



SOUTHERN AFRICAN GRANTMAKERS' ASSOCIATION

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SAGA CODE OF PRACTICE

Informed by its vision and values, and for the guidance of its members and other grantmaking agencies, SAGA developed a code of practice for good grantmaking. The code is the product of extensive research into local and international precedent, together with a consultative process within the SAGA networks.

The code comprises eight guiding principles:

- ❑ **Principle One:** Contribute to Positive Social Change
- ❑ **Principle Two:** Adopt Professional and Effective Approaches
- ❑ **Principle Three:** Work in Partnership
- ❑ **Principle Four:** Cultivate Mutual Respect
- ❑ **Principle Five:** Be Open and Accessible
- ❑ **Principle Six:** Champion Accountability
- ❑ **Principle Seven:** Practice Consistency
- ❑ **Principle Eight:** Reflect and Nurture Diversity

These principles are elaborated below.

Principle One

Contribute to Positive Social Change

We commit to supporting sustainable development programmes that contribute to a just and equitable social order. Through our work we will strive to assist vulnerable communities and groups to access essential resources, engage in societal learning, and participate in decision-making processes.

Why is this principle important?

We live in a society in which poverty is widespread and in which resources and power are unequally distributed. Social and economic transformation is necessary to eliminate these disparities and achieve social justice for all. Our funding and development efforts must therefore be directed towards working with poor and marginalised communities for the improvement of their rights, living conditions and wellbeing.

What can we do to contribute towards positive social change?

Include development criteria in all funding processes

- Ensure that development objectives shape grantmaking policy
- Assess applications and make funding decisions against criteria that include sustainability, participation and relevant impact on existing conditions

Ensure that our management processes facilitate the social change agenda

- Ensure planning and management of projects is based on interaction and dialogue with grant partners
- Be flexible where possible and support partners to comply with bureaucratic requirements

Share best practice results of social change interventions

- Find opportunities to promote development models and grantmaking for positive social change
- Defend the rights of funding partners to pursue objectives related to social change, justice and universal human rights

Principle Two

Adopt Professional and Effective Approaches

We will ensure a professional approach to all our activities, in order to achieve maximum relevance and effectiveness in our grantmaking. We will strive to build funding programmes that impact positively on critical social challenges. We aim to make a visible and lasting difference to the lives and wellbeing of our funding partners.

Why is this principle important?

Professional standards and conduct are essential pillars of good grantmaking practice. By ensuring that we meet these standards, we gain public recognition as credible and effective development practitioners, worthy of respect from communities, grant partners and other stakeholders.

What can we do to apply professional and effective standards?

Establish appropriate governance and management systems

- Ensure that an effective governing body is in place
- Ensure that the governing body provides relevant strategic guidance and fiscal management in accordance with policy
- Ensure that appropriate management structures and systems are in place
- Seek out best practice experiences as basis for policy and procedures

Develop a grantmaking policy

- Determine and continuously revisit identity, values, purpose and strategy, and ensure embodiment of these in the grantmaking policy
- Ground policy in a rigorous appreciation of the development issues we hope to address

Ensure that our grantmaking policy is continuously informed through consultation

- Seek regular input from relevant stakeholders on current developments in the sectors within which we are working
- Set up dialogue opportunities with grant partners and ensure that their experience informs the policy

Set adequate standards for processing grant proposals

- Establish efficient application procedures
- Set time limits for initial screening of proposals and responding to applicants
- Adhere to reasonable time limits for assessment and response to applicants

Set adequate standards for grant decision-making and disbursement

- Develop and apply clear criteria for decision-making
- Ensure that relevant and adequate information is available to decision-makers
- Record all grant decisions
- Ensure authorisation of grants
- Notify all applicants of grant decisions within a reasonable time
- Ensure timely disbursement of committed funds in accordance with agreements

Implement monitoring procedures

- Make the purposes of monitoring procedures, requirements and timeframes clear in advance to grant partners
- Undertake project visits as one important means of monitoring
- Develop internal guidelines for conducting monitoring site visits
- Support the establishment of monitoring systems by grant partners
- Negotiate mutually acceptable indicators of progress with grant partners
- Offer grant partners support when corrective action has to be taken
- Facilitate two-way feedback with grant partners
- Apply monitoring procedures to own activities

