

PART V

DISCUSSION



1. The growth of CSOs

This research has documented a dramatic increase in the number of civil society organisations involved in AIDS responses in southern Africa. Patterns of growth are remarkably similar across the six countries: notable accelerations in involvement in AIDS responses occurred around 1991 and 1996, but the bulk of organisations have begun work on AIDS since 1999. CSOs working on AIDS in the region include both newly established and previously existing organisations, although the greatest growth in activity has been found among small, recently established CBOs that began working on AIDS either immediately from the time of their founding or shortly thereafter.

The scale of this growth is such that it must be regarded as a notable socio-political phenomenon, involving large numbers of paid people and volunteers and taking on a myriad of organisational forms, some of which are clearly unique products of the HIV epidemic. How can this growth be explained and what does it mean? Are we witnessing an AIDS-specific 'associational revolution'?

The findings from this research point to a number of factors that are underpinning this growth. First among these is the epidemic itself: close to half of the CSOs surveyed across the region began working on AIDS in the same year that they were founded as organisations. In the most extreme case, Malawi, there is almost no difference between the year in which organisations were founded and the year they began working on AIDS. Such findings seem to suggest that a desire to respond to AIDS and AIDS-related impacts has been driving a process of civic association and organisation across the region. One could interpret from this that nationwide social mobilisations around AIDS are underway – the 'exceptional' response to AIDS that is often called for.

At the same time, however, 70% of the CSOs surveyed report that they carry out work that is not related to AIDS. Community organisations often form and operate with a holistic orientation to community needs. Many that work on AIDS are also engaged with activities that are oriented at general poverty relief and community development – food gardening, training in income-generation activities, the construction and operation of maize mills, efforts to keep children in school – that are becoming increasingly needed against a backdrop of AIDS, but which are not, strictly speaking, AIDS-related. The case study research in all six countries showed clearly that the presence of AIDS in a household is rarely a prerequisite for the provision of assistance by community organisations: many home-based care groups, for example, are oriented on support for the chronically ill and disabled, whether this is related to diabetes, TB, AIDS, or a severe disability. It can be difficult to draw distinctions between children who are poor and needy as a result of general poverty, and those who are poor and needy as a result of AIDS. Taken in this light, the research findings seem to point towards a general growth in civil society action in the region that may be closely linked to AIDS – and to some extent driven forward by it – but that is also broader in orientation.

The dramatic increase in funding for AIDS in southern Africa is another factor. Funding for AIDS is reaching civil society organisations in ever

greater volumes and it is plausible to assume that the high incidence of new organisations may be linked to the perception (and reality) that there are resources available for AIDS work in the region. There has been no other equivalent drive to increase funding for CSOs in any other area of development.

Various motivations propel people into work on AIDS and these may also help to explain the rapid emergence of civil society organisations. These motivations are often a complex mix of altruism, concern for the well-being of others, and a desire for self-empowerment and upliftment. In contexts of high unemployment and extreme poverty, CSOs can be seen as possible avenues to change, opportunity, employment or access to resources, education and training. They are also a vehicle for giving back to the community and helping others. In some selected cases, CSOs are also linked to political or patronage networks.

The reasons why individuals join together – often informally, at first – under the banner of community development and AIDS response work are multi-layered. The case study research, which highlighted the activities of many largely non-funded CSOs, suggests that, in the first instance, motivations are as much about compassion and community activism as they are about any type of financial or personal opportunism. However there is also evidence to suggest that CSO members and volunteers may drift away from organisations when other opportunities present themselves, especially if the work is not remunerated and there is no prospect of this coming to pass.

The growth of CSO activity on AIDS over the past decade seems generally to have been regarded as a desirable phenomenon. It has been encouraged at country level, by the donor community and by civil society umbrella organisations themselves. Seemingly civil society organisations are thriving, as evidenced by their growth in numbers. This occurrence has been encouraged in AIDS strategic plans and is seen as an outgrowth of the need for multisectoral engagement and mobilisation of societies as a whole.

However the way in which this growth proceeds has significant implications at a number of levels. It has raised civil society and community expectations of support, it has created particular areas of responsibility for national AIDS authorities, and it has witnessed a growing role for non-state actors in providing AIDS-related services that would otherwise be seen as the responsibility of the state. It has also intensified the engagement between civil society organisations and the state, a process which has involved both hope and optimism around such concepts as partnership and multisectoralism, as well as tensions and frictions around the state's power and control over policy and resources. The recent growth of CSOs in AIDS response is a phenomenon that is unfolding without a roadmap and there are many strategic questions which, surprisingly, appear to be attracting little attention: Is it desirable that there should be an ever proliferating number of civil society organisations in the AIDS field? Is it envisaged that CSOs will ultimately professionalise as they become more proficient? What is the envisaged service delivery framework five years hence? Will current developments ultimately erode the independence of CSOs as they are progressively preoccupied in service of national plans?

