



Social Change Assistance Trust

20 years of rural development – only the beginning

Annual report 2004

Our Vision

Vibrant and sustainable communities in rural South Africa

Our Mission

To empower the rural poor, to strengthen civil society and promote social change by:

- Supporting local agencies working for development and human rights in rural communities
- Working in partnership with these agencies
- Offering support in organisational development and capacity building
- Mobilising and facilitating access to resources
- Respecting existing rural resources and appreciating the diversity of our partnerships

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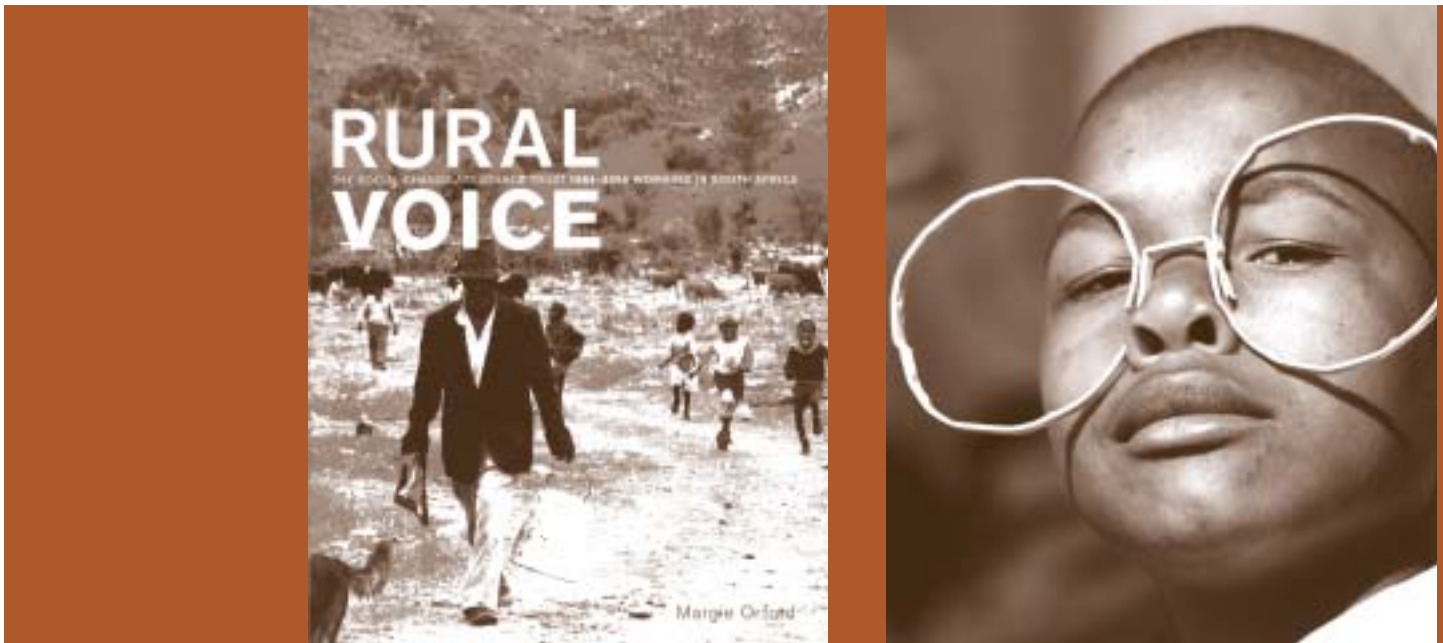
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Convenor's report

2004 was the most extraordinary year for the Social Change Assistance Trust (Scat), 20 years after it was founded. It was, indeed, a year of highs and lows.

One low point was the resignation of our director, Nomhle Nkumbi-Ndopu, at the beginning of the year. This followed the unexpected resignation of the communications manager, Khanyisa Balfour, at the end of 2003. As our field manager, Joanne Cartmel, was away on parental leave, this left the management of Scat in a parlous state. After some urgent meetings of the Cape Town-based trustees, Nyame Goniwe, who had returned to Scat as interim field manager, was appointed interim director and Linda Diedericks was appointed interim field manager. Together with finance





manager, Miriam du Toit, this interim management team, backed by the entire staff, very effectively rescued Scat from this management crisis. Their commitment to the organisation in these trying and difficult times was outstanding. I would also like to pay tribute to my fellow trustees who turned up trumps in confronting these demanding issues.

In the end, the trustees decided that the management of Scat should be placed in the hands of a directorate so that senior leadership of the organisation was not left in the hands of a single individual. Nyame Goniwe was appointed as field director, Bandi Biko as training director, Greg Erasmus as finance director and Joanne Cartmel as communications director. The role of convenor of the directorate will be rotated and Nyame was appointed the first convenor.

This substantial restructuring has made the administration of Scat much stronger and more effective. However, the directorate faces severe challenges, particularly in regard to fundraising and the extension of Scat's work, but a solid structure is now in place and is working effectively to address these issues.

There were also many highs during the year, culminating in the celebration of Scat's 20th birthday with the launch of the book, *Rural Voice*. Brilliantly written and edited by Margie Orford, *Rural Voice* examined the history and impact of Scat, and provided an account from our partner local development agencies (LDAs) about their involvement

in their communities around the themes of justice, trust, initiative and vision. The foreword to the book was written by Archbishop Desmond Tutu, who spoke at the birthday party along with the Deputy Minister of Foreign Affairs, Susan van der Merwe. The large crowd at the celebration, which was held at Community House in Salt River, Cape Town, included a number of Norwegians who flew in specially to attend the event.

