur any significant obligation or risk in making the request.

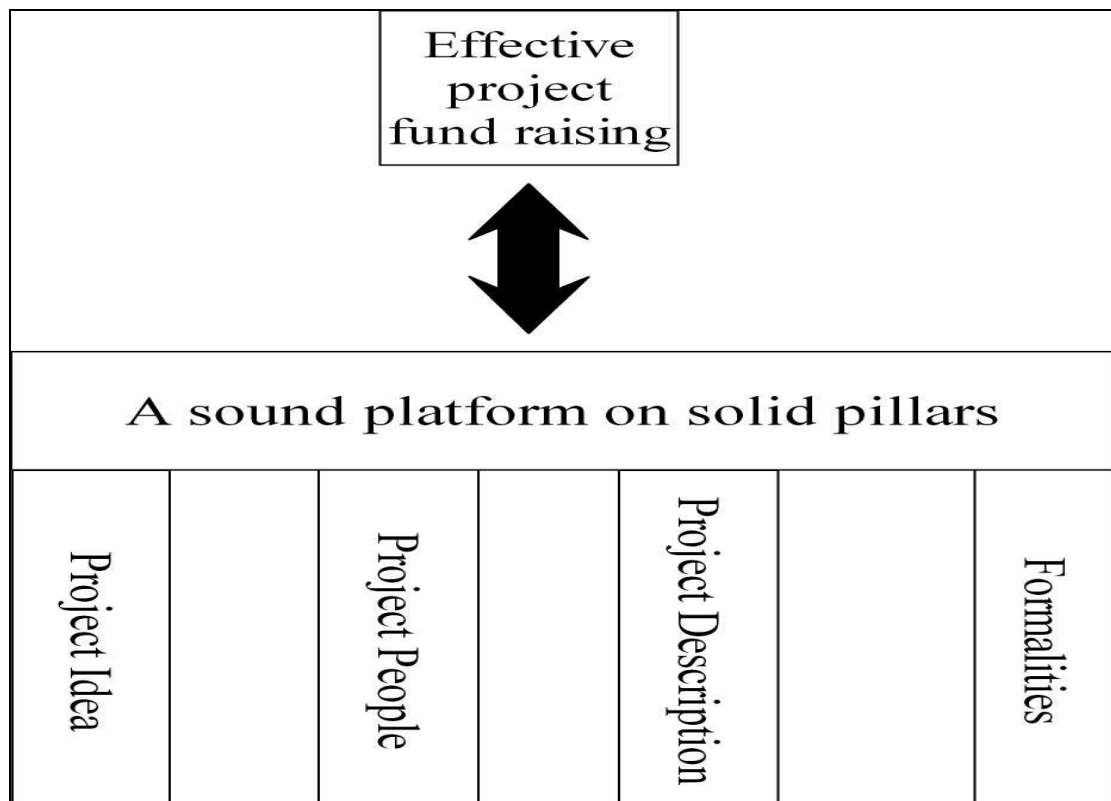
At the other extreme, an example of a high level formality, high level obligation form of fund raising could be a financial loan for a piece of equipment for a project.

This may require the completion of detailed documentation and may require the project participants to sign personal guarantees that the loan will be repaid. If the loan to purchase the equipment is not repaid by the project then the funder who made the loan to the project can claim against the personal property of the project participants who gave their guarantees. Project participants in this case incur a high level of obligation and may risk losing a portion of their personal property.

3.3 Project Funding

Success in securing project funding is strongly influenced by the project idea, people, description, and compliance with formalities. When these four elements have been well addressed a sound platform from which to secure project funding is created. This is illustrated in Figure 2.

Figure 2: The Four Key Elements of Effective Fund Raising





In addition to ensuring that these key pillars are in place, project funding requires a clear understanding of what type of funding is likely to be available for the type of project being planned. This is accomplished through effective funder research and identification. Once suitable funders are identified, then their requirements and the needs of the project must be carefully compared and matched before a formal funding approach is made. These key aspects of effective fund raising are further discussed in Chapters 4 to 6.



4. The Project

In seeking funds for a project, three essential elements of the project that need to be taken into account are: the **project idea**; the **project people** (participants or beneficiaries) and the **project description**¹.

4.1 Project Idea


The project idea is the heart of a fund raising proposal and should provide a clear reasoning of why the project will succeed, what the benefits will be and to whom they will go. A powerful project idea attracts funders and convinces them that it has a high likelihood of success. The project idea answers the basic questions: **what, why, and for whom?**

Projects are established for many reasons. In some cases the idea may be primarily a humanitarian one (and thus non-commercial), e.g. to provide an opportunity for people who are presently unemployed to earn an income. In other cases it may aim to achieve an improvement in the environment (also non-commercial), e.g. the elimination of invasive plants in catchment areas and thus improves the availability of water. In yet other cases the project idea may be one that aims to earn a profit for the project through providing a product or service to the public and will thus be a commercial project.

In order for a project to be viable it should result in an improvement in the current situation - this improvement must benefit individuals, groups, or the wider society.

The best project ideas are entrepreneurial in nature. An entrepreneurial idea is one that innovates (is creative) in such a way that it builds something of value based on an opportunity that has been identified.

¹ Refer to Figure 2.



An entrepreneur can be a social entrepreneur whose main aim is to benefit society (or a disadvantaged sector of society), or a commercial entrepreneur who may be primarily interested in benefiting him/herself.

In developing the project idea it is important to be able to answer a couple of key questions in order to ensure that the project will be viable, sustainable and thus attractive to funders:

- *Is the project feasible* given the identified opportunity, the available resources, other resources that can be secured, and the technical requirements of the project?
- *Is there a demand for the product or service that the project will produce* in the form the project intends to provide it, at the price and in the quantities the project needs to sell in order to ensure project sustainability?
- If the answer is yes to each of these questions, then it is likely that the project will be viable and/or sustainable.

4.2 Project People

The people who are involved in a project are crucial to its success. People involved in a project fall into three broad categories - project advisers, project participants, and project beneficiaries. Participants and beneficiaries often overlap. DWAF employees and other forest managers would generally fall within the adviser category.

Funders of those projects that primarily aim to make a profit are more concerned about the skills and experience of the participants. In the case of non-profit projects, funders tend to be primarily concerned about who the beneficiaries of the project will be. Either way, careful consideration should be given to the composition of the people who make up the project before it is incorporated and given a formal life. The ability to access funds for the project will often be directly dependent on the project participants/beneficiaries.

For example, some funders will only provide funds if project participants and beneficiaries are:

- members of the youth, or
- women, or
- members of rural communities, or
- unemployed, or
- involved in producing arts and crafts products, or
- a combination of the above.

Some examples of funders who fund a particular group of beneficiaries are the Umsobomvu Youth Fund which funds projects primarily for the youth; the National Lottery Distribution Trust Fund which allocates a proportion of its funds to groups involved in arts and crafts; the skills development funds of the Department of Labour which are allocated specifically for the training of unemployed people.

Many funders insist that women and members of the youth are adequately represented in any projects that they fund.

In assessing projects that are commercially oriented, providers of commercial loan funds usually seek assurance that project participants have:

- The necessary technical skills and experience to carry out the project;
- Suitable administrative and accounting skills so that they can adequately manage and account for the way funds have been used;
- Marketing and selling skills so that they can ensure the effective selling of the products or services developed by the project.

For any project (commercial or non-commercial) funders should know that there is a group of people working within the project who are committed to its success. A group of people who have the necessary skills and experience, are prepared to persist when circumstances prove unfavorable for long periods and are prepared to put every bit of their energy into accomplishing the project goals.

4.3 Project Description

During planning of a project, some form of a Project Document is normally compiled which provides a description of the project². This document answers the basic questions: **how, where, and when?** How are we going to carry out the project and the various activities that make it up? Where is the project going to undertake its activities? When is the project going to carry out its activities i.e. what is the project timeframe? The Project Document usually includes an Implementation Plan and, when seeking funding, can be used to compile (or even be included in) the Project Funding Proposal. Sometimes a Business Plan will also be needed when applying for funding.

The Project Document, Funding Proposal and Business Plan start with a project idea and form part of the overall project development process:


Project Idea → Project Document → Funding Proposal → Business Plan

4.3.1 Project Document

A Project Document is a summary description and record of the entire project planning that has gone into the project development process. A clear and accurate Project Document is useful because it is:

- A project management tool, particularly in terms of project monitoring and evaluation and thus provides funders with a system(s) to evaluate the effectiveness of the project and the use of the funds that they have contributed to it;
- A useful way to communicate the precise objectives and scope of the project to stakeholders, potential funders and other interested and affected parties;
- Usually required by support agencies as a precondition for project support/funding.