The recent growth of CSOs in AIDS response is a phenomenon that is unfolding without a roadmap. It poses many strategic questions which, surprisingly, appear to be attracting little attention.

2. Funding for CSOs, funding for services

This research has found that global increases in funding for AIDS are reflected in the spending patterns of civil society organisations in southern Africa. Between 2001 and 2005, CSOs' average annual expenditure on AIDS activities tripled. Spending grew most rapidly during the latter half of this period which corresponds to the introduction of Global Fund and PEPFAR funding in the region, as well as increases in other funding sources. By 2005, CSOs working on AIDS were receiving more funding, and from a greater number of sources, than they had in 2001.

The increased funding for CSOs in the region is a product of expanding international commitments for AIDS. More than 85% of funding received by CSOs in 2005 can be attributed to external sources; government budgets remain a relatively minor source of support. Bilateral assistance agencies are the largest source of funding for CSOs working on AIDS in the region, followed by international NGOs, multi-lateral agencies, and intermediary funding institutions that channel external assistance. PEPFAR is by far the largest source of financial support for CSOs in the region by total volume of funds committed.

The comparative nature of this study has provided important insights into the extent to which the specific AIDS funding architecture that is evolving in each country is shaping patterns of access to funding amongst CSOs. Across the region, the growing spending on AIDS on the part of small and medium-sized CSOs can be attributed to the emergence of intermediary agencies that act as conduits for external funding and sub-grant funds to CSOs through decentralised structures. Although these account for only 11% of total funding received by the surveyed CSOs in 2005 in terms of absolute financial value, nearly half the CSOs surveyed had accessed support from one of these institutions. Over the five year period, this was the fastest growing source of support for CSOs across the region.

'We are not interested in just doing activities, as the donors wish. Rather we want to do something towards positive outcomes. For example, if we conduct research into the causes behind the growth of lucrative sexual activities, the results will show us what should be implemented towards the reduction of young girls opting for this activity – maybe giving them the possibility of new activities. But if we carry on just distributing condoms and taking those who acquire STDs to health centres, then we are not eliminating the bad from its root, we are just covering the holes.'

– Mozambican CSO

Sub-granting mechanisms have emerged as particularly important in Malawi and Zambia, where 60% and 14% of all funding received by CSOs in 2005 in the respective countries was accessed through such channels. In both cases, this reflects a strong commitment to see funding disbursed broadly to community organisations as part of a national mobilisation around AIDS: in Malawi the process is centrally administered by the NAC in conjunction with five international NGOs acting as umbrella bodies; in Zambia it is implemented independently of the state through two existing civil society associations and one new coordinating agency. In countries where the national sub-granting activities are more limited (Swaziland), less efficient in disbursing funds (Mozambique) or do not exist (Namibia, Lesotho), funding for CSOs is more concentrated among a smaller number of relatively large NGOs that are in a position to access support directly from donors or through sub-recipient agreements with government (e.g. for Global Fund support).

An analysis of the funding portfolios of some of the largest AIDS funders in the region has found that, in many cases, the proportions of funding being channelled through CSOs are not insignificant. For example, more than half of Global Fund support to Zambia and one-third of funding to Namibia between 2001 and 2005 went to civil society organisations.

World Bank MAP includes a community support component in both Zambia and Mozambique that accounts for 35% and 51% of the total commitments in these country programmes respectively. PEPFAR support to non-governmental organisations ranges from a quarter to more than half of overall commitments in countries across the region.

Many donors examined in this research have diversified AIDS portfolios in which support is channelled through a mix of modalities, including AIDS-specific pooled funding, budget support, SWAPs, and direct project funding. In almost all cases, some support flows to civil society organisations either directly or indirectly. The rationales given for directing support to civil society are wide ranging, but tend to cluster around a core number of points. The most dominant reasons relate to CSOs' positioning 'close to the ground' and their ability to ensure that funding reaches 'those who need it most.' This is linked to the complementary notion that 'government cannot do it alone.' There are also efficiency concerns – the idea that CSOs can move rapidly, with limited overheads, and minimal bureaucracy – as well as a view that CSOs represent the needs and concerns of those most affected by the epidemic. These justifications also blur into broader rationales about the involvement of CSOs in poverty reduction programmes, in which many donor AIDS strategies are embedded.