Scat also published a perceptive evaluation of its Fundraising Incentive Scheme (Fris) by Dr Martin Nicol of Organisation Development Africa. This 68-page report shows that Fris is playing a powerful and supportive role within those poor, rural communities in which Scat's partners operate.

Scat also won two significant prizes during the year. It was selected from about 500 non-governmental organisations (NGOs) throughout the world to be in the final shortlist of 12 in Alcan's prize for non-profit sustainability. Scat was one of six runners-up, and Linda Diedericks was selected for participation in a part-time, one-year programme accredited by Cambridge University. Scat also won the Mail & Guardian's Investing in the Future Award in the non-profit category.

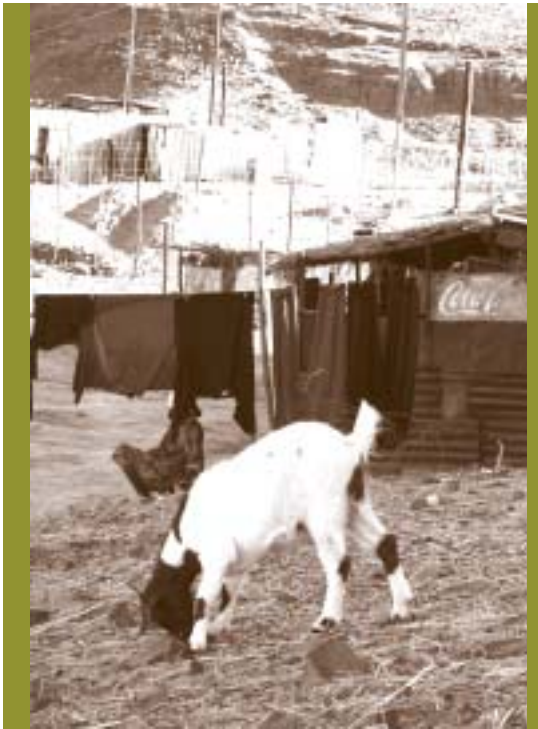
The highs and lows of 2004 aside, Scat now faces the huge challenge of financial sustainability in the future. This is no easy task, but we have the people, structures and determination to face the new challenges.

Barry Streek

Overview of the year



Scat's 20th anniversary in 2004 marked a major milestone in the history of the organisation. On 4 October 1984, Scat held its first meeting. With the support of Norwegian friends such as Bjarne Lindstrom and Trond Bakkevig, the founding members decided to establish an organisation to ensure that money which was intended to promote social change reached the people most in need. Twenty years later, Scat can look back proudly on many achievements, particularly the sustained allocation of money to LDAs based largely in poor rural communities. Today, Scat has an annual budget of R15 million, eight trustees and 24 staff members. The organisation has won many awards and is widely recognised as a leader in the field of development practice.



Despite the many challenges we faced – including changes in staff, organisational restructuring and decreased funding – Scat has delivered on most of the objectives set for 2004. This annual report reflects many achievements, which would not have been possible without the commitment to rural development of our LDA partners and all Scat staff.

The new directorate consists of four portfolios – fieldwork, training, communications and finance. As a team, the directors are responsible for the overall leadership and strategic direction of the organisation.

Fundraising poses an ongoing challenge to Scat. The funding environment has changed, with long-standing funders reducing funding as their priorities change. Another factor which impacted negatively on the value of overseas donor funds was the strengthening of the Rand. At the same time, the expansion of Scat-funded programmes, particularly the HIV/Aids programme and Scat's innovative fundraising scheme Fris, requires increased funding.

Scat continues to explore new avenues of funding and in 2004, we initiated new relationships with corporate donors. Scat has not yet been able to secure funding from the National Development Agency and the National Lotteries Fund. It is hoped that the appointment of Greg Erasmus as finance director will result in progress in this vital area of extending our sources of funding.

Over the years, Scat has been involved in various exchange programmes, which offer a valuable opportunity for learning and sharing ideas and knowledge. During September 2004, Scat hosted exchange 'students' from two organisations, in Mozambique and Zimbabwe, with the assistance of Synergos, a US-based organisation which supports grantmaking organisations. The two exchange 'students' accompanied staff on field visits, attended workshops and participated in the Scat home-week and monthly field meeting. Scat will continue to explore further exchanges, particularly through our funders, in order to continue sharing the Scat model of rural development as a regional resource.



Field

support

Field team

During 2003, the field team was restructured as the team had grown in size and there was a need to further develop the skills and capacity of team members who showed leadership potential. There are now two regional co-ordinators (for the Eastern Cape and the Northern and Western Cape). The team learnt many lessons during this process of restructuring, which was implemented in 2004. Despite these challenges, the field team managed to meet most of the objectives set for the year.

In 2003 the field team began a discussion about adopting a 'more developmental' approach in our field practice,



in line with our role as developmental funders. While there have been encouraging developments in this regard during 2004, it is important for Scat's development practice to deepen and for us to share our experience of the Scat model.



The field team consists of: Nyameka Goniwe, field director; Linda Diedericks, Western and Northern Cape regional co-ordinator; Pixie Keteyi, Eastern Cape regional co-ordinator; Zandile Nkompela, HIV/Aids programme co-ordinator; Maimouna Conywa-Dia, seconded from training to Nyandeni development programme; Funeka Loza, Nolitha Vanda Wellman, Lindinkosi Ndibongo, James Jonas and Tsamaeng Makiva (fieldworkers); and Amiena Moerat, field administrator. In the second half of 2004 Colleen Alexander joined the team as a fieldworker.

Field visits

Field support forms the backbone of Scat's work – in the form of field visits, on-site training, cluster and provincial workshops. The main function of the field team is to offer support and training to LDAs, and to monitor, evaluate and report on their progress regularly.