² Refer to DWAF/Danida PFM Guideline: Logical Framework Approach Project Planning (2005)



Many funding organisations, for example the National Development Agency (NDA) and Danida require that funding proposals be based on a Project Document that has been compiled using the Logical Framework Approach (LFA)³. When a project is designed according to LFA, it includes a matrix table that provides a summarised view of the project planning. This matrix is particularly useful to funders as it allows them to rapidly analyse the viability of the project.

Annex 1 provides an example of an LFA.

Annex 2 provides a summary of what the Project Document should contain.

4.3.2 Project Funding Proposal

A Project Funding Proposal is the starting point for any effective fund raising on behalf of a community-based project. This Proposal should be based on the Project Document, be clearly and thoroughly compiled and include all relevant information. Once compiled, it should be sent to potential donors or grant funders.

In many cases the funder prescribes what information they need - sometimes in the form of an application form. This is so that they can establish whether or not a particular project meets their funding requirements. If a funder asks for information in a particular format, precisely that format should be used. Any deviation is likely to result in the proposal being rejected.

A successful Funding Proposal is well-written and clearly structured. The Proposal should describe what the project aims to achieve, and include details of activities and clearly identify the inputs that will be required to achieve specific outputs. It should also provide a realistic Implementation Plan reflecting when certain activities will be undertaken and who will be responsible for those activities.

³ Refer to the DWAF/Danida PFM Guideline: Logical Framework Approach Project Planning (2005)

What Does a Project Funding Proposal Contain?

- A brief summary of the context (situation, location) within which the project is proposed;
- The project idea, briefly described, supported by relevant comments;
- A description of who the beneficiaries will be;
- A description of stakeholders with their defined roles, rights and responsibilities clearly identified;
- A description of assumptions/external factors that can impact on the project;
- The development objective of the project should be explained and justified;
- Immediate (short-term) objectives should be explained and justified;
- A description of the outputs or results that confirm the achievement of the objectives should be clearly set out;
- A description of the main activities that lead to the outputs or results must be provided;
- A description of inputs (from all sources) for each activity;
- The Project Implementation Plan;
- How profits/losses/funds/benefits, etc. will be distributed and used;
- Organisation and administration structures;
- A description of the monitoring and evaluation system that will be used;
- Reporting structures;
- The project matrix (ideally drawn from an Logical Framework Analysis);
- The budget.⁴

⁴ Refer to the DWAF/Danida PFM Guideline: Financial Management of Projects (2005)

4.3.3 Business Plan

A Business Plan is an extended form of a Project Funding Proposal. It would be needed in order to secure loan funds for a project with clear commercial purposes, i.e. that has been established primarily to make a profit.


There is a far greater emphasis on financial figures and financial viability in a Business Plan than would be the case in a Project Funding Proposal.

Commercial projects will usually seek finance from a bank or similar institution. These institutions will not grant a loan without seeing a convincing financial projection for the project. The Business Plan for a project should thus include profit and loss projections, cash flow forecasts, and projected financial statements as well as the budget.

A sound Business Plan also includes a section, which demonstrates the sensitivity of the plan to the assumptions that have been made. This is often referred to as a "What if" analysis. For example: What if the cost of the product/service was 20% higher than projected? What if the project ran behind and the first sales were only made in month 6 and not in month 3 as planned? Asking these questions and testing them in a financial model or projection will help to determine how viable the project will be.

All this information is needed because funding for a commercial project (loan finance) will need to be repaid. The funder thus wants to be convinced that the project will be able to do this. A Business Plan needs to pay careful attention to the cost of producing the product or service that is planned; it needs to identify the fixed costs such as rent, instalments on equipment that will be incurred; and it should forecast the anticipated sales of the product or service that is being offered. The anticipated sales should be determined through market research.

Since a sound, accurate Business Plan can be a fairly complex document to compile, entrepreneurs, project managers or companies often employ a financial consultant to assist in developing their Business Plan.



In the case of a loan application to a bank, the bank may assist in drawing up the Plan. Government funded projects or programmes sometimes provide a consultant, or provide training or written guidelines for the development of Business Plans. Certain NGOs can also be approached for capacity building support in how to prepare a Business Plan.

Annex 3 provides a checklist for compiling a sound Business Plan.



5. Fund Raising Formalities

In order for a project to raise funds it will need to comply with a number of important formalities:

1. Structuring the project into a recognised *legal entity*.
2. Ensuring that appropriate *organisation and management* structures are in place.
3. Ensuring that authority is appropriately exercised through formal *mandates* being issued for actions to be taken.
4. Ensuring that proper accounting and administrative *systems* are in place.
5. Pursuing an appropriate *strategy* to facilitate fund raising according to the stage that the project is in.

Each of these points are detailed below.

5.1 Forming a Legal Entity

Most funders require that the project proposed for funding has been formally set up as a legal entity such as a Trust, Company, Co-operative, etc⁵. A major influence on the form that the legal entity takes will be determined by whether the project aims to be a commercial (for-profit) or non-commercial (non-profit) venture. A commercial project is one which has been set up as a business to make a profit, while the goal of a non-commercial project is not primarily to make a profit but has other objectives, e.g. to create employment and develop the skills of project participants. Some funders will only fund commercial projects, while others will only fund non-commercial projects.

⁵ Refer to DWAF/Danida PFM Guideline: Legal Options for Community Partnerships with DWAF Forestry (2005)

As a broad guide:

- A commercial or for-profit project would generally form a Company, Close Corporation (CC) or Co-operative.
- A non-commercial or non-profit project would generally form a Trust or a Section 21 Company (this is a special form of company that may not distribute any profits that it makes).
- Non-commercial projects may need to take additional steps in their search for funding:
 - They may need to register as a non-profit organisation in terms of the Non-Profit Organisations Act.
 - Also, if the project clearly describes its activities as being for the public benefit (in terms of the Income Tax Act) it can obtain "Section 18.A status". This means that it will be exempt from income tax, and if the project raises money from the public in the form of donations, it will not need to pay donations tax.
 - This aspect is a relatively complex one and guidance would need to be obtained as to whether these additional steps would be beneficial or not.

From the above it can be seen that the form of legal entity that the project chooses will influence its fund raising possibilities.

5.2 Organisation and Management

Funders want to know that the project is properly organised and managed. The project should be clear about who the project beneficiaries are, who the participants are and who the project managers are, as well as their duties and responsibilities. Meetings between the committee/board/trustees of the project, and the management of the project should be scheduled on a regular basis and proper minutes kept. The assets of the project should be insured and steps taken to safeguard them against loss. Taking these steps reassures funders that their funds are being properly used.

5.3 Mandates

Individuals such as the project manager, the chairperson or the treasurer, taking important actions on behalf of the project, need to be properly mandated. A mandate should be in writing (usually included in the constitution of the organisation⁶) and should specify what the person concerned may do on behalf of the project. A mandate may also include limitations on the action to be taken by the person.

An example of such a mandate is: *"The project manager, Mr. X, is mandated to enter into a lease for office space for the project in central Empangeni at a monthly rental not exceeding R1 500.00 (one-thousand five hundred Rand) for a period of up to 12 (twelve) months. This mandate has been granted at a meeting of the Project Management Committee of the Siyafunda Project held on Friday the 23rd of November 2004 in Empangeni"*. This mandate would need to be recorded in the minutes of the meeting concerned and a copy of the mandate would normally be signed by the chairperson of the meeting as being a "true extract from the minutes of the meeting".

Funders will usually require mandates indicating that particular project participants (such as the chairperson or project manager) may enter into a contract with the funder to accept funds on behalf of the project⁷. Also, some funders require that the funds they make available be kept in a separate bank account and accounted for separately. A mandate would then be required empowering someone to open such a separate bank account.

Mandates are generally required (or desirable) for any action that has a significant implication for the project such as signing contracts, entering into leases, opening bank accounts, purchasing equipment, etc.

⁶ Refer to DWAF/Danida PFM Guidelines: Formation of PFM Forums and Committees (2005)

⁷ Refer to DWAF/Danida PFM Guideline: Financial Management of Projects (2005)

5.4 Systems

Projects need clearly set out systems to manage the assets, people, and funds of the project. Such systems determine how assets should be purchased, insured and recorded in the books of the project as well as the way in which people can be recruited, appointed, paid, and dismissed. Details regarding the handling of cash, how many signatories there are, how many signatures are required on a cheque, and what amounts they may sign up to on behalf of the project, should also form part of the system. Systems should be included in the constitution of the organisation and/or in policies and procedures set out for the project⁸.

Systems ensure that suitable safeguards are in place. They give funders a sense that their contribution will be well managed and safeguarded. Auditors or accountants can give advise on what systems need to be put in place and how they can be monitored.

5.5 Strategy

A strategy determines how the long-term objectives of a project or an organization are going to be achieved. Such long-term planning is of relevance to a project regarding fund raising as the focus or aim of the project may change over time and funders will need to know this.