There are many assumptions embedded in these rationales and it is not apparent how thoroughly these have been questioned and whether there is, in fact, sufficient evidence to support them. For example, there is little systematic empirical evidence that CSOs are more efficient than other actors in delivering services and the notion that CSOs are locally 'owned' and accountable to community members needs to be treated with caution as many cannot truly be considered community institutions.

Some donor representatives noted that, despite a general trend away from project based funding (including direct support to civil society recipients), donor institutions find themselves under pressure to point to the tangible effects of their work, particularly to constituencies at home. Because it is very difficult to convey the successes of providing general budget support to governments, some donors will retain a small number of directly funded projects which can be used to showcase results – for example, how many meals have been provided to orphaned children and how many women have been trained in income generating projects. Support to civil society may therefore also be motivated in part by the need to retain direct links with development activities that are visible and concrete.

While donors voice a mix of rationales for supporting civil society in AIDS response, most of these ultimately link to CSOs' perceived positioning at community level and their ability to implement needed services vis-à-vis the broader national AIDS plan. By contrast, expressions of support for civil society's voice and advocacy roles are more muted, at least in comparison with the core role of service delivery. This orientation is reflected in the purposes for which funding is awarded to CSOs: three quarters of funding received by surveyed CSOs in 2005 was for direct programme costs linked to prevention, care and support, and impact mitigation work. Less than two percent of all funding was awarded for advocacy or rights-based work. CSOs report that it is significantly more difficult to mobilise resources to support general organisational

While donors voice a mix of rationales for supporting civil society in AIDS response, most of these ultimately link to CSOs' perceived positioning at community level and their ability to implement needed services. By contrast, expressions of support for civil society's voice and advocacy roles are more muted, at least in comparison with the core role of service delivery.

operations – such as salaries, stipends for volunteers, office equipment, and office space – than it is to access funding to cover direct project costs.

Funding for CSOs tends to be awarded in short-term funding cycles: almost half the CSOs surveyed had only mobilised a quarter or less of the funds required for the following year. Reports of delays and interruptions in funding disbursements were not uncommon. These findings suggest that the significant overall increases in available funds, as well as a growing willingness to channel funding to CSOs, have not been accompanied by planning for consistent, multi-year funding strategies that allow for the systematic growth of CSOs at community level. This research has found that funding for CSOs is largely project-based and that organisations' management and development needs are regarded as of secondary importance, if at all.

The survey revealed that a large majority of organisations have bank accounts through which to receive funds and premises from which to work, but operate in the absence of any financial cushion that would allow them to sustain and grow their operations outside the recurring project funding. This convergence of conditions leaves many organisations – and not only the young and emerging ones – in vulnerable positions: they are heavily dependent upon external financial support, donor priorities for funding are reported to change in ways that are often perceived to be non-transparent, and the focus of capacity-building efforts is largely on compliance with financial and reporting requirements. Funders with a significant commitment to long-term investment in civil society organisations – such as Southern African AIDS Trust – stand apart in terms of the approaches they have adopted, but also, it must be acknowledged, in the smaller scale of their work.

There is little question that civil society as a sector has been embraced as an implementing partner in AIDS responses, but this appears to have been done instrumentally, rather than strategically, on the basis of grounded understandings of the strengths and potential contributions of civil society to AIDS response efforts. Linked to this, there has not been adequate recognition of the operational limitations faced by many CSOs that make them ill-suited to meet some of the standard requirements that are attached to the receipt of funding.

3. Imbalances in the funding environment

Civil society organisations involved with AIDS response are heterogeneous and patterns of access to funding vary widely. The research findings have revealed strong differences between organisations located at the 'centre' and the 'periphery' of the funding environment, but also point to some trends which may be mitigating against these imbalances.

Spending on AIDS is highly concentrated among a small proportion of organisations. Twenty percent of surveyed organisations accounted for almost 90% of all CSO spending on AIDS in 2005, while 10% of organisations received no monetary support at all in 2005 and functioned solely on the basis of donations and contributions from their own members. The research has shown clearly that there are still many people and communities that desperately require assistance and are not being reached by the funding architecture in its current form.

'All donor agencies want you to be in operation for three years or more and must have an active bank account before considering funding. I think they should also tell you how you are supposed to achieve that as well.'

