



AFRICA
Grantmakers'
Affinity
Group

S u m m a r y

2011

ANNUAL
RETREAT

*Supporting Organizational Capacity:
Finding What Works & Making the Case*

March 28–30, 2011

ACE Conference Center

Lafayette Hill, PA

The Africa Grantmakers' Affinity Group (AGAG)

is a project of the Tides Center. Founded in 2000 by a group of foundations seeking to elevate Africa's profile within the philanthropy community, AGAG has grown over the past ten years into a vibrant and diverse network of grantmakers funding in Africa.

AGAG supports the learning agenda of its members and seeks to make a contribution to the field of philanthropy and African development through its activities. Membership is open to grantmakers only and both individual and institution memberships are available. Institution memberships allow all staff and board members to participate in AGAG activities.

AGAG seeks to engage all grantmakers interested in and committed to Africa and to create opportunities for grantmakers to share with and learn from their colleagues. Members can engage in spirited discussion and debate and develop strategies to address the challenges and take advantage of networking opportunities in a safe and professionally supportive space.

Each year the Africa Grantmakers' Affinity Group organizes a retreat for its members and other grantmakers interested in grantmaking in Africa. This report is a summary of the 2011 Annual Retreat.

AGAG wished to acknowledge and thank Shaun Samuels of South Africa for his outstanding facilitation of the discussions during the 2011 Retreat and his contribution to the design of the agenda.

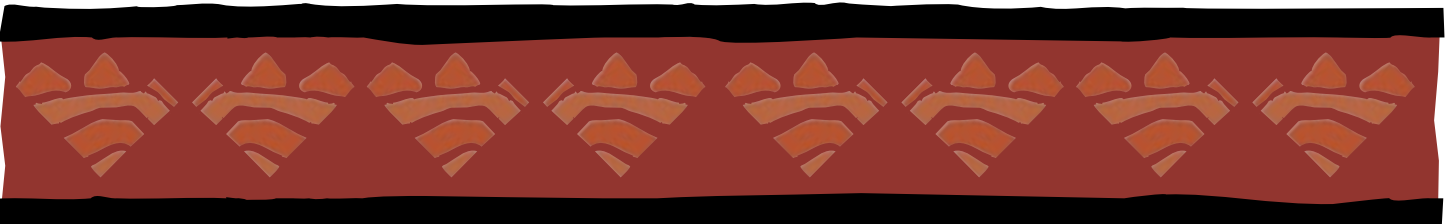
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Summary 2011 ANNUAL RETREAT

Supporting Organizational Capacity: Finding What Works & Making the Case

Unlike previous years, the Africa Grantmakers' Affinity Group (AGAG) 2011 Annual Retreat did not feature plenary speakers and workshops. Instead, a series of interactive sessions with discussions lead by “conversation starters” explored three overarching issues facing grant-making in Africa:

- ***Organizational Capacity: What Does It Mean and How to Achieve It?***
- ***Funding Directly or Through Intermediaries: Expectations and Experiences***
- ***Investing in Organizations When Confronted with Weak Infrastructure***

The Retreat format was designed to stimulate dialogue and networking among individuals and organizations linked by a common interest in Africa grantmaking. Participants' spirited conversations considered the many sides of provocative questions, advanced insightful opinions, and offered practical solutions to challenging issues.

There was clear consensus among the participants that grantmakers need to make the case about supporting organizational capacity building—both to their grant recipients and within their own organizations. Admittedly, defining and evaluating capacity building are formidable challenges; there is no single institutional model. Consequently each strategy must respond to the needs of both the funder and the grantee.

The group articulated many pros and cons regarding awarding grants directly or via intermediaries, and no clear mechanism was identified as a universal model. Similarly, many ideas for working with grant recipients with weak infrastructures were advanced. Participants explored variations of these funding strategies and the contentious issues associated with each.

The following are highlights of the key points raised by participants during many interactive conversations.

Overarching Themes and Key Insights

Grantmakers in Africa represent a diverse array of interests, causes, stages of evolutionary development, and budgets. They may function as direct funders or as intermediary agents. They may be located in the Africa, Europe or North America. In any case, there is a necessity for nurturing partnerships, alliances and collaborations, both among funders and grantees.