For example, the project may start off as a non-profit project but wish to conduct profit-making activities later on. In this case the project may form a Trust to secure funding for training and for a pilot project. Later, once the pilot has proven a success the project may wish for participants to be able to run profitable businesses, using the knowledge and experience they have gained. The project may thus start out by forming a Trust but over time, may choose to form a Co-operative that will secure commercial loan funding to enable it to operate. The Trust could continue to train people and pilot new ideas while the Co-operative could be a profit seeking business that secures its funding from completely different sources.

⁸ Refer to DWAF/Danida PFM Guideline: Formation of PFM Forums and Committees (2005)

5.6 Overall Checklist

A number of other formalities and matters also need to be considered and dealt with before applying for funding of a project:

Basic Checklist when Applying for Funding

1. Has the legal entity registered with SARS (South African Revenue Services) for PAYE, Skills Levy, UIF, and Workmen's Compensation?
2. If the project is a non-profit one has it considered registering in terms of the Non-Profit Organisations Act?
3. If the project is a non-profit one has it considered registering with SARS for section 18.A. status (if it is carrying out public benefit activities)?
4. Does the project have a bank account?
5. Does the project have an auditor or accounting officer?
6. Are the employees of the project registered with SARS as taxpayers?
7. Is the project registered with its district municipality as a levy payer?
8. Does the project have a registered office at which legal documents can be delivered?
9. If the project has been in existence for more than 12 months are audited financial statements available to be shown to funders?
10. Is a Project Document and/or Project Funding Proposal available that can be given to funders or potential funders that provides a broad description of what the project is/will be doing?



6. Types of Funding and Partnerships

The three broad categories of funding types are:⁹ **grants** and similar funding (donations, in-kind funding) which do not need to be repaid; **loans** (soft loans, commercial loans) which must be repaid; and others which require a form of **partnership** as well as some form of contribution from the project (matching finance, third party guarantee, partner structures). The source of these different types of funds as well the structure of partnerships to secure funding are discussed in more detail below.

6.1 Grant Funding

Grant or donor funding is the most sought after form of funding for development projects as there is no obligation to repay the funds. Some funders do, however, insist on a contribution by the project participants or beneficiaries. This can either be in the form of money (typically 10% to 20% of the total project cost) or labour (sometimes referred to as "sweat equity"). The reason for requiring this contribution is to allow participants and beneficiaries to demonstrate their commitment to the project.

Although grant financing is often the most desired means of funding a project, it has certain limitations. It may, for example, require a reasonably high degree of formality, which could impose significant non-financial obligations (e.g. on reporting, specific use of funds, etc). Also, the process of applying for grant funding can be tedious and competitive. Often, complex applications in formats specified by the funder have to be completed and there are usually many projects competing for the same pool of donation or grant funding. Even when a project funding application is successful it may experience delays of up to two years before the first funds are received.

⁹ Refer to Figure 1.

6.2 Loan Funding

Loan funding or financing is often a viable form of funding for a business-related project. The option of loan financing is often avoided, however, because of the close scrutiny by the funder of the project viability, capacity, character and collateral. However, if a project is well planned with a sound business plan, then it should have no reason not to apply for this type of funding.

Loan financing can be obtained through a range of organisations. These include commercial banks as well as certain specialised "soft" loan schemes provided by organisations such as the Land Bank. This organisation offers the Step Up Scheme for people who would not normally qualify for a loan. In terms of this scheme people are able to borrow from the Land Bank in steadily increasing amounts. Details of this and other such schemes are provided in Annex 5.

6.3 Partnership Schemes

Partnership schemes can range from formal partnerships where both parties contribute funds and share the risk of a project, to less formal partnerships where, for example, one party guarantees to buy or market the products of a project through their organisation (e.g. a filling station could undertake to market the firewood gathered by a project).

Partnership structures, often referred to as joint ventures, are particularly relevant to PFM or community-based development projects that are business related, where the project requires more than an injection of funding to get the operation going.

Formalisation of a partnership would normally be accomplished by registering a legal entity such as a Company, a CC, a Co-operative, etc. The partners to the arrangement would normally contribute funds or capital to finance the entity or business. If this capital is of a permanent nature it is referred to as share capital as each partner shares in the benefits arising from the entity in agreed proportions.

The Community Public Private Partnership (CPPP) unit of the Department of Trade and Industry (DTI) facilitates three-way partnerships between the community, government and private sector organisations. The precise structure that such arrangements take would depend on the particular circumstances that apply to each project.

6.3.1 Some Examples of Types of Partnerships

To illustrate some of the various partnership options available to projects a particular scenario can be used as an example: "A project has been developed to establish a tourist lodge in a community-owned area (or in a state forest for which the community have secured a 50-year lease) which has great natural beauty and offers birding and fishing opportunities." The various partnership options could include:

i) Community Owned, Managed and Operated

In this situation the community is assumed to have secured sufficient funds to finance the building of the lodge. As owners, the project participants will be able to operate the business in their own manner. Employment and other policies within the business will be at the sole discretion of the participants. The disadvantage of this option is that the community carries all the risks.

For community owned, managed and operated projects, there is likely to be a need for capacity building in business and hospitality skills. Application may need to be made for skills development funding. For example, such applications may be made to the Department of Labour or through one of the Sector Education Training Authorities (SETAs) for learnership funding.

ii) Community Financed and Developed but Private-sector Operated

This option is similar to the previous one except that the project beneficiaries appoint a private sector operator to manage the business. This draws on relevant specialist skills and can help to reduce the risk if a private partner can be found who already has an established marketing network and a good track record in the industry.

Such a business venture can be arranged through a relatively simple management agreement where the business would be managed by the private sector operator, but the community could still have some say and control over aspects of the operation e.g. employment policy.

An alternative arrangement would be to merely rent the facility to an operator for a specific period. This is a less involved type of agreement where the community would assume responsibility for major maintenance, but the general operation of the lodge would not be their concern.

The various forms that this option can take all depend on the private sector operator being successful and/or on their ability to pay the running costs (including the rental) of the lodge. The choice of partners is therefore critical. A well-known operator with a good track record and strong finances is essential.

The community financed and developed but private-sector operated option is ideal when the development costs are low or the facility has already been paid off. In this case the risk to the community is relatively low. It is important to note that this option is not a joint venture in the normal sense of the word. The private sector operator is paid to manage the lodge or pays rent for the lodge.

iii) Privately Financed, Developed and Operated

Sometimes a private partner is offered a community owned/leased site to develop a project (within certain conditions). This partner carries all the costs associated with the business, including financing, planning, building, operating and marketing. The advantage of this venture is that the risks associated with the business are shifted to the private partner.

Should the business not perform well or fail, it is not the community's money that has been spent on the planning, development and operations. In such an agreement, the fixed assets often become the property of the community at the end of the initial agreement.

This is probably the best option if the lodge requires a high level of capital investment. It has the advantage of bringing outside investments and skills into the area. It should also provide a boost to employment and this should form part of the negotiations with the private operator.

This option is not a joint venture in the normal sense of the word. The private sector operator is once again paying for the use of the site in the form of rental. The operator is effectively a tenant of the community.

iv) Joint Ownership

A further option is for the community and the private sector partner to both put funds into the cost of building and operating the lodge. Each party would provide long-term capital (referred to as equity or share capital) on which they would expect to earn a return in the form of dividends or shares. Dividends are paid by a business out of the net profit of the business.

A joint venture of this nature works when the shareholders (project participants or community on the one hand, and private sector operator on the other) clearly agree on their roles in the venture. Each can fulfil different or similar roles, but each partner must be viewed as equal.

In conclusion, obtaining funds to facilitate a community-based project requires careful consideration. The project objectives must be weighed up in relation to the resources that exist within the area (both community resources in terms of skills and funds as well as the natural resources within the forest). The consequences of each different funding and partnership option need to be clearly understood by project participants before they make a final decision on how they want their project to function. Once a decision has been made, the appropriate legal contracts and agreements in respect of partnerships, land use, repayment, etc need to be drawn up. This can be done with the help of a legal practitioner.



Annex 1: Example of a LFA

The guide LFA below is taken from the website of the National Development Agency (NDA):

	Intervention Logic	Objectively Verifiable Indicators of Achievement	Sources and Means of Verification	Assumptions
Development Objective	What is the development objective? (one)	What are the key indicators related to the overall objective?	What are the sources of information for these indicators?	
Immediate Objectives	What are the specific objectives? (four)	What are the quantitative or qualitative indicators showing whether and to what extent the project's specific objectives are achieved?	What are the sources of information that exist or can be collected? What are the methods required to get this information?	What are the factors and conditions not under the direct control of the project, which are necessary to achieve these objectives? What risks have to be considered?