– Zambian CSO

*'Needy people increase, yet
there is no funding'*

- Namibian CSO

The organisations with the largest income in 2005 had relatively high levels of access to all the major sources of funding: bilateral and multi-lateral agencies, funding from international NGOs and FBOs, and sub-granting mechanisms. By contrast, smaller organisations (those in the bottom 60% by income in 2005) depended heavily upon grants from sub-granting mechanisms; only a small proportion access support from the other channels directly. Access to funding from bilateral and multi-lateral agencies is strongly concentrated among the largest organisations and the average value of these awards was more than US\$250,000 in 2005. Over half of the international NGOs surveyed in the research fell within the top 20% of organisations by level of 2005 expenditure. Compared with NGOs and CBOs, INGOs were found have much higher levels of annual spending on AIDS and a greater number of funders.

Geographical location is a strong factor influencing organisations' access to funding. The survey found that rural organisations are disadvantaged in comparison to their urban counterparts in relation to all of the funding indicators: they have a significantly lower average expenditure on AIDS, they submit fewer proposals for funding and have fewer sources of funding, and they have lower average levels of support for all types of costs than do organisations in urban areas.

These financial figures suggest that CSOs in rural areas are on the periphery of the funding environment, and the case study research conducted in rural locations underscored this in no uncertain terms. In these communities, we found only limited evidence that large scale funding is trickling down to smaller organisations. In Namibia (Epako, Omaheke Region) and Lesotho (Ha Ramapepe, Leribe District), for example, community organisations that had succeeded in accessing support generally did so on a very limited scale, through donations of supplies from clinics or other NGOs or in the form of small-scale support channelled through local/regional AIDS councils. In Ramapepe, the local support group was on the bottom rung of a lengthy 'aid chain' that extended from the original donor through a national NGO based in Maseru. Although the group was a designated beneficiary of funding, it did not receive any money directly. Rather, it implemented a set of activities - home-based care and an orphan feeding scheme - using supplies provided by the national NGO; when the supplies ran short, as they often did, the women in the support group would supplement them with purchases from their own pockets. Although the group directly controlled the way it conducted its work, it did not control the funding itself, nor the purposes for which it was allocated. In Epako, where there was a greater density of civil society activity on AIDS, the imbalances between 'resourced' national NGOs and local CBOs were strongly apparent. Funding options for small local organisations were extremely constrained, apart from a limited number of one-year awards through the Small Grants Fund which, while gratefully received, also created sustainability problems as they were often not renewed for a second year.

The picture that has emerged from this research is of an imbalanced and top-heavy distribution of funding that in shape seems to resemble a funnel. Funding is reaching a certain segment of large organisations in sizable volumes and is increasingly penetrating the ranks of small and medium-sized NGOs in more modest amounts through sub-granting mechanisms. However there is still a significant population of grassroots community organisations that are marginalised in this environment: they

are trying to serve a large number of people with acute and complex needs, but have very little funding and capacity to do this effectively. Such organisations often tend to have little information about where they can turn for funding, do not have experience writing proposals, and have limited formal understandings of how an organisation can grow and develop in line with a particular vision. Because many of these organisations are located in remote and underserved areas, the people they are working with are effectively at a double disadvantage: formal services are limited in their reach, and the community organisations that seek to fill these gaps are under-capacitated.

The research has shown the important role being played by international NGOs as conduits for bilateral AIDS funding, yet there is mixed evidence about the extent to which their collaborations with local CSOs are resulting in strengthened capacity or greater access to funding on the part of organisations in these peripheral areas. Interviews conducted for this research encountered a frequently expressed view across the region that large national and international NGOs access significant funding to implement specific programmes across a particular area or geographic territory, but that the bulk of the resources still tend to remain concentrated in regional capitals and towns. In other words, AIDS funding and programme ‘arteries’ are not yet linked into an adequate system of ‘capillaries’ that can carry support to more distant areas. One respondent from a national ASO network noted that the people who are supposedly leading and monitoring the programmes (large NGOs and the government) don’t actually want to work in the places where they are most needed, which may be remote or uncomfortable. As a result, they continue to cluster around points of ‘civilisation’ and outsource roles and functions to locally based entities which are seen to be ‘on the ground’ across regions. Programme implementation in more remote areas is often done through ‘partnerships’ with local organisations in those communities – CBOs, churches, traditional leaders – who are brought into short-term implementing agreements and may or may not be compensated for their time and efforts. The lines of accountability between these groups and the centre are reported to be weak and, in some cases, the outsourced organisations may not be appropriate partners for the task at hand, but simply the ones that are best positioned to be drawn in for purposes of implementation.

