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ANNEX

SELF-RELIANT RESOURCE MOBILISATION SCHEMES OF CSOs FOR THE IMPLEMENTATION OF THE INTENSIFIED ACTION AGAINST HIV/AIDS

A resource paper and working document for
**THE STRATEGIC FRAMEWORK FOR
THE INTENSIFIED ACTION AGAINST HIV/AIDS**

Berhe T Costantinos, PhD

Addis Ababa, November 2000.

Every effort has been exerted to ensure compliance of this document to the norm and standards of international organisations. Nevertheless, it does not necessarily represent the views of the Government, UNAIDS, the United Nations System or any agency affiliated to these organs.

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I. Background

There is wide consensus that the evolution of political and developmental culture that underpins the historical role of state, civil society and its institutions necessitates a centre of excellence to evolve strategies against HIV/AIDS, educate civil society leaders on the human cost and prevention of HIV/AIDS, and decision makers on the long-term plans for prevention. It is also believed that this would avail an unrestricted forum for open dialogue and a centre for networking. The need for a framework for a national, regional, zonal, wereda and quebebe level co-ordination is also justified on these grounds.

The Government now proposes to develop and implement, in collaboration with the UN System and multilateral and bilateral donors Civil Society Organisations, and other partner agencies, a comprehensive framework for national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic co-ordination. In accordance with goals set out in many background documents the proposed programmes would concentrate on:

- Establishing the framework for national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic and the institutional development and capacity building of fund raising programmes for HIV/AIDS control
- The national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic would aim at enhancing co-operation between governments and civil society organisations. It encourages governments to institute a regulatory environment conducive to the growth of indigenous policies and programmes and the broadening of their

economic, political, and social activity through the work of the framework for national, regional, zonal, wereda and quebbele level management of the HIV/AIDS pandemic

- The framework for national, regional, zonal, wereda and quebbele level management of the HIV/AIDS pandemic would support building civil society's capacity to develop innovative techniques for the prevention of pandemics.

For the strategic framework management of the HIV/AIDS pandemic to accomplish its tasks in a sustainable way, it is necessary to draw at an initial stage a fund raising strategy that would sustainably found the institution on local resource mobilisation. While the initial capital for developing the programme will come from donors, this must be deployed to develop internal self-reliance in the long term.

II

THE RATIONALE FOR STRATEGIC PLANNING FOR FINANCIAL AUTONOMY

The management of the HIV/AIDS pandemic and the development of policies, and programmes around the pandemic, face limitations related to the sphere of institutional development. Various declarations aimed at addressing institutional problems have been made in recent years. Nevertheless, mobilising the action required has remained a daunting challenge, as many practical and structural constraints militate against commitment by individual groups to inter-organisational initiatives, either nationally or regionally. The principal fund raising strategic limitations that the framework for national, regional, zonal, wereda and quebbele level management of the HIV/AIDS pandemic has to address at both the organisational level and institutional level is

- 1) The principal problem in fighting the pandemic is *over-dependence on external finance and assistance*. The management of the HIV/AIDS pandemic is hooked to the umbilical cord of donors, which has compromised their ability to establish a clear and coherent voice nationally on issues, which are crucial to their work, or to the interest of the local communities, they serve. Closely linked with this is the tendency of voluntary sector to place a high priority on the nations' external links. They lack the political constituency that must guarantee their sustainability.
- 2) *The absence of effective CSO networks*, which speak for them, co-ordinate their relations, represent their interests and advocate their position on important international issues, has hindered their ability to make collective demands on some important issues. On a programmatic level, an effective, well-coordinated body would have allowed them to undertake certain tasks beyond the abilities of individual CSOs.
- 3) *Reflective capacity*: another problem is the lack of system programme focus and the tendency to go from one sectoral project to another depending on available funding. The inability to specialise in a particular area of competence renders our organisational learning irrelevant and makes continuity of a particular agenda and goals impossible. A lot in management of the HIV/AIDS pandemic invariably lack institutional memories

and, hence, the reflective capacity and absence of professionalism in their work. The ability to take stock of where they are going, what they have learned and what lessons can be passed on to others is nil. Although some projects accumulate a large body of data, the information has often been used for informing funding agencies or to be presented in a report rather than to critically and systematically appraise the work of the organisations.