Outputs	<p>What are the concrete outputs envisaged to achieve the immediate objectives? What are the envisaged effects and benefits of the project? What improvements and changes will be the result of the project?</p>	<p>What are the indicators to measure whether and to what extent the project achieves the envisaged results and effects?</p>	<p>What are the sources of information for these indicators?</p>	<p>What external factors and conditions must be realised to obtain the expected outputs on schedule?</p>
Activities	<p>What are the key activities to be carried out and in what sequence in order to produce the expected outputs?</p>	<p>What are the means required to implement these activities, e.g. personnel, equipment, training, studies, supplies, operational facilities, etc?</p>	<p>What are the sources of information about the progress of the project?</p>	<p>What pre-conditions are required before the project starts? What conditions outside the project's direct control have to be present for implementation of the planned activities?</p>



Annex 2: The Project Document ¹⁰

What does a Project Document Contain?

1. **Context:** a brief summary of the context within which the project is proposed.
2. **The Project:** a brief description of the project idea, with comments.
3. **Primary Stakeholders:** a description of the main stakeholders including the beneficiaries.
4. **Secondary Stakeholders:** a description of stakeholders that are not directly involved in the project planning, but may be affected by the project.
5. **Development Objective:** explained and justified.
6. **Immediate Objectives:** explained and justified.
7. **Outputs:** a description of outputs.
8. **Activities:** a description of main activities.
9. **Inputs:** a description of inputs from all sources.
10. **Assumptions:** a description of assumptions/external factors.
11. **Sustainability:** an overview of how the project will sustain itself.
12. **The Implementation Plan:** refers to the schedule of activities in the LFA matrix.
13. **Organisation and Administration:** responsibilities, i.e. who will do what.
14. **Monitoring and Evaluation:** a description of the system to be used.
15. **The Project Matrix:** as an appendix.
16. **The budget:** (with comments if necessary) as an appendix.


¹⁰ From DWAF/Danida PFM Guideline: Logical Framework Approach Project Planning (2005)



Annex 3: Business Plan Checklist

The key elements of the Business Plan should be reflected under the following nine headings:

1. *Status of the Business.* This would include its history (if applicable). It would also reflect the number of employees, the address of the registered offices, the bankers to the business, and its Company or CC registration number.
2. *Shareholders (or members in the case of a CC) in the Business and Senior Managers.* The shareholdings of the various shareholders and key information on the careers of the management team should be included. In South Africa the Previously Disadvantaged Individual (PDI) status of the shareholders is also relevant as it may influence access to Black Economic Empowerment (BEE) and tender opportunities. Who is running the business (particularly setting out information on their experience and "track record") has a major influence on the funding decisions of commercial funding organisations.
3. *Products and/or Services.* What range of products or services does/will the business provide? What unique features and selling benefits do they provide?
4. *The Market Opportunity.* This includes a clear description of where the products or services of the business will be sold, to whom, in what sector of the economy. An indication of the total market size, the share of the market that the business is aiming to secure, who the major competitors are, and how they price their products is also needed. Also, how the business is going to market, sell, and distribute its products is important information.

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5. *Overall Strategy of the Business and its Functional Areas.* This section describes what the business aims to achieve in the next five years. It should also provide more information on the various key functional areas of the business - finance, marketing, manufacturing, distribution, etc. It should set out the organisational chart of the business clearly showing the management reporting structure.
 6. *Short-term Objectives.* This sets out what the business aims to achieve in the next 12 months - particularly in financial terms. It should highlight potential problems and opportunities. The assumptions on which the company has based its projections for the period should also be provided e.g. interest rates, inflation rate, Rand/\$ exchange rate, etc.
 7. *Management Information System.* This deals with how the business manages the credit it gives to customers, the stock that it holds (both finished goods and work in progress), and how it monitors sales and costs against budget. It would also indicate how frequently the business produces financial figures. It is generally expected that a Company should produce these at least monthly.
 8. *Financial Requirements.* This section sets out the funds that the business needs in the next 12 months, which months it needs them in and what they will be used for.
 9. *Financial Information.* This will include the past financial figures for the business, audited by the accountants, if it has been operating for more than a year. If it is already in business then current figures will also appear here. The section will also include budgets, as well as monthly income and expenditure statements, balance sheets and the budget for the coming year at least.


A well-prepared Business Plan for a project should clearly indicate its viability and funding requirements.



Annex 4: Funder Research Checklist

Before requesting support from a funding/donor organisation, there are several key issues that need to be answered. These include:

- The name of the funder including their address, telephone and fax numbers as well as the name of the person who should be contacted.
- What type of projects and/or activities it funds - what is its agenda? Take particular note of the organisation's mission statement.
- What type of organisations will they consider applications from e.g. Trusts, NGO's, Companies, community organisations with a constitution, organisations that comply with particular regulations such as those registered with the SARS.
- Does it provide support only to legal entities or will it assist groups and/or individuals.
- Does it provide funds for non-profit projects, for-profit projects or both.
- Which geographical areas or development sectors does it prioritise.
- What selection criteria does it apply.
- The size of the grants or loans that it usually makes.
- Whether it prefers to fund projects or programmes in total, or would rather make a partial contribution to an overall project budget.
- What the donor does not fund, both in terms of types of work and particular budget items.
- What the donor's decision-making process is and what the time frame is likely to be regarding advice on whether the application was successful or not.

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- The dates for submission of proposals, and the dates when proposals are to be considered.
 - What the delay is likely to be in receiving the funds from the time that the project is accepted.
 - The financial period covered by donor grants (this often ties in with their financial year-end).
 - What the reporting requirements of the funder are (frequency, format, degree of formality e.g. does it require audited financial figures).
 - Whether it is necessary to use the donor's documentation/project proposal format or whether the project can use it's own.

The above information can be obtained from:

- The organisation's website;
- Annual reports of the organisation (These are often available on the website);
- Guidelines published by the organisation;
- Specialised directories on donors and funders;
- Speaking to them personally.



Annex 5: Funders and Funder Database

Some sources of funds for development projects in South Africa are presented below in broad categories with contact details provided in following sections. Certain funds mentioned here may be available for a limited time period. Also funding details and the funding priorities of funders change with time. The details and information of the funder should thus be checked before a funding application is made.

1. International Funding Agencies

International funding agencies can be divided into two broad groups: multilateral grant agencies such as the European Union (EU) and United Nations (UN) agencies; and national bilateral grant assistance that operate primarily on a country-to-country basis for a number of countries. Multilateral agencies are considered in this category while bilateral agencies are considered under Foreign Governments on the next page.

Funding from multilateral agencies is directed via government departments in the country receiving the grant. These government departments then make the funds available via various programmes. Such funding is generally publicised and/or advertised so that projects that qualify may apply. A proportion of this category of funding also goes via NGOs and CBOs.

An example of one of these agencies is the United Nations Development Programme (UNDP), which falls under the UN. The UNDP has an office in Pretoria and is supporting a number of projects in the fields of environment, HIV/Aids, Policy and Strategy, and Governance. These programmes are conducted in partnership with four priority provinces - Eastern Cape, KwaZulu-Natal, Limpopo and Northwest.

The small grant facility programme of the Global Environmental Facility (GEF) in South Africa is also administered by the UNDP. This programme allocates funds for community based natural resource management projects.

2. Foreign Governments

Developed countries have international departments or agencies which assist developing and middle-income countries, e.g. Danish Government funding through Danida (e.g. the DWAF/Danida: Capacity Development in PFM in Indigenous State Forests Project), British support through DFID (e.g. the Forestry Support Project in DWAF), and German support through GTZ (e.g. the Training and Support for Resource Management Programme (TRANSFORM)).

Most support to South Africa from foreign governments is provided in terms of government to government (sometimes referred to as bilateral) aid or grants. Foreign governments tend to be interested in particular aspects of development in South Africa e.g. rural, natural resource management, civil society, or small business. They negotiate with the South African government on how their aid will be applied.

Some aid goes directly to South African NGOs and CBOs. However, since 1994, the bulk has gone directly to the South African Government, which applies or disburses it via designated programmes administered by specified governmental departments. Some of this funding is channelled via the NDA to NGOs and CBOs and community-based projects.

The most effective route to apply for these funds is through a government department (such as DWAF) at national or provincial level.

3. Foreign Embassies

Foreign governments have sophisticated programmes within which they offer funding support within South Africa. At the same time relatively small amounts of funding are generally available via the embassy of these same countries as a kind of small grant facility, which does not have an extended proposal processing time. These funds can be accessed in relatively modest amounts for certain projects. In this case a direct approach to the embassy in South Africa of the country concerned will need to be made.

4. Foreign NGOs

A number of NGOs, particularly those based in Europe, have a longstanding record of assisting projects in South Africa. Funders that fall into this category include Broederlijk Delen, Hivos, Novib, and Oxfam. Usually this takes place as partnerships with South African NGOs.