During 2004, the field team provided support to 60 LDAs, with each organisation receiving two to three site visits, as well as regular telephonic and written contact. The number of visits that each LDA receives is determined by its development phase and specific needs.

Despite intensive field support, two projects failed to fulfil Scat's funding requirements and had their funding terminated. Three new LDAs became partners of Scat and with the field support they received, successfully progressed to full funding at the end of the year. Reports from the fieldworkers show an encouraging improvement in the performance of LDAs generally in the areas of financial management, fundraising, planning and governance.

Field visits provide an opportunity for fieldworkers to monitor the work of LDAs and to support them with problem solving and training. Reports over the past year show that fieldworkers have been networking more with stakeholders in local communities – including community

leaders, district managers of local municipalities and other organisations working in the development field. This networking deepens fieldworkers' understanding of the context in which LDAs work, and equips them to give better guidance on development opportunities in communities.

Reports from the field

With 60 partners engaged in projects and activities across a wide range of social issues, it is only possible to highlight some examples of the many achievements of our rural partners in this report.

Eastern Cape

The Eastern Cape remains one of the poorest provinces in the country. The provincial government is making efforts to address poverty and lack of service delivery and infrastructure, in particular in the rural areas. However, unemployment remains a major problem, particularly among the youth. With the closure of factories in urban areas, thousands of retrenched workers have returned to the rural areas. Once their UIF benefits are exhausted they have no other source of income and few job prospects. Many households in the region depend entirely on social grants to survive. Grant recipients at payout points are vulnerable targets for muggers, and in a number of districts robbery has caused delays in grant payments.

The drought has devastated crops in most parts of the region. Many LDAs have assisted social workers and the Department of Social Services to identify families in need of food relief. Many households rely on the food relief programme to survive as they have no source of income.

The Adelaide Advice Office is playing a leading role in local economic development. The office is involved in initiatives



such as a communal vegetable garden, sewing projects and the allocation of tenders to the community, as part of the local municipality's Integrated Development Plan. The strong relationship between the municipality and the office has opened up job opportunities for the community, for example in road and dam construction.

Barkly East Advice Office is one of the more established organisations supported by Scat, and works closely with local small income-generating projects to build their capacity. The LDA has assisted some projects to access funding from Ikhala Trust. The office is also involved in campaigns to raise awareness among farmers and farmworkers about changes in legislation and workers' rights.

While Scat applauds the progress the provincial government has made, it still faces many challenges, most notably the impact of HIV/Aids in the region. LDAs continue to play a vital role in monitoring service delivery, and in building stronger relationships with local government structures. LDAs in the Eastern Cape have set up a Provincial Aids Council to work with the provincial government to ensure improved service delivery to address the problems caused by the pandemic. It is encouraging to hear reports that in communities like Ngcele and Tshatshu there are now clinics which are functioning effectively.

The Daliwe Advice Office in Cathcart is working hard at building positive relationships with government departments and other NGOs in their community. A volunteer who is HIV-positive was recruited to drive their HIV/Aids programme. She ran a series of information sessions on

antiretroviral treatment which resulted in a number of people coming forward to disclose their HIV status. The Advice Office is also lobbying the local hospital to provide a private room for consultations with people who are HIV positive.

An ongoing challenge that LDAs face is to incentivise volunteers to remain on committees – even more established LDAs often depend on only a few committee members. Volunteers are not compensated for their time, and LDAs need to continue to explore creative ways to reward volunteers.

Western, Northern and North Western Cape

Drought and water shortages have impacted negatively on many communities in the Western, Northern and North Western Cape, as farmers seek alternate employment and there is less work available for farmworkers.

The closure of mines in the Northern Cape has also increased unemployment in this region. In Nababeep, copper mines have shut down their operations. The Nababeep Advice Office responded to the growing need for local economic development by establishing an arts and craft project and a catering project.

Port Nolloth Advice Office was involved in the successful mobilisation of people in the Richtersveld to reclaim their land from the government-owned Alexkor Diamonds (Pty) Ltd. It is hoped that this significant victory will inspire other communities to take up similar campaigns.



Advice offices continue to inform and educate workers on their rights through information sessions on changes in legislation (such as the Minimum Wages Act and the new Unemployment Insurance Fund Act which now covers domestic workers, farm workers and gardeners). But changes in legislation do not guarantee compliance by employers, particularly in remote areas, and LDAs in these areas continue to hear cases from clients regarding basic rights such as unemployment benefits and minimum wages.

The widespread poverty in rural communities makes many people vulnerable to abuse by unscrupulous cash-loan institutions. Uniondale and Haarlem Advice Offices are working closely with the Black Sash in Knysna to monitor this growing problem. The Haarlem Advice Office brought the problem to the attention of the Department of Social Services and reported corrupt officials who work in tandem with the cash-loan institutions. As a result, a session on community savings was held at the joint Northern and Western Cape provincial seminar, and lobbying and advocacy were chosen as the theme for the Western Cape cluster workshop.

Many LDAs have prioritised developing closer working relationships with local government structures. These links with local and district municipalities have in some cases been facilitated by Scat fieldworkers who have spent time bringing together local stakeholders and LDA representatives. Barkly West Advice Office, situated in the Northern Cape, provides a good example of how these links can benefit the broader community. This LDA recently obtained permission to use municipally-owned premises for their bakery project. Another example is that of Thuso Advice Office near Pampierstad, which raised R77 000 from the Department of Social Services to start a launderette project for a group of local pensioners. The LDA was also asked by their local government structure to assist with the formation of ward committees.