- 4) Moreover, as a sectoral interest group, people's organisations working with management of the HIV/AIDS pandemic remain institutionally weak. This fact compromises the potential for sustainability in management of the HIV/AIDS pandemic co-ordination programmes. The external pressures, which often characterise their search for project funds, are partly a result of their institutional incoherence, and their limited capacity for advocacy. There are also other limits to financial autonomy. These might be imposed by such factors as the poverty level to which individuals and communities belong. For the very poor are often precluded from participation because they are preoccupied with searching for food from day to day. More than that, there are limitations imposed by the technical nature of the issues at stake. Most simply do not have the technical capacity to engage in serious dialogue with governments on issues, which turn out to have a highly technical and complex argument to arrive at meaningful solutions. Many have yet to demonstrate capacity to master the technical skills and lack the personnel with requisite skills and facilities to inform their arguments or present credible data to support their assertions.
- 5) The attitude of the international donor community from aside formal rhetoric is that the states, today, are solely responsible for the current vulnerability and lack of preparedness of the continent. Increasingly, therefore, the conditionalities of foreign aid have aimed at limiting the operational scope of the state. NGOs are steadily gaining status as intermediaries between local social forces and dominant economic and political powers. The international donor community now distrusts states and are chipping away at the nations' institutional credibility and capacity, thereby denying it the partnership role it should play in national development.¹

III WHERE DO WE GO FROM HERE?

In recent years, strategic planning and management for HIV/AIDS has been discussed and debated quite heavily leading to some new ideas of management of the HIV/AIDS pandemic. We advocate popular participation and empowerment training, but rarely reflecting back if this can be achieved by the planning and management norms, we nurture. We have also seriously neglected to adequately match the things to be managed with the variety of means and techniques available. As a result, most national HIV/AIDS policies and programmes have

¹ When over-centralised governance was finally seen for what it is - undemocratic, corrupt, and a complete failure in management of the HIV/AIDS pandemic and poverty alleviation - the donors signalled their change of heart by diverting increasingly larger sums of development aid from governments and channelling it through people's organisations. The relationship between CSOs and the state has always been characterised by suspicion, distrust and positions of unequal power, making it very tempting for the state to dictate conditions and terms of relationships. Real problem is when the states have to figure out how to relate the advocacy work of NGOs, which are engaged in consciousness raising on the root causes of human displacement and institutional development among the indigenous communities.

become what is now popular "Big Hearts and small Brains" which is not entirely a weakness because their strength lies in the Big heart. Nevertheless, their proper administration and funding will continue to be a handicap for sustainable management of pandemics. In principle, this has polarised the dialogue on management of the HIV/AIDS pandemic capacity building.

We have developed a dualism, a good and evil dichotomy around management funding for pandemics. It is therefore necessary to evolve models that are subtler than any school of orthodoxy. They ought to fit the realities, not the rhetoric, of development under the impediments mentioned earlier. It is necessary to identify the development symbolism and thereby clear up some of the confusions in our thinking about management and development. On the other hand, this concern and frustration have led this new awareness among stakeholders to work on the issue of self-reliance. They cannot put a front as long as they are dependent on public and donor funds. The rationale for self-reliance comes from the following facts:

- The sustainability of national management of the HIV/AIDS pandemic
- The operational independence of the management of the HIV/AIDS pandemic
- Ascertaining of institutional development objectives independent of external forces
- The development of individual and organisational attitude and culture that addresses the problem of dependency on aid

Section IV

BASIC STRATEGIC GOALS FOR FINANCIAL AUTONOMY

The basic tenets of financial autonomy for the framework for national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic are based on few principles. These are (1) cost-effectives to maintain and improve the delivery of per capita net support and benefits to victims of HIV/AIDS. (2) Provide opportunity for additional programme areas that will enhance the humanitarian objective. (3) Develop efficiency to maintain the financial integrity of the organisation and tools for varied strategic planning. There are two tools or strategic alternatives:

- identification of those factors which provide the development of an appropriate strategy
- development of strategic alternatives emerges out of the analysis of the environment and competitive position for internal and external funding.

