



**Media statement by Inyathelo - The South African Institute for Advancement,  
Social Change Assistance Trust, Centre for Developmental Practice and Rural  
Education Access Programme**

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**Four organisations launch research campaign to analyse funding practices by  
the Lotteries to civil society**

Four influential organisations in the non-profit sector have launched a research project to establish why the National Lotteries Distribution Fund (NLDF) and the National Development Agency (NDA) have been ineffective in their roles to provide support for those in need in South Africa.

The four organisations are Social Change Assistance Trust, Community Development Resource Agency, Inyathelo - The South African Institute for Advancement, and Rural Education Access Programme.

The announcement of the launch comes in the wake of increasing reports that charities and other organisations in civil society are struggling to cope in the current recession.

In a statement released today the organisations note that there have also been several media reports recently relating to the tardiness of the NLDF in responding to applications from organisations in civil society.

Speaking on behalf of Scat, CDRA, Inyathelo and REAP, Shelagh Gastrow said: "We have agreed that neither the NLDF nor the NDA are meeting their mandates, as defined in law, nor are they realising their potential to address South Africa's development challenges. The scope of their funding is limited and beneficiary constituencies appear to have no say in the strategies of these agencies."

The four organisations said that the NLDF and the NDA should have effective mechanisms to channel public resources to the non public sector.

"However, these agencies have developed a bureaucratic approach and technocrats within them have increasingly played a role in defining development."

Civil society had also not found effective ways to engage government.

James Taylor of CDRA added that the four organisations had noted that there had been cause to "take on" the lotteries and the NDA amidst much anecdotal evidence of poor funding practice, lost documentation, inefficiency and lack of care.

"We believe that any action taken by civil society needs to be based on grounded facts established through research and analysis. We plan to undertake this exercise and commit to disseminating our findings to the civil society sector, encouraging organisations to use the material and information in a myriad of ways such as in campaigns, engagement with the state or in parliament," he said.

As a second stage of their work, the four organisations will undertake research into other funding resources to the sector. This will involve not only size and scope, but also the processes involved including issues relating to power relations, mutual accountability, decision-making, long-term planning and commitments, and the effectiveness of funding relationships and exit strategies. Interim reports will be released during the research process to create awareness of key findings as they emerge.

Ultimately, the aim of the group's research will be to enable the non-profit sector to take responsibility to define what it sees as the basic principles of good funding practice in South Africa that would

- promote human relationships and caring;
- respond to the context and the constituency;
- encourage good development practice;
- create opportunities for organisations and people to engage in civic life; and
- enable civil society to take responsibility for our sector and its importance in ensuring democracy and the protection of the poor and vulnerable.