Implement evaluation procedures

- Undertake evaluation with the purposes of learning from experience, assessing impact, and informing future actions
- Allocate budget to evaluation processes in advance
- Negotiate a framework for evaluation , including objectives, measures for success and processes with grant partners
- Include relevant stakeholders in the evaluation process
- Use evaluation results as a basis for constructive engagement with grant partners
- Undertake periodic evaluations of own organisation and programme

Be scrupulous in recruiting and other human resource development procedures

- Ensure that recruitment procedures and decisions reflect the values and purpose of the organisation
- Provide adequate professional development and training in order to ensure efficiency and continuous personal development

Principle Three Work in Partnership

We will work cooperatively wherever possible and appropriate. We will enter into a relationship of partnership with our grantees. This means building a shared development vision, founded on mutual understanding, respect, trust, responsibility and accountability.

Why is this principle important?

Southern African development issues are vast and complex. Complete social and economic transformation is far beyond the scope of donors alone. However, funding programmes can have significant local impact, if founded on mutual understanding and common purpose.

What can we do to improve cooperation and build partnerships?

Encourage stakeholder engagement

- Base all policy, procedures and implementation on interaction with grant partners and other stakeholders
- Build regular interaction and dialogue with funding partners into the programme process
- Ensure that grant partners and other stakeholders understand and agree to the programme management framework

Adopt policies acknowledging the importance of community participation in decision-making

- Develop funding methods that enable partners to seek locally appropriate development solutions
- Support representative leadership rooted in communities
- Contribute to initiatives that build on the existing strengths and knowledge of partners
- Assist partners to interact with other groupings and stakeholders in order to strengthen and enhance the change process

Include partnering in programme management

- Spell out clearly the commitment to partnerships in all relevant documentation and project processes
- Fund collaborative projects wherever possible
- Identify and make contributions to development that go beyond funding
- Ensure mutual understanding and acceptance of project purpose, indicators of progress, outcomes, and monitoring and evaluation mechanisms.
- Document this understanding clearly.

Principle Four Cultivate Mutual Respect

We will respect all those with whom we work, and will strive to win their respect. We will acknowledge our partners' organisational visions and priorities, recognise their achievements in mobilising their own resources and respect their cultural values and practices. We will treat all associates with consideration, and respect the integrity of their decisions.

Why is this principle important?

Grant seekers can be diverted from their core purpose and values by their need for funding. Grantmakers can distort organic development processes because of their access to greater resources. Relationships built on mutual respect help to prevent these negative effects.

What can we do to cultivate mutual respect?

Treat applicants and grant partners as colleagues in development

- Acknowledge receipt of all applications and documents submitted
- Discuss and negotiate terms of agreement with grant partners
- Negotiate mutually acceptable dates and times for project visits
- Agree on monitoring and assessment criteria and visits
- Assist partners to plan for sustainability
- Build on existing assets and strengths of grant partners
- Ensure that grant partners understand the donor's operating context, including strategic intent and accountability
- Set realistic and appropriate planning, monitoring and reporting requirements and standards
- Encourage grant partners to adhere to reasonable project outputs and timeframes

Principle Five Be Open and Accessible

We will strive for accessibility in our communication and openness in our dealings with the public, prospective funding partners and other stakeholders. We commit to providing clear, accurate and accessible information about our policies, strategies, objectives, criteria, and procedures, prior to establishing development partnerships.

Why is this principle important?

Grant seekers have the right to make informed choices about their funding partners, in accordance with their needs. Difficult access and insufficient information lead to a waste of time and resources. In addition there is an inherent power imbalance between those who 'fund' and those who 'request'. In the interests of constructive project relationships, it is important that grantmakers undertake their work with an awareness of this disparity and are committed to diminishing its effect.

What can we do to champion openness and accessibility?