In countries where investments have been made in sub-granting mechanisms, these are proving successful in expanding access to funding among small and medium-sized CSOs. They are helping to level an uneven playing field by making support available in appropriate amounts to organisations that would otherwise remain on the periphery of the funding environment.

The above description suggests that the general thrust of growth in AIDS funding and responses thus far has benefited those located at the centre of the funding environment: larger organisations, based in urban areas, with prior programmatic and financial experience. However some of the trend data collected in the study suggests that there are dynamics at play which may be mitigating against these imbalances. Most notably, average spending on AIDS among CBOs and smaller organisations grew at a faster rate between 2001 and 2005 than it did among NGOs and INGOs. Linked to this, decentralised AIDS structures, including sub-granting mechanisms, were the sources of funding which recorded the strongest increases in access among CSOs over the five-year period, and it is known that these are particularly significant for smaller organisations.

Together this suggests that, in countries where investments have been made in sub-granting mechanisms, these are proving successful in expanding access to funding among small and medium-sized CSOs. In other words, they are helping to level an uneven playing field by making

support available in appropriate amounts to organisations that would otherwise remain on the periphery of the funding environment. This is nowhere more evident than in Malawi, where CSOs have undergone an explosive rate of growth in terms of spending on AIDS since the roll-out in 2004 of a national sub-granting mechanism linked to the NAC. This is not to downplay the significant challenges being experienced in this model – nor the serious questions about its sustainability – but rather to underscore that, at the level of moving funding in a decentralised manner, such approaches appear to be meeting with some success.

4. Systematisation, but not at the expense of diversity and flexibility

Under the ‘Three Ones,’ concerted efforts are underway to regularise the AIDS funding environment, but powerful forces are working against the harmonisation of support and this research has found only limited evidence that the funding environment for CSOs is becoming more regularised. While the dominant trends within development assistance financing can be felt at country level – e.g. shifts towards budget support and sector-wide funding approaches, the consolidation of funding through basket mechanisms, the alignment of external assistance behind national plans – a mix of funding modalities continue to prevail across the region and the largest AIDS funding initiatives remain the least harmonised. The implications for CSOs of the systematisation of funding for AIDS are mixed, and in some respects, CSOs *benefit* from an un-harmonised funding environment where a diversity of parallel sources continues to exist. Because civil society is so internally heterogeneous, only a highly differentiated centralised funding system would be in a position to meet the needs of CSOs at different stages of institutional development and it is unlikely that such a system could embody the flexibility and tolerance of funding risk that is probably required to fund CSOs at a broader scale than at present.

The findings from the research suggest that there is a fine balance that needs to be struck between systematising some channels of support in a way that benefits smaller CSOs, on the one hand, and maintaining a diversified funding environment where organisations can continue to pursue independent direct funding relationships with donors, on the other. This is essentially about the need to ensure greater equity of access to funding for a broad spectrum of organisations, while not over-regulating the environment such that it constrains the ability of larger organisations to continue working at scale or limits some of the innovative and path-breaking work that is often supported through direct funding relationships.

The findings from this research are replete with examples of the dangers of under and over-regulation of funding, linked both to centralised control over AIDS finances as well as non-harmonised funding streams, from the vantage point of civil society organisations. In countries where there is strong central control over funding – such as in Malawi and Mozambique – CSOs note frustrations with excessive bureaucracy and the slow pace of funds disbursement, but there is a clear and ostensibly transparent mechanism in place to which all CSOs in the country may apply and theoretically access support. These ‘centrally planned’ AIDS

‘There are too much of technical requirements for issues that do not require them.’

– Malawian CSO

economies are constructed in a way that seemingly favours broad and equitable access to funding by a wide range of CSOs. In Malawi, this has been shown to work in the sense that spending on AIDS amongst surveyed CSOs is the least concentrated of all six countries in the study. By contrast, the failure of these mechanisms to work as intended in Mozambique has resulted in the country having the most concentrated CSO funding profile in the region. This appears to be attributable to the significant parallel project funding that continues to flow from donors to compensate for the slow pace of fund distribution through the central structures.