5. Foreign Trusts and Foundations

A number of foreign Trusts and Foundations, particularly American ones, have a longstanding history of supporting projects in South Africa. Funders that fall into this category include the Carnegie Corporation, Ford Foundation, WK Kellogg Foundation, and Rockefeller Brothers. Although grants are available, the decision making process is often a prolonged one.

6. National Government Departments

The Department of Environmental Affairs and Tourism (DEAT) has a Poverty Relief Fund that is applicable to community-based initiatives and also supports projects in the environmental and tourism sectors.

7. Development Agencies (Private and Governmental)

A wide range of development organisations have been set up by the government and by the private sector to administer funds for specific development programmes. Some of these may be supported by international donors.

Examples of private sector development agencies include the Independent Development Trust (IDT) and the Business Trust.

Government has established a wide range of development agencies including the Industrial Development Corporation (IDC), Development Bank of Southern Africa (DBSA), and Business Partners (formerly the Small Business Development Corporation).

The National Development Agency (NDA) is a big funder and is catalysing community development in certain areas on certain issues. The NDA has had major additional support from the EU.

Most provinces have established provincial development corporations e.g. Ithala in KwaZulu-Natal and the Eastern Cape Development Corporation (ECDC) in the Eastern Cape. These development agencies fund a wide range of development activities using a wide range of funding mechanisms - equity capital, grants, commercial loans, soft loans, etc.

Local government provides funding for certain projects through local economic development (LED) funding. This funding is provided in terms of the Municipal Infrastructure Grant funding process.

In order to secure this funding, projects need to motivate for support through the municipality that they fall within.

8. Companies (also referred to as Businesses or Corporates)

Most major South African businesses provide support to community-based projects through their Corporate Social Investment (CSI) activities and generally in the form of donations or grants. Some companies set up separate Trusts (dealt with in section 9.) to handle these activities. These companies may join the Southern African Grantmakers' Association (SAGA). A full listing of all SAGA members and their contact details is provided later in this Annex.

9. South African Trusts and Foundations

A Trust is an organisation set up generally to hold assets "in trust", to be applied for particular purposes in the future. Trusts can be established to provide grants to humanitarian causes and/or environment programmes. Trusts tend to be very specific about the nature of activities that they can support.

Examples of Trusts and Foundations in South Africa include:

The Green Trust established by Nedbank and managed by WWF-SA. The Green Trust supports practical and sustainable conservation projects in South Africa.

The Chairman's Fund established by Anglo American. These projects included Arts & Culture, Education, Entrepreneur Development, Environment, Health, HIV/AIDS, Policy & Advocacy and Welfare & Development.

The ABSA Foundation is the community development and social investment arm of the Absa Group. The foundation has adopted a developmental approach to funding. It forms partnerships with selected projects until they are sustainable.

The Gold Fields Foundation is the Gold Field Group's corporate social investment vehicle. They fund projects in the areas of education, health care, entrepreneurship, environmental education and community development.

10. Parastatal Organisations

Parastatals are service organisations over which the government has a significant influence. They are often extremely large, with a significant influence on the economy and on employment levels. In South Africa they include Eskom, Transnet, the SA Post Office and Telkom. Three of these parastatals have established foundations for their funding activities.

11. Financial Institutions

Financial institutions include commercial banks and the Land Bank. Traditional commercial loan financing is relatively difficult for many South Africans to obtain. This is because commercial banks apply strict criteria in granting such loans and borrowers who do not meet these criteria find it difficult to obtain loan finance. In recent years, however, a number of loan schemes have been developed that apply less strict criteria. This has been made possible through guarantees provided by overseas funding agencies or by the South African government. Examples of these schemes include those provided by the Nations Trust, Sizanani, and Umsobomvu.

12. South African NGOs and CBOs

South Africa has a large number of NGOs and CBOs which are active in a wide range of areas of social and environmental need. Examples include the Aids Action Group, Care South Africa, Project Literacy and Youth Development Network. Each of these organisations aims to assist the community or groups within the community in specific areas. Activities often include providing training and funding for small business development or poverty relief.

13. Individuals

Sympathetic individuals often demonstrate their support for projects by providing a range of resources. Such support can include donations, loans on generous terms, and provision of free expertise. In the early stages of establishing a project such support can be most valuable. In seeking funding for a project it pays to look carefully at the community that it falls within to see whether such individuals can be identified. They can be local store owners, managers of branches of national retail groups, farmers, etc. Support from them can help to "kick start" a project.

Key Funder Contact Details

1. International Agencies

Commonwealth Fund for Technical Cooperation (CFTC)

www.thecommonwealth.org

International Labour Organisation: www.ilo.org

UN Development Fund for Women (UNIFEM): www.unifem.org

United Nations Development Program: www.undp.org

2. Foreign Governments

The top ten funders of development projects in South Africa in recent years are listed below (in alphabetical order) together with the names of their development agencies:

Country	Agency Website
Denmark Danida	www.um.dk
European Community (EU) Various	www.europa.eu.int
France AFD	www.afd.fr
Germany GTZ	www.gtz.de
Japan JICA	www.jic.go.jp
Netherlands DGIS	email: dgis@minibuza.nl
Norway NORAD	www.norad.no
Sweden SIDA	www.sweden.gov.se
United Kingdom DFID	www.dfid.gov.uk
United States of America US AID	www.usaid.gov

3. Foreign Embassies

Details on these can be obtained from official government websites for the country concerned.

4. Foreign NGOs

Broederlijk Delen	www.broederlijkdelen.be
Hivos	www.hivos.org
Novib	www.novib.nl
Oxfam	www.oxfam.org

5. Foreign Trusts and Foundations

The following American foundations have provided significant development assistance in South Africa over the years. Some of them have established offices here.

Charles Stewart Mott Foundation	www.mott.org
Carnegie Corporation of New York	www.carnegie.org
Ford Foundation	www.fordfound.org
John D. and Catherine T. MacArthur Foundation	www.macfdn.org
Open Society Institute	www.soros.org
Rockefeller Brother Fund	www.rbf.org
Rockefeller Foundation	www.rockfound.org
W.K. Kellogg Foundation	www.wkkf.org

6. National Government Departments

National Development Agency	www.nda.org.za
Poverty Relief	www.thelapa.com

7. Development Agencies (Private and Governmental)

CPPP (Community Public Private P/ship)	www.cppp.org.za
DBSA (Development Bank of South Africa)	www.dbsa.org
IDC (Industrial Development Corporation)	www.idc.co.za
ECDC (Eastern Cape Development Corporation)	www.ecdc.co.za
Ithala	www.ithala.co.za
Municipal Infrastructure Grant search for MIG	www.dplg.gov.za

8. Companies (often referred to as Businesses or Corporates)

The following list is of SAGA members.

Member	Contact person	Contact reference
ABSA Foundation:	Mr Moshe More	www.absa.co.za
The Ackerman Pick 'n Pay Foundation:	Ms Anne Emmett	www.pickpay.co.za
AECI:	Ms Reinette Nel	www.aeci.co.za



Afrisun East Rand: Community Trust:	Mr Allan Wentzel	(011) 9158659
AMPLATS:	Mr Michael Joseph	www.angloplatinum.com
African Rainbow Minerals:	Ms Teboho Mahuma	www.arm.co.za
Arcus Foundation SA:	Mr Conrad Combrink	www.arcusfoundation.org
Argus Community Projects:	Phillida Ellis	(031) 308 2911
Aspen Pharmacare:	Mr Jackie Tau	www.aspenpharma.com
Atok Community Foundation:	Mr Lazarus Masete	www.donors.org.za/ partners/members.html
Anglovaal Industries Ltd:	Ms Jane Evans	(011) 6349111
Bank Windhoek Social Investment Fund:	Ms Marlize Horn	www.bankwindhoek.com.na
Barclays Bank SA:	Itumeleng Letebele	www.barclays.com
BHP Billiton Development Trust:	Mr Sam Seepei	www.bhpbilliton.com
BMW SA:	Ms Esther Langa	www.bmw.co.za
Broederlijk Delen:	Ms Mathilda Roos	www.broederlijkdelen.be
Cape Metropolitan Council:	Ms Miranda Simrie	www.capetown.gov.za



CARE South Africa/Lesotho:	Dr Joanne Abbott	www.caresa-lesotho.org.za
The Carl and Emily Fuchs Foundation:	Dr Riaan Els	www.donors.org.za/members/partners/stories/fuchs.html
Carnival City:	Mr Rudzani Makheda	Not available
CDT Foundation:	Mr Allan Wentzel	www.cecd.org.za
Centre for Early Childhood Development:	Mr Eric Atmore	www.cecd.org.za
(The) Children Hospital Trust:	Ms Ingrid Marti	www.kidzhospital.co.za
Citigroup South Africa:	Ms Donna Oosthuysen	www.citigroup.net
Coca-Cola Southern Africa:	Mr Khotso Kekana	www2.coca-cola.com
Community Chest of the Western Cape:	Ms Amelia Jones	www.comchest.org.za
Community Foundation for The Western Region of Zimbabwe:	Ms Inviolatta Moyo	Not available
CS Mott Foundation:	Mr Russell Ally	www.mott.org
Deloitte Foundation:	Mrs Gail Motsi	www.deloitte.co.za
Desmond Tutu Educational Trust:	Mr Joe Mwase	www.tutustrust.org.za