In the Western Cape, several provincial government departments are working with Scat-funded LDAs (for example, the Department of Consumer Affairs, Department of Social Services and the Department of Labour). LDAs that have received funding, advice or support through these initiatives include the advice offices in Ceres, Prins Albert, Swellendam, Botrivier and Riviersonderend.

LDAs continue to play a valuable role in monitoring service delivery. Lesedi Advice Office in the North West province participated in a march to the local municipality to protest

against slow delivery in providing housing. As a result of this campaign, 400 more houses have been built.

The issue of violence against women and children continues to plague many communities. It is difficult to determine the full extent of the problem and it is clear that a multi-pronged strategy is needed to address this issue. In the Western Cape, Swellendam Advice Office was approached by the local police service to run a workshop on domestic violence. The office also intervened successfully in a case where a female farm worker was dismissed because of her HIV/Aids status. In the Northern Cape, Tshedimosetso Advice Office has developed an anti-rape strategy and formed a partnership with the local police, churches and the municipality. Their aim is to create a safe environment for rape survivors and to make sure that they have access to trained counsellors.

Fundraising Incentive Scheme

The year began with the presentation of the final report on the extensive evaluation of Fris undertaken in 2003. Overall, the report affirmed that Scat has achieved many of the goals set for Fris, and underlined the crucial role of fieldwork in its success. Scat is working on implementing the recommendations made, including the need for LDAs to prepare and submit plans for how Fris rewards will be spent, and acknowledging and incentivising Fris fundraising efforts through the award of certificates.

During 2004, Scat paid out R1.9 million in Fris rewards. This means that LDAs raised nearly R400 000 in their communities, which is a good indicator of the extent of support in communities for the work of LDAs.

Fris continues to pose new challenges to Scat. The nature of the scheme makes it difficult for Scat to plan how much LDAs will raise locally. The reward of R5:R1 is high in order to act as a strong incentive. While a maximum budget is allocated to each LDA, in the past organisations have not raised as much as predicted. However, in the past two years LDAs have exceeded our expectations, with most raising their maximum allocation, and some even more than this. The field team will continue to review the issues raised by Fris, while management explores creative, new ways to fundraise for what has proven to be an innovative and award-winning programme to promote sustainability in impoverished communities.



Training

Training team

In March 2004, Janine Turner departed and in May Maimouna Conjwa Dia was seconded to the Nyandeni programme, which left training co-ordinator Anthea Davids Thomas carrying the load alone. In June, contract trainer Edith Masdoll rejoined Scat and in September, Bandi Biko was appointed as training director.

The core function of the team is to provide training to empower LDAs and strengthen their capacity so that they can engage actively in the development of their communities. Scat offers an annual programme





of provincial seminars and cluster workshops, and training courses which address specific needs. In addition to input from presenters, these Scat events offer LDAs a valuable opportunity to network and share their experiences and the lessons learnt.

Provincial seminars

In the Eastern Cape, 100 staff and committee members of LDAs attended a seminar focusing on celebrating ten years of democracy and 20 years of Scat's existence. The seminar also addressed issues around fundraising, including exploring other sources of funding.

In the Northern and Western Cape, 78 LDA staff and committee members attended a joint seminar focusing on socio-economic rights. Participants benefitted from the opportunity to network with people from other provinces, and recommended that more such inter-provincial events take place.

Cluster workshops

In 2004, LDAs identified advocacy as a key theme for discussion at cluster workshops. In the Eastern Cape, cluster workshops took place on policy formulation, strategic planning, advocacy and fundraising. In the Northern Cape, cluster workshops were held on local economic development

and advocacy. In the Western Cape, cluster workshops were held on advocacy and governance.

Impact of workshop training – reports from the field

It is often difficult to evaluate the impact of training directly. However, reports from fieldworkers throughout the year pointed to encouraging developments emerging from the cluster workshops. In Barkly West a bakery which was funded by Scat has just bought equipment, and the local LDA is more confident and skilled to run this as an effective business after attending the workshop on LED. In Thuso (Pampierstad), the LDA conducted its own LED workshop, sharing their experience with local small businesses in need of skills development. The LDA also assisted a group of pensioners to obtain funding for a food garden and a laundrette. After attending the cluster workshops on LED and advocacy, the Spoe-grivier Advice Office in Namaqualand launched a campaign to become a centre for tourism in the area, as part of the Groen-Spoeg Park which is due to open in the near future. The LDA arranged training from the National Parks Board, and invited representatives from surrounding communities to attend. Their aim is to build the capacity of the local people so that they can make use of the opportunities presented by the growth in tourism to the area.





Other Scat training courses

Training for HIV/AIDS activators

All activators in the Scat HIV/AIDS activator programme attended a two-week training course on HIV/Aids and how to conduct and report on a baseline assessment. At the end of 2004, the training team and the HIV/Aids programme co-ordinator ran a further course on planning programmes to implement the results of the baseline assessments.

Community research learners

In 2004, the training team was involved in a partnership with Umsobomvu Youth Fund (UYF) and the Education Training and Development Seta (ETDP). In February the team presented the final module of the course, aimed at helping learners achieve accreditation. While learners found the training beneficial, there was some frustration because of expectations that it would lead to employment opportunities with UYF. An evaluation by the Rand Afrikaans University commended Scat on the quality of the training course and for meeting the requirements in terms of quality assurance. In March the trainers ran a refresher workshop on the unit standards covered during the initial course and the expected outcomes. Of the 22 learners who were trained, 17 submitted their portfolios, one was found fully competent, one received a best practice award and the others have resubmitted their portfolios.

Business planning workshops

Many Scat-funded LDAs are trying to access funds for small business initiatives. In the Eastern Cape fieldworkers

contracted Kwasa Consultancy to facilitate a week-long workshop on business planning to build the capacity of LDAs to undertake these initiatives successfully.