In Lesotho, Namibia and Swaziland, the NACAs do not act as funding agents directly, but exercise control over the allocation of available funding, often through calls for proposals, direct procurement of services, or other methods for identifying partner organisations. Such systems are geared less to 'equitable access' and more to identifying institutions that can perform certain roles, including non-state actors. As such, they tend to gravitate towards larger more established NGOs, sometimes with the proviso that these work in partnership with smaller CSOs, sometimes not. There are no sub-granting mechanisms of any scale in these countries, apart from the Small Grants Fund in Namibia which is targeted at CBOs but whose reach remains limited. Funding for CSOs in Swaziland and Lesotho is somewhat less concentrated than in Namibia, where PEPFAR and Global Fund support dominate the funding environment and funding is heavily concentrated among a small tier of predominantly national NGOs that implement programmes on a large scale. Yet in all three countries, the funding needs of small community organisations cannot be described as well catered for.

'There is excessive bureaucracy.... The request for funds from the CNCS is based on filling out forms. After one fills out the forms properly and submits them, they ask to specify details not accounted for in the forms. Subsequently, they ask us to give them three quotations for each proposed item, and for each correction made, they ask for another three quotations. After four to five months our plan has not yet been approved. Once the plan is approved we return to the same cycle regarding the refunding, and after eight months the costs have changed, and everything has to be done anew.'

- Mozambican CSO, on applying for funding to the national common fund

Zambia stands apart as a distinctive case and provides an interesting alternative to the decentralised and concentrated funding models in the other countries. The NAC in Zambia plays a relatively hands-off role in funding and 'parallel' funding for AIDS continues to enter the country despite the fact that Zambia is at the forefront of aid harmonisation in the region. Large NGOs and INGOs – of which there are many, given Zambia's profile as a low-income country with a large international development presence – clearly benefit from these sources of support. Yet the three independent sub-granting agencies which disburse Global Fund and other donor support to CSOs and FBOs across the country have evolved into sizable operations that are seen to be making a significant dent in the funding needs of CBOs and small NGOs. In Zambia, the predominant concerns about funding within civil society relate to the 'squeeze' being experienced by large national NGOs who require greater levels of funding than the sub-granting mechanisms are in a position to provide, and who are losing their traditional support from bilateral agencies which are increasingly funding through budget support.

Different organisations require very different types of funding and although the present un-harmonised funding environment may be disorderly and difficult to keep track of from the perspective of a central coordinating agency, its jumbled diversity may in fact be important for maintaining civil society's robust and vibrant role. National AIDS plans have been shown to embody fairly uniform strategies for what are in fact complex and heterogeneous epidemics, and some of the large funding initiatives are driven by a relatively standard programme model that emphasises rolling out key services, mainstreaming AIDS into line

ministries, and strengthening the government's institutional capacity, rather than being developed in response to the particular epidemiology of a given country. These types of tendencies are leading to an official homogenisation of AIDS responses into named programme areas and vertical interventions which dominate over more holistic approaches. There is a danger that CSOs, which are predominantly being funded to help implement these programmes, become overly dependent upon externally defined activities and approaches.

This research has found that many smaller funding institutions – among them independent development agencies, church-based projects and initiatives, and foundations – tend to be less beholden to some of the prevailing categorisations of intervention and therefore more able to support interdisciplinary or cross-cutting forms of activity. Although they work on a smaller scale and tend to develop longer-term partnerships with a small handful of organisations, the CSOs that do succeed in linking with such partners often commented that the funder understood the community and its needs, that the funding relationships were 'easy,' and that reporting requirements were straightforward. These individualised funding arrangements – where they exist – provide positive examples of how development and support can be channelled directly and individually, albeit on a limited scale.

The shift towards general budget support is beginning to be felt by CSOs in some countries in southern Africa, although on the basis of data gathered in this research it is not possible to say how much of this is anticipatory and how much of it is actual. There are clear concerns that government procurement systems are not presently geared to work on a larger scale with CSO 'contractors,' apart from the bigger question of how inclined governments in the region are to expand partnerships with CSOs. This provides another strong argument in favour of a diversified funding environment. This study has found that advocacy and rights-based work is presently funded at a very low level, and it is unlikely that this would increase under a scenario where more funding is channelled through government. In fact, where donors do target particular support to the needs of marginalised groups, to strengthening networks and institutions, and to promoting the voices of affected populations, this is often done through direct project funding arrangements which continue to flow in parallel to the larger streams of support which are channelled through SWAps, pooled funds, and budget support.

5. Support needs go beyond money

The challenges of 'funding' AIDS responses and 'supporting' AIDS responses should not be conflated. By increasing 'absorptive capacity' and channelling money to 'where it is needed most' only part of what is needed is achieved. The value of CSOs having money in hand is greatly dependent on other kinds of support, and the findings from this research suggest that this has not been given sufficient attention.