Development Bank of South Africa:	Mr Teddy Matsetela	www.dbsa.org
Department of Communication and Development (UCT) University of Cape Town		www.uct.ac.za
Dockda Rural Development Agency:	Ms Tish Haynes	www.rdiland.org
Dow Sentrachem:	Ms Doritha Erwee	(011) 780 3600
Eastern Cape Technikon:	Ms Verdra Brown	www.tktech.ac.za
Edgars Consolidated:	Ms Nelly Mosiane	(011) 4956000
Engen Oil:	Ms Khanyisa Balfour	www.engenoil.com
Equal Opportunity Foundation:	Ms Michelle Lovett	www.eof.org.za
ESKOM Development Foundation:	Ms Mabel Makibelo	www.eskom.co.za
FCW Support Trust:	Ms Beulah Fredericks	www.firelightfoundation.org
Firelight Foundation:	Ms Jennifer Astone	www.firelightfoundation.org
Ford Foundation:	Dr Gerry Salole	www.fordfound.org
Funding Development Services:	Mr Phil Donnell	www.fundingdevelopment.co.za
Gold Fields Ltd:	Ms Keneiloe Mohafa	www.goldfields.co.za

Greater Rustenburg Community Foundation:	Ms Christine Delport	(014) 5921525
Hollard Community Development Trust:	Mr Lance Japhet	086 124 6810
Ikhala Trust:	Mrs Bernice Dolley	www.resource.alliance.org
Ilembe District Municipality:	Mr Mike Newton	www.ilembe.org.za
IMPLATS:	Mr Pierre Lourens	www.implats.co.za
Industrial Development Corporation:	Mr Sisa Mbuli	www.idc.co.za
Interfund:	Ms Alicia Pieterse	www.interfund.org.za
Iscor Foundation:	Ms Annamarie van der Merwe	www.iscor.com
Ithuba Trust:	Ms Joyce Matube	(011) 9858840
Jim Joel Education & Training Fund:	Ms Bridgette Shelton	(011) 9745306
Jireh Group SA:	Mr James Louw	Not available
Charitable Trust:	Joseph Rowntree	www.jrct.org.uk
Kumba Resources:	Mr Sibusiso Tenza	(011) 4675163
Le'Cher Foundation:	Mr Hilton Appelbaum	www.liberty.co.za

Liberty Foundation:	Mr Hilton Appelbaum	www.liberty.co.za
Massdiscounters:	Ms Shelley Owen	www.game.co.za
McCarthy Limited:	Ms Pam Richardson	www.mccarthy.co.za
Media 24:	Ms Lutfia Vayej	www.media24.co.za
Media Development and Diversity Agency:	Ms Libby Lloyd	www.mdda.org.za
Metropolitan Life:	D. Johnson	(011) 7614000
Mondi Forests:	Mr Sakhile Ngcobo	www.mondi.co.za
MTN Foundation:	Dr Meshack Khosa	www.mtn.co.za
Murray & Roberts:	Ms Mercia Maserumule	www.murrob.com
National Development Agency:	Ms Bridget Masang	www.nda.org.za
National Lotteries Board:	Prof. Vevek Ram	www.nlb.org.za
Nelson Mandela Children's Fund:	Ms Mpaki Pule	www.mandela-children.com
Nike:	Miss Tshidi Moshesh	www.nike.com
Open Society Foundation for S. A:	Ms Zohra Dawood	www.soros.org

Petronet		(011) 9782828
Pick 'n Pay:	Ms Tessa Chamberlain	www.picknpay.co.za
Pioneer Foods:	Ms Lynn van Niekerk	www.pnr.co.za
Pricewaterhouse Coopers:	Ms Heidi Abrahams	www.pwc.com.za
Print Industries Cluster Council:	Ms Zelda Warrin	www.picc.org
Rand Water:	Ms Angie Phaliso	(011) 6820911
Rockefeller Brothers Fund:	Ms Nancy Muirhead	www.rbf.org
Rural Education Access Programme:	Ms Glenda Glover	Not available
SA Sugar Association:	Ms Joy Mills-Hackmann	www.sasa.org.za
SAB Beer Division:	Ms Nolitha Vukuza-Linda	www.sabmiller.com
Safmarine (Pty) Ltd:	Ms Melody Barber	www.safmarine.com
SAPPI:	Mr Lourens Joubert	www.sappi.com
Sasol:	Ms Masechaba Mape	www.sasol.co.za
(The) Shuttleworth Foundation:	Ms Kim Vosse	www.tsf.org.za
Social Change Assistance Trust:	Ms Nyame Goniwe	www.scat.org.za



Standard Bank Foundation:	Mr Andrew Modise	www.sbic.co.za
Teba Bank:	Ms Fiona Bloxam	(011) 2031500
Telkom Foundation:	Ms Nkhetheleng Vokwana	www.telkomfoundation.co.za
Toyota SA Motors (Pty) Ltd:	Ms Zandile Vilakazi	www.toyota.co.za
Transnet:	Ms Eunice Maluleke	www.transnet.co.za
TWR Trust:	Mr Leon Storm	www.twr.ac.za
Ubuntu Community Chest:	Mr Gordon McDonald	Not available
Umsobomvu Youth Fund:	Mr Malusi Kekana	www.umsobomvu.org.za
Uthungulu Community Foundation:	Chris Mkhize	www.donors.org.za/members-partners/members.html
(The) Valley Trust:	Dr Keith Wimble	www.thevalleytrust.org.za
Vodacom Foundation :	Mr Monde Mama	www.vodacom.co.za
W.K. Kellogg Foundation: Rev.	Malusi Mpuml	www.wkkf.org
(The) Wheat Trust:	Ms Tina Thiart	www.wheattrust.org
Woolworths:	Mr Tom McLaughlin	www.woolworths.co.za



World Assembly of Muslim Youth: Mr Mohamed Amra	Not available
World Wide Fund for Nature (SA): Ms Denise Samson	www.panda.org.za
Zenex Foundation: Ms Gail Campbell	www.zenekfoundation.org.za
9. South African Trusts and Foundations	
ABSA Foundation:	www.absa.co.za
Anglo American Chairmans Fund:	www.angloamerican.co.uk social/chairfund.asp
BHP Billiton Development Trust	www.bhpbilliton.com
Deloitte Foundation	www.deloitte.co.za
Equal Opportunity Foundation	www.eof.org.za
Gold Fields Foundation	www.goldfields.co.za
Green Trust (The)	www.panda.org.za
Iscor Foundation	www.iscor.com
Liberty Foundation	www.liberty.co.za
MTN Foundation	www.mtn.co.za
(The) Shuttleworth Foundation	www.tsf.org.za
Standard Bank Foundation	www.sbic.co.za
Vodacom Foundation	www.vodacom.co.za
Zenex Foundation	www.zenexfoundation.org.za

10. Parastatal Organisations

Eskom: Eskom Dev. Foundation	www.eskom.co.za
Telkom: Telkom Foundation	www.telkomfoundation.co.za
Transnet: Transnet Foundation	www.transnet.co.za

11. Financial Institutions

The major commercial banks (ABSA, FNB, Nedbank and Standard) each have a website. In addition a number of the more specialised funding agencies are listed here.

ABSA	www.absa.co.za
Business Partners	www.businesspartners.co.za
First National Bank	www.fnb.co.za
Land Bank (<i>soft loans</i>)	www.landbank.co.za
Nations Trust (<i>soft loans</i>)	(011) 833 4281
Nedbank	www.nedbank.co.za
Sizanani (<i>soft loans</i>)	www.sizananiadvisory.org.za
Standard Bank	www.standardbank.co.za

12. South African NGOs and CBOs

Aids Action Group	www.tac.org.za
Care South Africa	www.caresa-lesotho.org.za
Project Literacy	www.projectliteracy.org.za
Youth Development Network	www.ydn.co.za

13. Individuals

No specific contact details are available - such people need to be identified locally by each project.