The Nyandeni programme co-ordinator also identified the need for training in business planning for the Nyandeni projects. Two representatives from 15 projects selected attended a workshop on business planning, facilitated by a skills development consultancy in Umtata. Facilitators identified the need to provide mentorship to projects while they are being set up.

On site training

On-site training in governance took place at five LDAs – Elliot, Aliwal North, Ceres, Koinonia and Klawer – to assist organisations to meet Scat funding criteria. On-site training in bookkeeping took place in Bathurst for the Bathurst Advice Office and other projects in this area. The Bathurst Advice Office has been selected as the key organisation to receive NDA funds, and is responsible for providing assistance in financial management to other projects receiving NDA funding.

Training needs assessment: Northern Cape

The trainer for the Northern Cape assisted the fieldworker to carry out learning needs assessment to facilitate the participation of staff and committee members. In the process, the fieldworker was able to formulate an organisational development strategy tailored to the specific needs of each LDA.



Accreditation of Scat as a training service provider

Scat is still considering the pros and cons of becoming an accredited training service provider in terms of the Skills Development Act. It is evident from Scat training that our learners are not all at the same level, with some barely literate and others with educational qualifications. In these situations, learners work together and the training methodology used is largely experiential. However, accredited training requires that all learners are at the same level. On the other hand, if Scat training is accredited we should be able to access funds from the Skills Development Fund. In addition, learners would be able to accumulate credits towards a qualification. The future direction for accreditation will be taken forward by the newly appointed director of training.

Development Fund for Training

The Development Fund for Training (DFT) has formed part of Scat's package of programmes for the past ten years. It offers LDA members access to funding for skills development

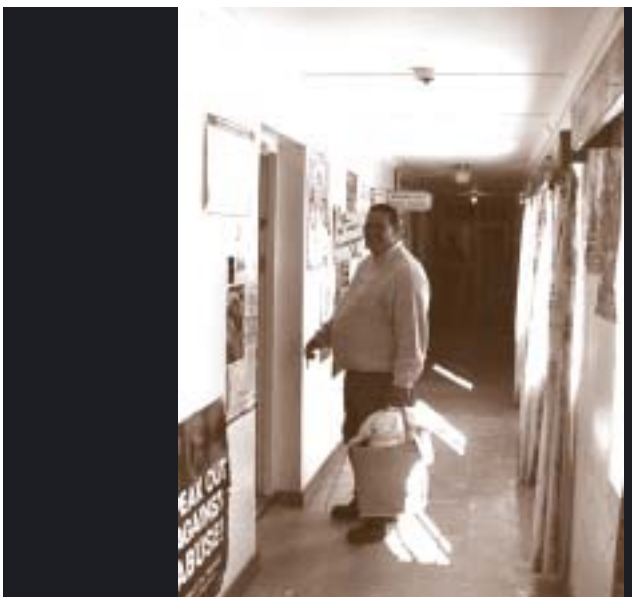
in an area relevant to the needs of their organisation and the communities they serve. The programme will be evaluated in 2005 to determine its benefits and future direction.

Training - the way ahead

Scat is in the process of updating its database on training service providers. This is a useful resource not only to Scat but also to LDAs.

Scat training is aligned to the needs of the LDAs. Training in the areas of governance, HIV/Aids, local economic development and access to justice remain important themes for training interventions.

Scat will also invest in training LDAs in local fundraising, developing partnerships with local and provincial government and organisational sustainability. This will be done in close alignment to the field team in 2005.



HIV/Aids programme



While the HIV/Aids pandemic affects all communities in South Africa, rural communities are particularly disadvantaged. It is encouraging that the government has begun the rollout of antiretroviral treatment (ART), but there are few treatment sites in rural areas and stigmatisation is still widespread.

The Scat HIV/Aids programme has expanded rapidly since its launch in 2000. A key aspect of the programme is the selection of activator sites with LDAs acting as facilitators to address the aggravating factors affecting HIV/Aids in their respective communities. In addition, all LDAs can claim from the dedicated HIV/Aids Fund for local initiatives such as prevention and education, counselling and home-based care. Another important aspect of the programme is to promote discussion within LDAs on issues relating to HIV/Aids and to encourage the adoption of workplace policies on HIV/Aids.

The first six activator sites were selected in 2002, and by 2004, 26 LDAs had become activator sites. At all 26 sites, the LDAs have undertaken baseline assessments to establish the particular factors affecting HIV/Aids in their communities, as a basis for bringing together local stakeholders to plan and implement co-ordinated strategies.

During field visits and provincial seminars, LDAs have been encouraged to network broadly with other organisations working around HIV/Aids in their regions. This networking develops LDAs' understanding of debates in the sector and ensures greater collaboration and better utilisation of resources.

While each community has different priorities – including food security, treatment or access to social grants – the most common concern is poverty. Many LDAs have prioritised care and support for People Living with HIV and Aids (PLWHA). The establishment of support groups has empowered people and encouraged them to disclose their status to their families. Support groups have been instrumental in setting up food gardens in some communities, as food security is a critical factor in addressing HIV and treatment.

Some LDAs have developed their own workplace policies around HIV/Aids which address issues such as prevention and how to deal with staff or volunteers who are HIV-positive and become ill. These LDAs are encouraging other local organisations to develop similar workplace policies.

With the launch of the government's roll-out of antiretrovirals, LDAs have ensured that they are informed about ART and the treatment sites in their provinces. It is disturbing to note that, according to the Treatment Action Campaign, the Eastern Cape has the most dysfunctional health system in the country, and the provincial government is not sharing information adequately about sites, patient numbers and budget allocations.