Grants are most effective when both funders and grantees leverage their resources through collaborative partnerships. Grantmakers can be more effective by focusing on the sector and on cross-border perspectives rather than only on the individual organization. Funding regionally rather than within a single country, and attacking a problem holistically by supporting a network or a sector rather than just a single organization, can effect changes more quickly.

Measuring an organization's resilience and sustainability may be more important than measuring its capacity.

The emergence of funders based in Africa may change the landscape of funding in Africa and the role of U.S. and European grantmakers. The growth of local funding sources would augment the support from overseas and open up more opportunities for partnering with local funders who may be more attuned to local needs and context.

Gaps in funding were revealed among the foundations participating in the Retreat. Countries in north and central Africa did not have as many funders present as west, east and southern Africa. Grantmakers at the Retreat were most active in Kenya, South Africa and Uganda.

No single model defines African grantmakers. Foundations use general, integrated and add-on strategies to support capacity building in addition to programs. They support grant recipients directly, through intermediaries and through re-granting platforms.

Unsuccessful grants should not be considered failures, but learning opportunities that enhance future grantmaking.

An important issue for funders is to develop exit strategies. This enables grantmakers to depart from a country or field of interest and ensure the continuity of the work, the cause, and the organizations they support. There are many reasons a funder exits a country or stops supporting an organization including changes in the funding priorities of the grantmakers or in the work of the grantee. It is important to acknowledge that sometimes the relationship between the funder and grantee is not working.



Organizational Capacity: *What Does It Mean and How to Achieve It?*

Foundations cannot achieve their mandates without partnering with grantees, so they must ensure that these local partners are as strong as possible. Grants should not be just about money but also a way to strengthen organizations. In a “grants-plus” model, grants should be capacity-building tools that assist grantees in identifying their organizational development strengths and weaknesses and support both program and core operations. In the absence of crises, philanthropy has gravitated away from short-term funding and emergency relief to support for longer-range programs that strengthen the capacity and resilience of organizations, sectors, movements, and regional networks.

Capacity building is a process, not a product. It is not an externally imposed set of standards and expectations. Building consensus on a shared vision of strength enables the foundation and grantee to engage as partners making a joint investment.

Capacity building is difficult to define but critical for organizations to lead, adapt, manage, and grow to meet the needs of the community. Definitions of these core competencies and how to achieve them vary widely depending on the perspective of the funder and the growth strategy and evolutionary stage of the grantee. Funders grapple with the dilemmas of finding a balance between supporting programs and organizational and leadership development, and whether capacity building is a means to an end or an end in itself.

When measuring capacity, it is important to understand the context in which organizations operate. Capacity building is an issue not only for the grantee, but also for the region, the sector, and the funder. Consider the grant recipient’s capacity within the systemic capacity of governments and other local conditions. Also, funders should not overlook the capacity that already exists, and recognize

that an organization’s strengths and ability to effect change may lie in intangible and non-traditional areas: the number of relationships being built, the ability to get things done, strong connections to the community, immediate access to resources, and links to local leaders.

Foundations need to look within their own organizations, examine their own capacities, and model the principles they are trying to impart to grantees. Foundations must ensure that they have the capacity and expertise to engage in a successful partnership with the organizations they support.

Organizational development is not always linear but is constantly responding to the realities of the local context. Capacity building is necessarily time-consuming for funders and grantees, but well worth it. Partners who create a culture of learning are more effective in working with each other.

Funding Directly or Through Intermediaries: *Expectations and Experiences*

Participants articulated many pros and cons on both sides of the issue of awarding grants directly or by using intermediaries. However, one of the primary advantages of using intermediaries for cross border giving is the tactical benefit of moving money easily from the U.S. to another country within the limits of tax laws.

A generic definition of an intermediary is an unendowed grantmaking entity or organization with 501(c) 3 status, operating in the middle region between the source of the funding and the eventual recipient. Intermediary organizations can also provide technical services to the funder or the recipient organization. However, participants agreed that there are no uniform models of how an intermediary functions.