Funder Database

Contact details and other relevant information is given in the next section for the following funders:

1. Business Partners www.businesspartners.co.za
2. CPPP (Community Public Private Partnership) www.cppp.org.za
3. DBSA (Development Bank of South Africa) www.dbsa.org.za



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| 4. IDC (Industrial Development Corporation) | www.idc.co.za |
| 5. NDA (National Development Agency) | www.nda.org.za |
| 6. NLDTF
(National Lottery Distribution Trust Fund) | www.nlb.org.za |
| 7. Poverty Relief Fund (DEAT) | www.thelapa.com |
| 8. Nations Trust (Umsobomvu Youth Fund) | (011) 833 4281 |
| 9. Umsobomvu General Fund | www.uyf.org.za |

1. Funder Details

Name of funder:	Business Partners
Name of fund (if applicable):	Business Partners
Contact details of funder:	
Physical address:	N/A
Postal address:	N/A
Website:	www.businesspartners.co.za
Email address:	enquiries@businesspartners.co.za
Phone & fax:	Durban: (031) 266 7130 (p) Cape Town: (021) 4643600 (p) Johannesburg(011) 470 3711 (p) Port Elizabeth (041) 582 1601 (p)
Branch offices:	23 around South Africa (dial 1023)
Geographic focus area:	Nationally in South Africa
Nature of funding provided:	Commercial loans and equity funding
Types of projects funded:	Most viable SMME ventures
Scale of projects funded (R):	R100 000 to millions
Examples of projects funded:	Recognised franchises, property developments
Specific exclusions:	N/A
Who can apply for funding:	Open to all with a viable (commercial) business plan and suitable collateral
Application procedure:	Contact for an application form.
General comments:	The major funder of sound SMME projects in South Africa

2. Funder Details

Name of funder:	Community Public Private Partnership
Name of fund (if applicable):	CPPP
Contact details of funder:	
Physical address:	No 1 Dr Lategaan Road, Groenkloof, SABS Building, Pta
Postal address:	PO Box 1234, Halfway House, 1685, Gauteng
Website:	www.cppp.org.za
Email address:	cppp@dbsa.org
Phone & fax:	(011) 313 3065 (p); (011) 313 3670 (f)
Branch offices:	N/A
Geographic focus area:	South Africa
Nature of funding provided:	Not a funding agency (facilitates partnerships)
Types of projects funded:	Commercial linkage projects between rural communities and private investors
Scale of projects funded (R):	No limits set
Examples of projects funded:	Assisted with Singisi Community Forestry, a women's cop-operative, an irrigation scheme, etc
Specific exclusions:	Not stated
Who can apply for funding:	Communities and rural groups seeking to partner with private sector businesses
Application procedure:	Contact the office



General comments:

Have already funded many partnership projects in South Africa - a major resource for communities that have identified partnership opportunities.

3. Funder Details

Name of funder:	Development Bank of Southern Africa
Name of fund (if applicable):	DBSA
Contact details of funder:	
Physical address:	1258, Lever Road, Headway Hill, Midrand, South Africa
Postal address:	P O Box 1234, Halfway House, Midrand, 1685
Website:	www.dbsa.org.za
Email address:	N/A
Phone & fax:	(011) 313 3911 (p) (011) 313 3086 (f)
Branch offices:	N/A
Geographic focus area:	Africa
Nature of funding provided:	Generally funds major infrastructure projects on a long-term loan basis with supporting grant funding
Types of projects funded:	Infrastructure
Scale of projects funded (R):	Multi-million Rand
Examples of projects funded:	Roads, rail, water, electricity, etc
Specific exclusions:	Non-infrastructure
Who can apply for funding:	Generally municipalities and provinces
Application procedure:	Contact DBSA



General comments:

The DBSA is primarily a funder of major infrastructure projects. However, it has indicated a willingness to fund major tourism-related projects - facilities, transport, training, etc.

4. Funder Details

Name of funder:	Industrial Development Corporation
Name of fund (if applicable):	IDC
Contact details of funder:	
Physical address:	19 Fredman Drive, Sandown, 2196
Postal address:	P O Box 784055, Sandton, 2146
Website:	www.idc.co.za
Email address:	callcentre@idc.co.za
Phone & fax:	(011) 2693000 (p) (011) 2693116(f)
Branch offices:	All Provinces
Geographic focus area:	South Africa
Nature of funding provided:	Commercial loan funding and equity funding
Types of projects funded:	Tourism, franchises, black economic empowerment. A wide range of commercial projects. In general empowerment participants need to find 20% of any project funding that is required.
Scale of projects funded (R):	R1 million plus
Examples of projects funded:	Most businesses that increase the involvement of PDI's in the South African economy
Specific exclusions:	N/A
Who can apply for funding:	Anyone with a viable business or a plan to acquire an interest in a viable business.



Application procedure:

Call the IDC and speak to the applicable strategic business sector.

General comments:

The IDC is a major participant in current empowerment projects in South Africa and it has SBUs dealing with Wood & Paper, and with Tourism.

5. Funder Details

Name of funder:	National Development Agency
Name of fund (if applicable):	NDA
Contact details of funder	
Physical address:	122 De Korte Street, Braamfontein, Johannesburg 2017
Postal address:	N/A
Website:	www.nda.org.za
Email address:	info@nda.org.za
Phone & fax:	0860122133
Branch offices:	All Provinces
Geographic focus area:	South Africa
Nature of funding provided:	Developmental grant funding in respect of community development projects
Types of projects funded:	Education, Economic development, Health, Rural development, SMME
Scale of projects funded:	N/A
Examples of projects funded:	The DWAF/DANIDA bee farming project
Specific exclusions:	Workshops, research, projects outside SA, Disaster relief, bursaries, capital expenditure
Who can apply for funding:	Anyone with a viable/sustainable project
Application procedure:	No standard format; however, for certain advertised funding an application form can be downloaded from their website.



General comments:

A significant potential source of funding for community projects.

6. Funder Details

Name of funder:	National Lottery Distribution Trust Fund
Name of fund (if applicable):	NLDTF
Contact details of funder	
Physical address:	16 th Floor SABC Radio Park Building, Henley Road, Auckland Park
Postal address:	Private Bag X50, Auckland Park, 2006
Website:	www.uthingo.co.za
Email address:	N/A
Phone & fax:	(011) 7155000 (p) (011) 7153300 (f)
Branch offices:	All Provinces
Geographic focus area:	South Africa
Nature of funding provided:	Funds development projects in clearly defined categories with grant funding
Types of projects funded:	Arts, Culture & National Heritage, Charity, Sport & recreation
Scale of projects funded (R):	Varies widely
Examples of projects funded:	Include rural projects in arts and heritage as well as eco-tourism projects
Specific exclusions:	Those not filling into the specified categories
Who can apply for funding:	Incorporated organisations with two years of audited financial statements
Application procedure:	Calls for applications are advertised once a year for each category of funding available.



General comments:

Has tended to favour long established projects if the list of beneficiary organisations can be taken as a guide.

7. Funder Details

Name of funder:	Department of Environmental Affairs and Tourism
Name of fund (if applicable):	Poverty Relief Programme
Contact details of funder	
Physical address:	N/A
Postal address:	N/A
Website:	www.thelapa.com
Email address:	N/A
Phone & fax:	(011) 310 3620 (p)
Branch offices:	Offices in all Provinces
Geographic focus area:	Various specified protected areas as well as other that fall within the Integrated Sustainable Development programme nodes
Nature of funding provided:	Grant funding to create employment to develop projects in the fields of tourism infrastructure, tourism product development, wetland rehabilitation, waste management, and coastal development
Types of projects funded:	Developmental projects as described under nature of funding above
Scale of projects funded (R):	Average project funding is in the order of R1 million
Examples of projects funded:	Cultural villages, information centres, road signage, waste collection and recycling, walking paths, kelp farming
Specific exclusions:	N/A



Who can apply for funding: Applications come via government departments, municipalities, CBOs, private companies and NGOs. These applicants on behalf of the project must take on the role of implementing agency

Application procedure: Via the website or telephonically.

General comments: A major source of initial grant funding for projects in qualifying rural areas.

8. Funder Details

Name of funder:	Umsobomvu Youth Fund
Name of fund (if applicable):	(The) Nations Trust Youth Enterprise Fund
Contact details of funder	
Physical address:	N/A
Postal address:	N/A
Website:	N/A
Email address:	N/A
Phone & fax:	See branch offices phone numbers below
Branch offices:	Cape Town (021) 424 5853 (p) Johannesburg (011) 833 4281 (p)
Geographic focus area:	South Africa
Nature of funding provided:	Soft loans
Types of projects funded:	Micro enterprise
Scale of projects funded (R):	R1 500 to R40 000
Examples of projects funded:	Micro enterprises established by the youth
Specific exclusions:	Liquor or livestock businesses; businesses more than 100km. from Nations Trust office advancing the loan
Who can apply for funding:	Black youth (18 to 35) who are South African citizens, unemployed, under-employed, or self employed
Application procedure:	Completion of an application form; presentation of a viable business proposition.



General comments:

Funding agencies for Nations Trust are present in other Provinces; details can be obtained from the Johannesburg or Cape Town offices.