It grows constantly assessing the future, find new directions as events unfurl, and direct the organisation's skills and resources into new balances of dominance and risk aversion by incrementally modifying previous strategies. For most organisations, strategy is an ongoing and continuing process. This section will therefore deal with three issues: The need for clarity of objectives, popular participation and broad strategies for financial self-reliance. The linkage between the three areas is visible. The clarity and proper dissemination of objectives leads to effective participation that can result in profitable fund raising schemes.

- 1) Clarity of objectives: The objectives for the foundation of the framework for national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic must

be transparent. It must develop an organisational *raison d'etre* and culture, to fulfil the promises it has set for itself. It can be involved not only in small-scale projects but also in large and complex interventions that could belittle most donor and government-funded projects.

Such clarity of objectives is necessary because most national programmes use their resources without proper reorientation and training, and they lack professionalism that make it difficult to establish and maintain clear objectives. The constant struggle between the volunteer leadership, which is supposed to provide guidance, governance, political support and policy direction, and the employed managers who should manage programmes and projects, can also fatally hurt the stated objectives. In addition, the general objectives and motive could be at loggerheads with the objectives of its programmes and operations. It is therefore important that the objectives of the agency, its programmes and the appropriateness of the goods and services that it delivers are clear to the communities who should sacrifice their mental, physical and financial resources for the agency. This is especially important in cost-recovery development interventions.

- 2) Public relations and information management for popular participation. Clarity of objectives is indeed the corner stone of attracting people to subscribe and support for the framework for national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic. The dissemination of these objectives and the diffusion of knowledge among communities is indeed an effort worth the returns. The Public Relations strategy

- (a) Believe in the cause
- (b) Put fund raising and information in one package
- (c) Be professional - know the subject
- (d) Evaluate, accept and back new ideas
- (e) Use volunteers - the best mechanism for raising money [and information dissemination]
- (f) Be flexible - fit fund raising to the donor [whatever the value of donation]
- (g) Seize opportunities with enthusiasm
- (h) Do not be frightened - always tell the truth" [about your success and failure]

As stated earlier, information dissemination should reflect community ideals, attitude and culture. It certainly pays to have a good public image and credibility. Nevertheless, dissemination/ information is not a one-way process. What a national HIV/AIDS policy and programme says about itself does not take care of everything. What is even more important is how the community at large views the Society. It is useful to make sure that the "community voice" speaks for and not against its interest. To ensure a high public credibility, it needs strong discipline regarding management of resources.

Section V

STRATEGIES FOR SUSTAINABLE FINANCING

- 1) The most common and prominent fund raising mechanisms known within voluntary organisations are:
 - (a) Multi-year donor support for management of the HIV/AIDS pandemic co-ordination
 - (b) Initial donor support that can be sustained at a later date with other forms of fund raising
 - (c) Subscription from members
 - (d) Annual and other regular events (flag days, fashion shows, dinners, observance etc.)
 - (e) Cost recovery schemes from the provision of goods and services
 - (f) Investment in commercial ventures
 - (g) Investment in financial markets (time deposits, shares and securities)
 - (h) Government support
 - (i) Monetisation of donated items
 - (j) Management of the HIV/AIDS pandemic Capital funds
- 2) Project set-up. Any fund raising effort is a business undertaking. Therefore, it should be managed like a business firm or enterprise. This is probably the only area of work that has similar management to private profit making organisations. In this context, it becomes incumbent on the national programmes to establish a different management set-up for the fund raising project, independent from the regular work. This has two advantages. It allows the business to be managed by professionals and secondly, it cannot contradict the objectives of the national policies and programmes. Many have fallen victim to the public and press for fund raising projects they had started out in good will.
- 3) Project management. The framework for national, regional, zonal, wereda and quebbele level management of the HIV/AIDS will be made up of an international Board of Trustees and Governors and employed managers. It is the Board and the managers that have to run the show. The Board develops policy that emanates from the wider constituency of the framework for national, regional, zonal, wereda and quebbele level management of the HIV/AIDS pandemic and management implements this. There is always an inherent power struggle between these two. Hence, governance and management must be separated. It is therefore imperative that fund raising project are managed separately with the necessary autonomy they deserve.
- 4) *Sources of funds*: The major sources of funds listed below have been tried by one or more national management of the HIV/AIDS pandemic policies and programmes at one time or another.
 1. Cost recovery. This is a system whereby the management of the HIV/AIDS pandemic support national and inter-regional level management initiatives and the regions gradually pays for services. Cost recovery can be very attractive to external support agencies and the beneficiary communities as it puts every one as a business partner rather than the traditional donor - recipient linkage.