The candlelight memorials held by most LDAs as part of the International Aids Candlelight Memorial were a particular highlight this year. The campaign aims to honour the memory of those lost to HIV/Aids, to show support for PLWHA and to raise awareness and mobilise the community through collective action in the fight against HIV/Aids. These events provide LDAs with an opportunity to discuss the particular impact of HIV within their community and how to address issues such as prevention, care, treatment and education.

The year ended on a positive note when the Eastern Cape HIV/Aids activators arranged a HIV/Aids summit held in commemoration of World Aids Day in Barkly East from 24–26 November. The summit was addressed by a number of important stakeholders, including Rev Ntshingwa, Chief Executive Officer of the Provincial Aids Council, Dr Liv Taylor from the South African Medical Research Council and Melvis Petersen from the Open Democracy Advice Centre. At the closing of the meeting, the LDAs presented an award to Scat for our contribution to the fight against HIV/Aids in the province.

In conclusion, the HIV/Aids programme appears to be having an impact in rural communities. When the programme began, the first task was to spread information and raise awareness as there was widespread ignorance and misconceptions about the epidemic. Reports from the activators illustrate that there is greater awareness and more accurate information reaching rural communities. HIV/Aids has become an increasing priority in the work of many LDAs, and it is encouraging to observe their interventions such as the establishment of support groups, home-based care programmes, nutrition programmes, prevention of mother-to-child transmission, voluntary counselling and testing, and ART. The following case study highlights the impact of Scat's HIV/Aids programme.

Matatiele Advice Office is located in KwaZulu-Natal but the town falls under the jurisdiction of both Eastern Cape and KwaZulu-Natal provinces. This division has affected the provision of healthcare services to the community. For a long time, the Advice Office has been actively involved in supporting PLWHA. After a session held at a local school on HIV/Aids and gender-based violence, a woman teacher brought her sister who had tested positive for HIV to the office. Both women received counselling and support. The sick woman was then referred to Asher Memorial Hospital, where she received ART. Sadly, she died just three weeks later. Her family then asked the Advice Office and support group to disclose her status and cause of death publicly to help reduce the stigma related to HIV. The office organised red ribbons and a candlelight memorial and members of the support group carried her coffin to the grave. This was the first funeral of its kind in the district. Breaking the silence has resulted in more people coming to the office to disclose their status or to get help for their family and friends. As a result, the hospital is now accepting people from both provinces for treatment.



Other programmes



Umsobomvu Youth Fund

In 2003, Scat entered into a partnership with UYF on a programme targeting youth in poverty nodal areas and encouraging LED projects through support and capacity building. Scat is operating in the Eastern Cape in Ukwahlamba, OR Tambo and Chris Hani district councils.

Between February and June 2004, Scat fieldworkers undertook screening visits of LED projects in the nodal zones in the OR Tambo and Ukwahlamba Municipal Districts in the Eastern Cape. A workshop on business planning was subsequently held in June 2004 for the projects selected.



Scat was also asked to extend its services to the less-resourced Kgalagadi district in the Northern Cape. As this district is new to Scat, the first step was to consult with local people to identify LED projects, before undertaking initial visits to the projects selected.

Nyandeni Development Programme

Several years ago, the Kellogg Foundation entered into a partnership with Scat to support rural communities in their struggle against poverty by funding LED projects in the district area of Nyandeni, near Umtata in the Eastern Cape. The focus shifted later to nutrition and food security projects as most of the projects were engaged in these activities.

The programme got off to a slow start due to differences of opinion among stakeholders. On 21 May 2004, the Kellogg Foundation held a meeting of stakeholders in Umtata to resolve these problems. A Forum was set up with representatives of the Nyandeni Development Trust, Health Systems Trust, Kellogg Foundation, Scat, Independent

Development Trust and the OR Tambo District Municipality to co-ordinate activities.

Scat was mandated to work with all stakeholders, using its model to develop a new strategy or approach to take the programme forward. The Kellogg Foundation is particularly interested in the potential of the programme as a pilot to inform an integrated Nutrition and Food Security framework that could be replicated elsewhere.

With the help of the Forum and Nyandeni Programme leader, Maimouna Conjwadia, Scat identified criteria for the selection of projects for funding in 2004. These included: the categorisation of projects and funding per category; screening procedures; monitoring and evaluation; training; and other sources of funding.

Many valuable lessons have been learnt as the process has evolved. Scat will continue to evaluate and document the process to help improve the Nutrition and Food Security Programme and to inform other related programmes.



Staff development



Scat remains committed to staff development through training, workshops (often offered by funders), discussion groups and conferences. Staff are also allocated time to fulfil study obligations, especially when the learning opportunity relates to their current work. In 2004 the staff development policy was reviewed and amended to ensure that Scat's investment in terms of cost and time is reciprocated by a commitment from staff to remain with the organisation for an appropriate period of time.

During 2004, Linda Diedericks completed an Honours degree in gender studies. One of our new staff members, Colleen Alexander, is completing her LLB degree. Fieldworker Tsamaeng Makiva is taking a course in project management. Nyame Goniwe attended a course on fundraising facilitated by Inyatelo, and a workshop on fundraising in Holland organised by Cordaid.

Anthea Davids Thomas completed a course on developmental supervision and is completing an Honours degree in Social Development. Anthea also attended a conference on poverty alleviation and sustainability at which some of Scat's funders made presentations.