Some participants felt that it may be time for funders to consider how the semantics of the terminology they take for granted can be viewed in the local context. To some, “intermediary” implies an expedient

pass-through organization with no value-added: in this context, foundations may inappropriately see themselves as a “wholesaler” and an intermediary as a middle-man expediting funding to the end user. To others, there is a perception that an intermediary organization receives and redistributes funds based on an agenda that is not its own. This perception can make it challenging for local organizations that are serving in this capacity.

Participants noted that it would be a disservice to look at an intermediary as merely a transactional conduit for money without a transformational agenda for societal change. Many intermediary organizations operate similar to a community foundation that, while serving as intermediaries for donors’ transactions, knows the values of local communities. Consequently, they can advise donors on how to make their grants more effective. Rather than just moving money, funders and intermediaries should collaborate more to help support a paradigm shift

that stimulates indigenous grantmaking within Africa.

Effective intermediaries are partners in synergy who better understand local conditions and who may provide technical assistance, organizational assessment, grant evaluation, and due diligence. Functioning in these roles, they may be able to build capacity not only within the grantee but also in the sector or the movement, and may be in a better position to implement the grant and evaluate its impact.

Capacity building and the use of intermediaries are intertwined issues, as effective intermediaries have great potential to help build capacity and enhance the grantmaking effort.

The ultimate decision as to whether to award grants directly or through intermediaries requires the funder to examine two factors: what the funder is trying to achieve and which organizations are best positioned to help the funder achieve those goals.

Investing in Organizations When Confronted with Weak Infrastructure

African organizations often face significant infrastructure challenges. In addition to addressing organizational development, capacity building or the technical aspects of their services, grantees in Africa also must be able to operate in a variety of environments. They face many challenges such as corrupt politics, fragile economies, inadequate technology, and a lack of suitable resources.

An environment of weak infrastructure enhances the need for discretionary core funding. Participants said some foundations

were “drowning” in program grants but offered no support for core operations. When investing in grant recipients with weak organizational infrastructures, funders should make sure they are capable of handling the growth and exposure that funding can bring. By strengthening the grantee through support of core operations as well as programs, funders can earn their partners’ trust by helping them identify where they are under-budgeting core costs, and by assisting them in finding in-country resources to pay their core expenses. Grantmakers should

ensure a responsible entry as well as a responsible exit.

Grantmakers should also be flexible. Grantees must be able to respond to sudden needs and opportunities. They should be given choices in what funding they may apply for, because their priorities may not be the funder’s.

By framing funding as a tool toward a mutual goal, grantmakers enable organizations to build their capacity. In this way, funders can advocate for grant recipients and—more importantly—help them advocate for themselves.



Member Organized Sessions

The Retreat is a space for sharing and learning so each year AGAG members have the opportunity to organize sessions to discuss issues and topics in greater depth. The 2011 Annual Retreat featured three concurrent, member-organized sessions and one open space session for spontaneous discussions. During each of the following sessions facilitators guided energetic conversations around the specific topic of concern.

Using Core Support to Strengthen HIV and Rights Organizations in Southern Africa

Building on earlier conversations about supporting core operations as well as programs, session participants discussed the need for conversations between funders and grantees; how to link capacity building to core support grants; and how to make the transition from

providing technical assistance to offering coaching opportunities.

Linking capacity building with core support stimulates grantees' growth as learning organizations and builds a foundation's relationships and greater engagement with grant partners. Grantmakers cannot be

perceived as being threatening or imposing their values from outside. Collaborative conversations need to take place among funders as well as grantees as to what their organizations, geographical regions and interest areas need and how to move their agendas forward.

Navigating Power Dynamics in Capacity Assessment and Development

This highly engaged conversation featured role-playing exercises that highlighted the power dynamics in the relationship between funders and grantees. Several recommendations emerged to help navigate the power dynamics. It is important to create an atmosphere

where honest and supportive discussions can occur with grantees about their strengths and weaknesses. Both parties should understand who the decision-makers are and how to negotiate with them. Grantmakers should practice what they preach by setting the same

expectations for themselves as they do for grantees so both can play a role in advancing common agendas. Responsible grantmaking means being engaged with grant partners to advance change — not just serving, as one participant said, as an "ATM for funding."