2. Membership contribution. For most fund raising programmes for HIV/AIDS control, membership contribution can be the main source of income. Members pay a fixed and flexible fee every year during a specific month. The Red Cross uses this as a main source of income in many countries by attracting people both to the humanitarian ideals of the Movement and the coffers.
3. Capital investment in the form of interest on capital, manufacturing and processing plants, real estate, hospitals and clinics, services including hostels, hotels, entertainment places etc., publications, promotions and advertisement. Other incomes include training incomes, government subvention, international development and pandemic assistance, lotteries, and special events: fashion shows, dinner, theatre, cinema/films.

(ii) Framework for Capital Funds: The financing of development will depend, for many years, on the "project approach". Meanwhile, some partners or donor agencies, have already decided to study and promote an alternative financing system for the development of the Third World. This concept of capital funds is proposed as one of these alternatives. It could be adjusted, tested and evaluated in order to be replicable.

(iii) The aim of the management of the HIV/AIDS pandemic co-ordination Capital Fund is:

1. To facilitate the progressive creation of framework for "own capital" and/or funds for the pandemic, thereby, giving an instrument, which will enable it, through greater management flexibility and total autonomy in decision making, to finance, on longer specific projects. This capital will facilitate the creation of revolving investment funds, which will facilitate access to credit for the institutional members of framework for the management of the HIV/AIDS pandemic and encourage them to take shareholdings in their own enterprises. This capital will also facilitate the financing of institutional training, service expenses and the creation of trust funds of which the interests will finance the expenses described below.
2. Characteristics of the Capital Fund:
 - a. The financing of these funds or the payment of donations/grants for the creation of capital, generally takes place once. The donor agency may renew its contribution to the capital or to the fund itself. It is also possible to transfer, every year at a given time, contribution to this capital. The accumulation of these transfers will progressively increase the capital.
 - b. These funds are transferred, by the donor agency, directly to the framework for the management of the HIV/AIDS pandemic even if

it is a grant or a gift from a bilateral agency. Thus, the freedom of action of the national management of the HIV/AIDS pandemic is complete vis-à-vis of their own government and their administration is free of all government controls.

- c. The contribution to capital and to funds could be divided into two headings: risk capital and promotion capital. Indeed, if the framework for the use of this capital is to give loans to their partners or to participate in a joint-venture scheme for their enterprises, they automatically assume the risk of any decrease in capital by default of payment. This risk could be covered by an insurance coverage. The funds of a capital promotion should be invested with a maximum of security in order to maintain the initial value of this capital in constant figures. In this case, it works as a foundation. The capital and the funds could also be used as a guarantee or finance a lease system.
- d. The framework for the Capital Fund facilitates the mobilisation of local savings and these savings will attract external aid. The Capital Fund links the national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic to the modern banking system in countries where they have been created.
- e. The Capital Fund is also able to promote closer collaboration between national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic within the local governments and their technical services.
- f. The Capital Fund has a micro impact due to the distribution of small credits within the POs. They have a macro impact when the PO organisation has a large membership and political influence in the country. Lastly, the Capital Fund will have a definitive effect on the financing of the national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic.
- g. Creating the Capital Fund:
 - i. Design a new system taking into consideration the real needs of selected fund raising programmes for HIV/AIDS control. The aim is to constitute with them a capital, which will become their property and will give them the opportunity to apply, in their organisation, another method of financing than the one previously based on the project approach. The constitution of this capital could be achieved during a period of between 8 to 10 years, depending upon the case.