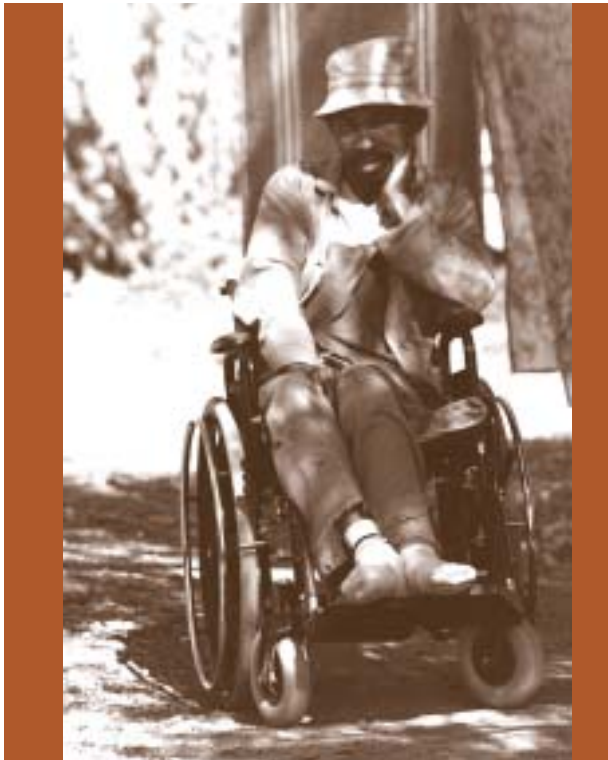
Zandile Nkompela attended a horizontal learning workshop, funded by Cordaid and facilitated by the Rural Development Support Programme. Issues covered at the workshop included HIV/Aids in Africa, palliative care, prevention and peer educator training, through discussion and observation in the field. Zandile reported that the workshop was

particularly helpful in strengthening her understanding of 'mainstreaming' HIV/Aids within Scat's work.

Three new fieldworkers – Lindinkosi Ndibongo, Colleen Alexander and Nolitha Vanda Wellman – attended a financial management course. This training proved useful, as fieldworkers face an ongoing challenge in assisting and training partners with little or no experience of financial management to adhere to Scat's funding criteria.

The field team spent a week reviewing fieldwork practice with Alan Kaplan of the Community Development Resource Association to prepare for the strategic planning session that took place early in the year. The aim of this training is to improve our practice by deepening our understanding of development.

At the end of 2004 Greg Erasmus and Pixie Keteyi attended a workshop on monitoring and evaluation funded by Diakonia. This was a great opportunity to network with other organisations working in our sector.



Conclusion





2004 was a particularly busy and challenging year. It has been a year of transition with staff changes and major restructuring in the management of the organisation. Although the new directorate has only been operational for a few months, it is evident that working in a team allows the directors to support one another in decision-making and implementation, and to share the workload.

Scat also celebrated many achievements and highlights during 2004. These would not be possible without the dedication and commitment of everyone in the Scat family – the staff and committee members of our partners LDAs, all Scat

staff, and last, but not least, the board of trustees. A special thanks must go to Carolyn Inglis, personal assistant to the directorate, and Thami Twetwa, receptionist, for their administrative backup and support.

Poverty and access to basic human rights are still major problems for many people living in the remote, rural areas. But the wonderful work done by our partner LDAs in improving people's lives, given voice in the reports of the field team, take Scat one step closer to our vision of vibrant and sustainable communities in rural South Africa.

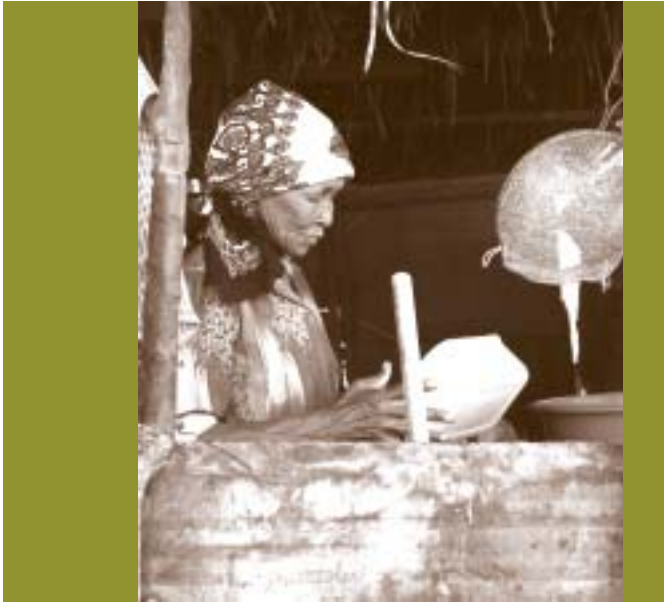


Finance

report

The figures for 2004 reveal a year of considerable achievement. Clearly, objectives were met and this against a backdrop of various changes. Our challenges ranged from having to deal with changing funding patterns, the new experience of engaging with government funding agencies, and organisational restructuring.





Financial results

The trustees established an Exchange Equalisation Reserve some five years ago, together with a general reserve, in a climate of reduced foreign funding and the stronger Rand. In 2004 Scat was able to fall back on those reserves. To meet programme and operational expenditure of R16.8 million.

Expenditure for 2004 amounted to R16.9 million, an increase of nearly 24% over last year's expenditure of R13.6 million.

Grant making and our rural partners

Grants to Scat's LDA partners increased by 23%, from R6.7 million in 2003 to R8.2 million in 2004. The figure includes funds to food gardens and nutrition programmes in the Nyandeni area of the Eastern Cape.

It was also a year of great activity for our rural partners. To keep within allocated funds, claims for Fris and the HIV/Aids programme had to be limited. However, the figures show record results again for Fris as well as for the HIV/Aids programme. Fris claims totaled R1.9 million compared to

R1.7 million in 2003. HIV/Aids claims increased by 60%, from R397 858 in 2003 to R637 218 in 2004.