The most comprehensive attempt to build institutional systems for supporting CSOs in AIDS response that we have found in this study is the Malawian national grant facility. The grants facility has been designed and carefully planned from a blank slate, rather than being an adaptation

The challenges of 'funding' AIDS responses and 'supporting' AIDS responses should not be conflated. By increasing 'absorptive capacity' and channeling money to 'where it is needed most,' only part of what is needed is achieved. The value of CSOs having money in hand is greatly dependent upon other kinds of support.

or redevelopment of existing arrangements. It is therefore particularly meaningful that it has overlooked to such an extent the support needs of civil society organisations apart from funding. Although an excellent financial management and project monitoring system has been set up for grants, the actual usage of funds remains low. Part of the problem is technical, involving protracted approval and disbursement processes for grants, but capacity problems in umbrella organisations and in recipient CSOs have proved to be significant obstacles to the success of the grants facility.

As an outcome of limited capacity to plan and manage complex programmes, the grants facility has turned to funding a large proportion of small-scale, short-term projects which can immediately be put into place and which do not require extensive preparation and development within organisations. Admittedly, there have been attempts to build capacity and to provide guidelines on writing project proposals, on procuring goods and services, and on accounting for funds received. But the experience in Malawi has shown that there remains a critical capacity problem within recipient CSOs even to use such guidelines. The need for support involves much more than guidance on how to deal with money – it extends into planning and programme management, assessing needs in the community, basic skills in formative evaluations, organisational governance – yet these elements of support have been neglected. The result is that the system, despite being ‘excellently’ structured, is underperforming.

Those umbrella organisations managing the facility at district level report that they have been far more involved in the direct capacity-building of organisations than was anticipated and have been overstretched in their efforts to provide support, to the point of becoming less effective in their mainstream functions. They had not resourced themselves in preparation for meeting this need. This has significantly delayed further development of the grant facility system which is overdue in being handed over to the management of district assemblies.

Malawi is not exceptional, but is a large-scale exemplar of a situation that pertains in all of the countries studied. There is little evidence of systematised programmes to develop CSOs to the point that they are able to manage what they are targeted to achieve. While all of the sub-granting mechanisms encountered in the research incorporate some elements of training and capacity-building, these are inevitably slotted into supporting rather than leading roles, given the dominant emphasis on disbursing funds. As CBOs in particular are largely funded to provide services in keeping with expectations of funding agencies and national plans, existing capacity-building efforts tend to focus on developing organisations into better and more accountable service providers, rather than building them into independent self-governing organisations guided by their own vision and unique strengths.

CSOs need a mix of different inputs at different stages to be able to scale up and grow sustainably. Organisations tend to grow in different ways, sometimes becoming more comprehensive and other times expanding by offering such services in more contexts and with increasing expertise. Yet on the whole, the same rules tend to be applied to organisations irrespective of their relative capacities, accountabilities and development needs. For example, in Malawi, procurement and reporting requirements

are universal, meaning that the same rules apply to institutions of all types and sizes, and these are onerous and create problems of reporting. While adjustments could no doubt be made to these procedures, this seems to work against the drive to scale up sub-granting through standardised, bureaucratised practices.

Part of the problem has been a failure to tease apart the varying roles being played by civil society actors and to tailor support accordingly. We have referred to discourses around the promise of CSOs as pioneers, partners and providers in AIDS response, focusing on CSOs as innovative, efficient, close to people in need, service oriented, accountable and part of a sustainable national response. In reality, CSOs are often diffuse and polymorphic. Their boundaries with informal associational life are often blurred. They change. In many cases they may stagnate or collapse. The motivations which underpin their emergence, the needs and interests they serve, and their capacities to evolve are varied. Engaging these actors and optimising their roles means understanding what they are, what they can do and the various forms of support they need in their development.

Supporting the sustainability and development of such entities inevitably involves shaping them in a way that builds on their unique characteristics and strengths, to a point where they have the possibility of entering into a self-learning trajectory, yet this requires intensive inputs and is time consuming. Building capacity of CSOs requires working closely with them and staying close to them as they develop. Ultimately the cost of this may not be warranted as an AIDS response strategy and strategic debates need to grapple with this question. There has been a high degree of overestimation of the capacity of CSOs to fulfil the expectations that have been imagined upon them, in light of their ability and willingness to join national mobilisations.