- ii. Create among partners of national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic, at a regional level, a common mechanism the fund to be administrated by an autonomous Board. The Board will consist of Government, CSO leaders, experts in management and delegates from donor agencies, which have participated in creating the capital.
- iii. Endow this Foundation with its own capital, which will be constituted by the resources of the members, contributions of donor agencies and the participation of banks.
- iv. Create from the foundation's global capital six funds (or more), which will be the instrument and technical tool available for the financial needs of the selected Foundation partners. These six funds are as follows:
 - Credit revolving fund to facilitate short, middle and long-term loans to partner institutions and their members.
 - Guarantee fund to cover the risks that are not insured by the local banks.
 - Joint venture fund to take participation in the capital of the enterprises created by the PO/fund raising programmes for HIV/AIDS control
 - Trust fund financed by interest-invested capital for paying institutional, training and supports.
 - Revolving subvention ground fund established, to cover especially the initial financing costs for operational running expenses of the PO/fund raising programmes for HIV/AIDS control.
 - An insurance risk fund and calamity fund which will finance, in times of need, risks not covered by mutual guarantees or offer partial compensations when a production tool is destroyed by either: fire, flooding, draught, locust, plagues etc.

Conclusion

This paper has addressed three main areas of longer-term financial self-reliance for the national, regional, zonal, wereda and quebebe level management of the HIV/AIDS pandemic. There are of course limitations for all the strategies mentioned above. Cost recovery schemes are, as we said earlier, attractive alternatives for fund recycling. The experience so far gained, however, is mixed. On many cases, the possibility of communities paying back assumes good organisation and legitimates leadership that can relay information from the agency to the people.

Membership is by far the only reliable means as long as the agency keeps its members well informed and its images polished. The information dissemination message must always address current problems and challenges in the communities. It is important here that the fund raising programmes for HIV/AIDS control keeps the number of its members at a manageable level. Capital investment is the most risky as all business is. The needs analysis, planning, forecasting, market research and sales are professional works to be done extensively. Special events such as lotteries, balls, fashion shows are also a lucrative form of fundraising. However, these have to be planned by professionals. Funds could easily be misused and the returns end up paying for debts incurred. This is a form of fundraiser that has dual effect. It is also a means of selling the objectives of the organisation. Monetisation of donated items could be a lucrative source of income, especially for funds that are required for investment projects. Several donors allow monetisation if the purpose is made clear to them.

It is indeed very difficult to conclude this paper as it such a wide subject and no prescription can be given to the strategies that the fund raising programmes for HIV/AIDS control should follow in their endeavour for self reliance. There are, however, some general concluding remarks one could draw from the presentation.

- 1) There is a clear need for financial autonomy of all levels of the management of the HIV/AIDS pandemic. (1) It promotes operational independence of agencies. (2) It enhances the sustainability of the CONTROL of the HIV/AIDS pandemic. (3) It supports CSO programmes and operations. (4) It ensures that institutional development objectives are carried to the end with out foreign interference and (5) it assists the development of institutional and individual pride through self reliance
- 2) The objective and fundraiser message has to be clear: The message has to be disseminated clearly. There is a need for a strong public relations and proper management information systems. The main sources of funds to date include members subscription, organising special events, cost recovery, business ventures, investment in financial markets, monetisation of donated items, rentals and government support.
- 3) On the problem side, it has been observed that the socio-economic and socio-political environment that fund raising programmes for HIV/AIDS control are operating is not enabling. In addition, the general poverty in The communities might not allow extensive fund raising to meet the financial needs of fund raising programmes for HIV/AIDS control commensurate with the programmes they foster. In addition, lack of autonomy in management of fund raising projects from the day-to-day routines of the agency, lack of initial investment funds, the lack of qualified human resources and lack of awareness in the donor system for this particular initiative are impediments that must be overcome.