Special Programmes

Expenditure on Special Programmes included the evaluation of Fris and the publication of Dr Martin Nicol's findings.

The year's events were crowned by the very successful launch of Margie Orford's book, *Rural Voice*, which describes Scat's 20 years of rural grantmaking and development.

Donors

Scat's donor base expanded with the addition of the Umsobomvu Youth Fund. The Charles Stewart Mott Foundation generously donated additional funds for the evaluation of Fris and its subsequent publication.

For supporting our work for yet another year, we thank the Norwegian Church Aid, WK Kellogg Foundation, Charles Stewart Mott Foundation, Diakonia Sweden, the Department of Social Services' Poverty Alleviation Programme and Nedcor Foundation.

Consolidated income & expenditure statement

for the year ended 31 December 2004

	2004	2003
INCOME	9,234,621	10,170,100
Grants received	8,079,658	8,147,400
Charles Stewart Mott Foundation	910,131	1,053,450
Cordaid	1,820,991	2,109,250
Diakonia Sweden	219,839	469,129
Norwegian Church Aid	3,574,643	5,213,935
Umsobomvu Youth Fund	1,084,054	0
Department of Social Services W. Cape	450,000	355,086
Nedcor Foundation	20,000	0
Other income	1,154,963	2,022,700
Interest received	491,158	1,549,431
Rental	357,618	292,066
Training fees	247,794	98,438
Bad debts recovered	14,631	0
Profit on disposal of assets	3,250	4,104
Miscellaneous	40,512	78,661
EXPENDITURE	16,885,065	13,826,677
Governance, Communication, Finance & Administration	2,478,676	2,061,428
Compensation	1,779,992	1,573,926
Overheads	698,684	487,502
Fieldwork support	4,438,082	3,131,352
Accommodation & travel	614,921	345,374
HIV/Aids Support programme	237,863	288,734
Compensation	2,209,295	1,462,136
Overheads	421,236	541,312
Workshops & Seminars		
Cluster workshops & provincial seminars	954,767	493,796
Training Unit	678,090	695,091
Training programme	193,233	166,381
Compensation	235,940	284,510
Overheads	248,917	244,200
Local Development Agency grants	8,169,614	6,633,297
Core grants	3,794,703	3,756,953
Nyandeni LDAs	658,800	12,000
LDA HIV/Aids Activator Projects	866,000	375,561
Development Fund for Training	327,437	357,506
Development Fund for HIV/Aids	637,218	397,858
Fundraising Incentive Scheme (Fris)	1,888,573	1,748,074
Fundraising Incentive Scheme (Fris) claims	1,888,573	1,939,831
Reversal of prior year provision	0	-191,757
LDA Evaluations	0	7,905
Increase/Decrease in provision for doubtful debts	-3,117	-22,560
Special programmes	491,073	401,927
Fundraising Incentive Scheme (Fris) Evaluation & publication	69,926	
Book publication and launch - Rural Voice	417,041	0
Computers for LDA partners email subscriptions (2004)	2,429	139,356
LDA Exchange Programme	1,677	0
Impact Evaluation/Study		262,571
Property expenses	426,632	278,740
Building upgrades	0	352,990
IT Network upgrades	0	114,116
Depreciation	202,898	157,736



Organisations supported by Scat



Eastern Cape

Adelaide Advice Office • Alicedale Advice Office • Aliwal North Advice Office • Bathurst Advice Office • Barkly East Advice Office • Berlin Advice Office • Burgersdorp Advice Office • Daliwe Advice Office • Dordrecht Advice Office • Elliot Advice Office • Fort Beaufort Advice Office • Hewu Advice Office • Hofmeyer Advice Office • Indwe Advice Office • Jamestown Advice Office • Jeffreys Bay Office • Koinonia Advice Office • Lady Frere Advice Office • Libode Advice Office • Masiphakameni Advice Office • Masonwabisane Women's Support Centre • Matatiele Advice Office • Middelburg Advice Office • Molteno Advice Office • Mount Fletcher Advice Office • Ngcele Advice Office • Nonesi Advice Office • Paterson Advice Office • Patensie Advice Office • Peddie Advice Office • Peace Africa Youth Centre • Steytlerville Advice Office • Rouxville Advice Office • Sterkstroom Advice Office • Tshatshu Advice Office • Uitenhage Advice Office • Xalanga Advice Office

Western Cape

Botriver Advice Office • Ceres Advice Office • Dysselsdorp Advice Office • The Ecological Children's Clubs Organisation (ECCO) • Franschhoek Advice Office • Haarlem Advice Office • Klawer Advice Office • Macassar Advice Office • Masikhule Community Centre • Nelspoort Advice Office • Paarl Advice Office • Prince Albert Advice Office • Rivieronderend Advice Office • Swellendam Advice Office • Uniondale Advice Office

Northern Cape

Barkly West Advice Office • Keimoes Advice Office • Kommagas Advice Office • Nababeep Advice Office • Port Nolloth Advice Office • Steinkopf Advice Office • Spoegrivier Advice Office • Thuso Advice Office • Tshedimotsetso Advice Office • Vioolsdrift Advice Office

North West

Itireleng Advice Office • Lesedi Advice Office

Nyandeni Development Programme projects

Thandanani Agricultural Produce • Zenzele Gardening Project • Sinako Poultry • Ndevu Food Gardens Project • Libode Agricultural Produce • Zizamele Mampondo Project • Siyakhathalela Support Group • Libode Hydroponics • Zanokhanyo Development Project • Mfundeni Commercial Project • Bambanani Piggery Youth Project • Emmanuel Communal Project • Imveli yaMampondo Youth Project • Health Systems Trust