Strengthening Networks and Alliances to Solve Complex Social Problems

Conversations in this session discussed frustrations and successes when tackling highly complex social issues that cross borders and societal problems that extend beyond the capability of any single organization to solve. In this environment, building networks, partnerships,

alliances, and coalitions is a necessary strategy. By coming together, small organizations gain additional credibility and power.

Funders need to operate on all levels to effect change in a social movement, from grassroots community-based groups, to

larger national organizations, to government systems, to corporate interests. Social movements are messy and ambiguous, requiring patience and partnerships between funders and grantees. Tracking the success of large social movements is challenging for a variety of reasons.

An Alliance of Funders for Zimbabwe

In this spontaneous conversation, several funders working in Zimbabwe got to know each other, discussed current situ-

ations and emergency funding needs, and identified areas of common interest and potential partnerships.



Agenda

Monday, March 28, 2011

Noon to 5:00 PM

AGAG Steering Committee Meeting

6:00 PM to 9:00 PM

Opening Reception and Dinner

Tuesday, March 29, 2011

7:00 AM to 8:30 AM

Breakfast in the Dining Room

8:30 AM to 9:00 AM

Welcome and Agenda Review

Speaker: **Niamani Mutima**, Africa Grantmakers' Affinity Group (AGAG)

9:00 AM to Noon

Session I: *Connect Up—Mapping, Networking, Sharing and Learning*

Facilitator: **Shaun Samuels**, C.S. Mott Foundation

Noon to 2:00 PM

Lunch in the Dining Room

2:00 PM to 3:30 PM

Session II: *Organizational Capacity: What Does It Mean and How to Achieve It?*

Conversation Starters: **Rebecca Dottey**, Christian Aid; **Sarah Hobson**, New Field Foundation; **William "Bill" Moses**, The Kresge Foundation

4:00 PM to 5:30 PM

Session III: *Funding Directly or Through Intermediaries: Expectations and Experiences*

Conversation Starters: **Sandra Bass**, David and Lucile Packard Foundation; **Rajasvini "Vini" Bhansali**, International Development Exchange; **Andrea Flynn**, MAC AIDS Fund; **Marcia Thomas**, USA for Africa

7:00 PM to 9:00 PM

Dinner in the Dining Room

Wednesday, March 30, 2011

7:00 AM to 8:30 AM

Breakfast in the Dining Room

8:30 AM to 9:00 AM

Recap and Agenda Review

Speaker: **Niamani Mutima**, AGAG

9:00 AM to 10:30 AM

Session IV: *Investing in Organizations when Confronted with Weak Infrastructure*

Conversation Starters: **Solome Lemma**, Global Fund for Children and **Vuyiswa Sidzumo**, C. S. Mott Foundation

11:00 AM to 12:30 PM

Member Organized Concurrent Sessions

Using Core Support to Strengthen HIV & Rights Organizations in Southern Africa

Session Organized by Open Society Institute

Speakers: **Tamara Braam**, Open Society Institute; **Felicita Hikuam**, AIDS and Rights Alliance for Southern Africa (ARASA); **Jonathan Cohen**, Open Society Institute; **Shari Turitz**, Open Society Institute

Navigating Power Dynamics in Capacity Assessment and Development

Session Organized by American Jewish World Service

Speakers: **Rosalie Nezien**, American Jewish World Service; **Kudakwashe Dizha** (via Skype), Rozaria Memorial Trust; **Wanja Muguongo**, UHA—the East Africa Sexual Health and Rights Initiative

Strengthening Networks and Alliances to Solve Complex Social Problems

Session Organized by Global Greengrants Fund and Global Fund for Women

Speakers: **Chris Allan**, Global Greengrants Fund; **Muadi Mukenge** (pre-recorded), Global Fund for Women

Open Space—For spontaneous sessions organized by retreat participants

12:30 PM to 1:30 PM

Lunch

1:30 PM to 3:00 PM

Closing Session: *Moving the Learning Agenda Forward*

Facilitators: **Niamani Mutima**, AGAG and **Shaun Samuels**, C. S. Mott Foundation

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