Communicate effectively

- Provide accessible, relevant, user-friendly information describing objectives, sectoral areas of support, geographic focus, scope of grants, criteria for selection and exclusion, grant conditions and procedures, and timeframes covering application, decision-making, monitoring and evaluation
- Provide reasonable notice to grant partners and the public of changes in policy as these arise
- Explain the meaning of key concepts and terms, such as 'sustainability' and 'empowerment'
- Avoid creating false expectations on the part of applicants and grant partners
- Encourage and support disclosure on the part of partners and stakeholders

Make the application process as clear and unthreatening as possible

- Assist grant seekers with the application process where appropriate by helping with problem identification and drafting of applications and proposals
- Provide multiple access routes for applications, such as e-mail, website, fax, post and hand delivery

Principle Six Champion Accountability

We commit to accountable practice in all spheres of our work, ensuring that we are answerable to our governance and management structures, our grant partners, those who provide funds for grant purposes and society in general.

Why is this principle important?

As grantmakers we have significant access to resources and power. We therefore have the responsibility to establish appropriate practices that demonstrate high standards of internal and external accountability.

What can we do to champion accountability?

Build accountability into our grant policy

- Ensure that policy takes account of the accountability needs of funding sources, funding partners, governance structures and management
- Develop funding policy that is responsive to public policy priorities and to the needs of vulnerable and marginalised groupings

Establish accountability criteria and procedures

- Ensure that grant agreements are in place
- Establish management, monitoring and reporting procedures in order to ensure effective use of funds
- Develop a reporting framework with grant partners that reflects stated objectives and management requirements
- Include guidelines for action in the event of unsatisfactory performance

Support initiatives for improved effectiveness and accountability of grant partners

- Encourage non-profit partners to register under the Non-Profit Organisations Act
- Encourage and support good governance and management practices by project partners
- Make it clear to prospective funding partners that evidence of clear strategy, good governance and effective management will contribute to a positive funding decision
- Provide technical and professional support to prospective partners unable to meet management and accountability criteria

Principle Seven Practice Consistency

We will strive to ensure that all our grantmaking practices are fully consistent with our stated values, purpose, policy and procedures framework. Consistency is essential in providing potential grant partners with fair opportunities to access funding and other resources.

Why is this principle important?

Development resources are scarce and the need is vast. We have a responsibility as grantmakers to manage our programmes in an even-handed and non-discriminatory manner, in accordance with our policy framework. By ensuring such consistency we are better able to avoid misuse of power, conflict of interests and patronage.

What can we do to practice consistency?

Ensure that grant decisions stand up to scrutiny

- Assess applications in accordance with documented assessment procedure
- Use policy criteria as an explicit basis for approving or rejecting grant applications
- Document fully the rationale leading to grant approval or denial

Apply policy to all aspects of the programme

- Make certain that agreed policies frame the entire grantmaking process including receiving, screening, assessing, decision-making, implementation, monitoring and evaluation
- Monitor consistent application of policy by all staff

Principle Eight Nurture and Reflect Diversity

We invite and value submissions reflecting the diversity of our multi-cultural society. We believe that the development process is enriched and strengthened by diverse perspectives and experiences, and strive to reflect this in our grantmaking practice and in our organisation. We will therefore ensure that our organisation and our programmes embrace diversity, while supporting efforts to bridge social, cultural, class, race, gender, disability and other potentially discriminatory divisions.

Why is this principle important?

Our society embraces a wide variety of historical, cultural and lived experiences. In order to be relevant and effective, development programmes should nurture and reflect this intrinsic diversity, while at the same time working to end structural and systemic exclusion and injustice. By making our organisations reflective of the society we serve, we capture a richness and energy that contributes to informed decision-making and positive outcomes.

What can we do to reflect and nurture diversity?

Take social, cultural and other diversities into account in policy development

- Engage with all relevant groupings and stakeholders in developing policy
- Build diversity criteria into policy and procedures

Promote diversity as a social value

- Encourage and promote grant applications from a wide diversity of social and cultural groupings
- Communicate and promote multi-cultural projects
- Seek out diverse programme and funding partners
- Acknowledge and respect diversity while supporting projects that build social cohesion and solidarity

Ensure diversity within governance and staffing structures

- Consciously recruit individuals from diverse backgrounds and cultural groups
- Ensure gender balance and equity within the organisation
- Practice open and fair hiring procedures