If many of the emerging CSOs are to become viable and strong organisations, there is need for country-level support for strategic planning, organisational development assistance, human resource development and management development. This cannot be ignored. There is a thriving private sector industry in this area, but little evidence of this kind of support activity under national funding programmes.

6 Implications for the future

The patterns of access to funding that have been explored in this research suggest a number of possible implications – both worrisome and promising – for the future of civil society responses to AIDS.

One clear possibility is a shift away from the independence of civil society towards greater co-option into the role of service provider. The way funding for AIDS is structured is having clear effects on the type of work many CSOs are undertaking, the degree of ownership they feel over their work and the programme models they use, and their ability to plan for the future and grow as independent organisations. We have found that CSOs are being funded to work largely within the context of national plans on activities which link to a defined set of services, which is often in contrast with their more holistic approaches to work and understandings of the epidemic. Short-term funding cycles that

emphasise direct project costs appear to slow or even undermine the development of the institutional skills and capacities that are essential for organisations to grow and become viable structures. There is a danger that many smaller organisations that are funded directly or through implementing partnerships with larger NGOs are becoming proficient in delivering programme services in a particular way, but may not be capable of growing or even of surviving if funding flows change or are cut off.

The overlapping trends of increasing funding for AIDS and growth in CSOs have resulted in a great deal more money flowing to a greater number of organisations. Yet many CSOs remain underfunded in their own terms and growth in numbers of CSOs active in AIDS responses is not accompanied by consistent or long-term funding which allows for planning and systematic growth of CSOs at community level. Shifts towards general budget support may introduce new institutional vulnerabilities for civil society organisations. Yet despite great dissatisfaction among many CSOs in the region about the funding environment in which they are operating, there is little evidence to suggest that CSOs involved with AIDS responses are coming together as a movement around a shared agenda. While national and sector-wide networks do exist, these do not appear to be active in representing the interests of the sector in relation to donors and government policymakers in the way that treatment access, for example, has galvanised many in the AIDS field. Competition for funding may be undermining the formation of alliances among CSOs around issues of common interest.

Alongside these concerns, however, it is important not to lose sight of some of the promising changes within the current environment in which civil society organisations are responding to AIDS. This research has clearly shown that critical appraisals of the global response to the HIV epidemic have resulted in significant shifts in the way that funding for AIDS response is conceptualised. To differing degrees, all six countries in the present study reflect a range of efforts to move funding closer to the ground in order to better resource community-level responses to AIDS. A range of models and approaches are in evidence and it is clear that there is a growing amount of thinking – and a mounting evidence base, drawn from practical experiences – around issues of how to optimise support to civil society.

The present funding environment for AIDS appears to be seeding broad-based community development work that goes beyond AIDS and its immediate impacts. At the grassroots level, development is being 'mainstreamed into AIDS,' as funding for AIDS responses is used to address a range of community needs that are more broadly related to poverty, marginalisation and exclusion.

Another hopeful aspect of the present funding environment for AIDS is that it appears to be seeding broad-based community development work that goes beyond AIDS and its immediate impacts. At the grassroots level, development is being 'mainstreamed into AIDS', as funding for AIDS responses is used to address a range of community needs that are more broadly related to poverty, marginalisation and exclusion. Some of the most promising examples of community activity encountered in this research were the CSOs that had evolved integrated approaches to addressing AIDS – that saw problems and challenges holistically and attempted to address them through a spectrum of related actions, rather than in narrow categories of intervention. These cases appeared as genuine examples of 'locally owned' development, where top-down approaches had given way to more collaborative forms of work that build on local strengths, motivations and insights.

Indeed, one of the major challenges that remains lies beyond the problem of simply 'moving money' to community level more efficiently – it is

about getting those resources to work in different and more effective ways. This is a much more difficult challenge, because it relates to the complexity of marrying external forms of support to local ideas, motivations and forms of activity in a way that enables them, rather than dictates to them. The case study research vividly revealed the many ways in which community life and forms of solidarity are manifesting themselves in activities that reach out to people in need of assistance. In many instances, these feeding programmes, home visits, and support for affected children are only minimally reliant upon external funding and resources and seem poised to carry on regardless of the presence or absence of outside assistance. As the systems for disbursing funding are further developed and refined, it is critically important not to lose sight of the effects of those mechanisms upon the communities they reach and the types of impacts they introduce into community settings. As funding channels stretch closer to the ground, the systems, methods and approaches they employ must increasingly be oriented on supporting locally defined priorities and approaches, and on enabling community responses rather than driving them.