9. Funder Details

Name of funder:	Umsobomvu Youth Fund
Name of fund (if applicable):	(The) General Fund
Contact details of funder	
Physical address:	Block P Central Park, 16 th Road, Midrand, 1685
Postal address:	P O Box 982, Halfway House, 1685
Website:	www.uyf.org.za
Email address:	info@uyf.org.za
Phone & fax:	(011) 651 7000 (p) (011) 805 9709 (f)
Branch offices:	N/A
Geographic focus area:	South Africa
Nature of funding provided:	Soft loans
Types of projects funded:	Medium enterprise
Scale of projects funded (R):	R100 00 to R5 000 000
Examples of projects funded:	Start-up's, expansion, buy-outs and buy-ins where black youth are operationally involved and have demonstrated a commitment
Specific exclusions:	Liquor, tobacco, or property development sectors
Who can apply for funding:	Black youth (18 to 35) who are South African citizens, unemployed, under-employed, or self employed
Application procedure:	Completion of an application form; presentation of a viable business proposition.



Key words:

youth; medium enterprise; soft loans

General comments:

This is one of three Umsobomvu "Development Capital Funds"; the other two are the FNB-Momentum-UYF Progress Fund (UYFPF) and The Business Partner's Franchise Fund (UYFBP). The General Fund is for those propositions which do not fall within the criteria of the other two funds.



Annex 6: Glossary

Beneficiary

A person who will secure a direct material benefit from a project or trust fund and on whose behalf the trust fund must be administered.

Business model

The logic on which a project or business is based which clearly identifies the viable and sustainable nature of the proposed project.

Capacity

The demonstrated ability to repay the capital and/or interest that is received from a funder in the form of a commercial loan. It takes into account the earnings of the project, how much it has already borrowed, its profit margin, how much capital the project participants have contributed to the project, etc.

Capital

The total wealth owned or used in a business by an individual or group.

Case statement

A document, generally prepared when seeking donated funds, which clearly sets out the reasons why the funds are needed and what the benefits are going to be to the wider society. It will often take the form of an emotional appeal.

Character

A credit record that shows evidence that financial obligations that are undertaken are repaid according to the repayment terms agreed. A funder would normally make use of credit bureau records to check on both organisations and individuals.

Collateral

An asset that the funder can make use of to secure the funds they advance and that, in the event of non-repayment, can be sold by them to settle the debt. Collateral could consist of property, stock in trade, shares in a quoted company, etc.



Commercial loan/finance

A loan or finance provided on a strictly business basis where recipients have to satisfy stringent requirements as to their capacity, character and collateral.

Default

Failure to meet a financial obligation or failure to make a payment when it is due.

Donation

A financial contribution to a project which does not need to be repaid and which incurs no significant obligation.

Donor

An organisation or individual who makes funds available to a project with no expectation that it will be repaid.

Dividends

A portion of a Company's profits paid to its shareholders.

Entrepreneur

A person who has entrepreneurial ideas and starts businesses that build something of value based on an opportunity that has been identified.

Equity

Permanent capital for a business or project on which the contributor or shareholder expects a generous return. This form of capital has the greatest level of risk attached to it and shareholders expect returns to compensate for this risk.

Formality

Where fund raising is concerned, this means the extent to which the fund raising approach needs to be carefully planned and must comply with specific requirements.

For-profit

A project that is primarily concerned with making a profit. Such a project would typically organise itself into a Company or Close Corporation.

Funder

An individual or organisation that provides funds for projects. Such funds may need to be repaid, or not, depending on the nature of the business conducted by the funder.

Fund raising

An organised effort to secure resources, particularly financial resources, on behalf of a project or organisation. Some of the resources that are secured will need to be repaid or returned, while others can be retained as a form of gift.

Grant

A financial contribution, generally made by an official agency (national or international), which does not need to be repaid but may require a reasonably high degree of formality to secure it. The funder might impose significant non-financial obligations on the project.

Guarantee

When the repayment of funds is secured, generally by a third party or by a liquid asset. This guarantee is usually required by a funder who feels that the project itself is able to provide sufficient security for the funds advanced, based on the strength of the project alone.

In kind

A contribution to a project, which could include free goods or the free use of assets.

Liquid asset

An asset that can be easily sold and turned into cash e.g. shares in a quoted Company. Such shares can be sold on the stock market and turned into cash immediately.

Matching finance

A contribution to a project that requires the project to match the amount of the contribution (often on a 50/50 basis).

Non-profit

A project that is primarily concerned with benefiting society or a designated group of people and not with making a profit.



Obligation

The extent to which the project (or project participants) incurs or takes on a responsibility in respect of the repayment of funds raised.

Parastatal

An organisation with a degree of independence which falls under the broad control of government. A parastatal normally supplies an essential service such as electricity, postal services, mass transport (buses, rail), or water.

Personal guarantee

Often required where a funder does not feel that the project can provide sufficient security for a loan on its own. The funder then requires that, if the project defaults, the funder can claim against the people who gave guarantees personally.

Project participant

A person who is involved in the project and its management on a day-to-day basis.

Risk

When the project (or project participants) incurs or takes on a situation which could result in misfortune or loss.

Section 18.A.

A section of the South African Income Tax Act that provides for qualifying projects which receive money in the form of donations, not needing to pay donations tax on that money. To qualify for this status, projects need to be operating for public benefit, plus need to be registered with the South African Revenue Services (SARS).

Section 21 Company

A section of the South African Companies Act in terms of which a company can be "Incorporated Not for Gain". A Section 21 Company is not permitted to pay any profits that it earns out to its shareholders. If it ceases to operate it must transfer its assets to a similar organisation.

Soft loan (finance)

A loan, or finance, that is provided without the normal stringent requirements as to capacity, character, and collateral being applied.



Sustainable

A term applied, in the case of projects, to an established project. It indicates that the project is capable of generating sufficient funds, in the medium to long term, to cover all project expenses.

Sweat equity

People who start a business or a project often work for long periods for little or no pay. This is particularly the case before the project gets going and in the early days of its existence.

Third party guarantee

A person or organisation who is not directly involved with a project and who is prepared to guarantee an obligation that the project incurs or takes on.

Trust

An organisation established by putting assets "in trust" for the future or for future generations. A Trust generally has a very specific purpose to which its funds/assets must be applied.

Viable

An indication that the project is capable of getting to the stage, in the medium to long term, where project revenues will be able to cover project expenses.



Annex 7: PFM Guidelines

The eight PFM Guidelines were prepared as part of the DWAF/ Danida PFM Project (2001-2005). The PFM Guidelines aim to empower DWAF staff, the new custodians of the state forests and partners at local level to implement the new DWAF Forestry Vision. The PFM Guidelines are meant to support community upliftment in accordance with the DWAF Criteria, Indicators and Standards for Sustainable Forest Management.

Some Guidelines target local groupings, where limited capacity prevails.

The Guidelines are available from the Directorate: Participative Forestry in DWAF, Pretoria.

Description and Main Target Groups

Guideline	Description	Main Target Groups
Stakeholder Participation	How to mobilise stakeholders at local level and form partnerships and agreements with local user groups/communities	DWAF and the new custodians of state forests as well as other departments/ organisations pursuing participation in natural resource management
Legal Options for Community Partnerships with DWAF Forestry	Legal mechanisms/entities available for local groups to co-operate and form CFAs with DWAF and thus obtain licences to use forests and their products	DWAF and the new custodians of state forests as well as local groupings (PFM Committees, CBOs, NGOs, clubs, small enterprises, etc)

Logical Framework Approach Project Planning	Planning and documenting a project and explaining what a project is, including the major projects funded by donors	DWAF and the new custodians of state forests and local groupings (NGOs, CBOs, Forest User Groups, etc)
Sustainable Resource Use	Multiple stakeholder use of indigenous forests through the development of sustainable resource use systems	DWAF and the new custodians of state forests and local groupings (NGOs, CBOs, PFM Committees, Forest User Groups, etc)
Project Monitoring and Evaluation	A tool for monitoring and evaluating projects in line with DWAF's new monitoring and regulatory role	DWAF and the new custodians of state forests
Fund Raising for Projects	How to compile a funding proposal and where community structures and other local groupings can apply for funding for forest related and natural resource management projects - complements the PFM Guideline: LFA Project Planning	Local groupings (NGOs, CBOs, Forest User Groups, etc)
Formation of PFM Forums and Committees	Aspects and procedures of developing local PFM structures and compiling a constitution in order that DWAF can liaise and form partnerships with communities through local structures - supplements the PFM Guideline: Stakeholder Participation	DWAF and the new custodians of state forests and local groupings (NGOs, CBOs, Forest User Groups, etc)
Financial Management of Projects	Simple aspects and processes of sound financial management of projects - many local groupings have limited capacity in this regard and can thus not apply for project funding	Local groupings (NGOs, CBOs, Forest User Groups, etc)