



## SERVE DEVELOPMENT PROGRAMME (SDP) 2012-2015 REPORT - YEAR 1 of 4

### 1. EXECUTIVE SUMMARY

The **SERVE Development Programme (SDP)** 2012-15 is a response to the challenges of vulnerability and low levels of livelihood security in targeted communities in South Africa, Mozambique and Zimbabwe. SERVE are working with four partner organisations to improve the lives of poor children, young people and adult women and men. Our work focuses on the issues of orphaned and vulnerable children (OVC), HIV and AIDS care and prevention, and Technical Vocational Education and Training (TVET). The SDP model integrates funding support, capacity development support, volunteer placements, development education and advocacy.

The first year of the SDP has gone well, despite a late start to some project components. With regard to programming, the principal **achievements** include:

- A majority of the 16 Results are on track and a robust monitoring framework is in place at HQ and field level;
- The SERVE Volunteer to Build Capacity Programme successfully placed 28 short term volunteers and one long term volunteer in the Programme Countries in 2012. The Volunteer to Build Capacity Programme was externally audited by Comhlamh in December 2012 and the results were positive;
- The Long Term Volunteer placement has been a success and the volunteer has made a major contribution to the monitoring of the SDP;
- The Sexual and Reproductive Health and Rights (SRHR) training programmes mainstreamed by our partners are leading to beneficiaries making “better choices” compared with control groups surveyed by our partners;
- The expansion of the Young Africa TVET Centre at Epworth, Zimbabwe is ahead of schedule;
- The ambitious Young Africa Agri Tech programme at Dondo, Mozambique is progressing well and on target to roll out training programmes in early 2014; and
- Grant income from institutional donors increased by 24% from 2011 and total voluntary income from the Irish public increased by 5.6% from 2011.

The principal **failures** and issues of concern include:

- Tapologo’s Godisanang OVC programme in South Africa is struggling to meet beneficiary targets, mainly due to the underperformance of Child Care Workers;
- Tapologo’s ART Programme is off target due to issues related to the ending of PEPFAR funding in May 2013;
- The research work into the GOVC Programme is behind schedule; and
- It is still a challenge to quantify all the benefits of the Volunteer to Build Capacity Programme. Documenting of benefits remains mostly qualitative and anecdotal. Our monitoring structures did not capture the number of hours contributed by local volunteers.

In 2013, SERVE and our partners will consolidate achievements, address failures and continue to work together to ensure that our target communities have reduced levels of vulnerability and improved levels of livelihood security.

## 2. STRATEGIC/GOVERNANCE OVERVIEW

During 2012, the following changes in the strategic direction or governance of SERVE were made:

- The management of the Volunteer to Build Capacity Programme was moved from the Cork office to the Belfast office. This involved some HR changes including the relocation of a senior staff member from the volunteer programme to the 'Projects' desk to boost SERVE's institutional fundraising capacity. A Communications Officer was also added to the staff;
- The SERVE Board in the Republic of Ireland was revamped. Two members left the Board and three new additions were made – broadening the skills and experience base of the Board;
- The Board moved towards implementing the SORP principles for accounting and reporting;
- The SERVE Board supported the theory of change process and managing for results model encompassed in the SDP;

The SDP application process, with the aligned strategic planning process, in late 2011/early 2012 proved to be very beneficial for SERVE. It provided an opportunity to reflect on and refocus our goals and targets at an organisational level. The issue of “vulnerability”, as defined by the World Bank, emerged as a common theme across our partner countries. We also recognised common themes across our key target group (young people) and the importance and potential of Technical Vocational Education & Training (TVET) in responding to the immediate needs of vulnerable young people. At an organisational level, we worked with our partners to capture the pathways of change, so we can deliver good development programmes for our target beneficiaries and learn from successes and failures. SERVE implemented a model of managing for results, which is also strengthening our work with non-SDP partners.

Outside of the SDP, SERVE did take the decision to discontinue the Volunteer Programme to Thailand, where we had worked with partners since 2005. As of 2013, SERVE continues to send volunteers to seven countries (South Africa, Mozambique, Zimbabwe {long term only}, Zambia, India, the Philippines and Brazil). SERVE now works with a total of twelve partners in these countries. SERVE continues to act as the development agent for the Irish Redemptorists, and represents them at Misean Cara. This documented strategic partnership remains a practical example of harmonisation and sharing of resources to achieve greater impact and economies of scale in a challenging time for many organisations. In 2012, we secured grants for the Redemptorists for development projects in India, the Philippines, Brazil, Zimbabwe, Mozambique and Kenya.

SERVE maintains a Risk Register for the SDP. The Register covers the categories of Operational, Financial, Development and Reputational risk. Each risk is quantified in terms of probability and impact, and is then ranked. Some examples of how the risk register informs programme planning at country level include:

- ☑ Tsholofelo is heavily reliant on SERVE funding to run its skills training programmes. This is a concern with regard to sustainability and exit strategies. SERVE is responding by supporting key staff to attend financial management training which helps develop fundraising ability;
- ☑ The political environment in Zimbabwe remains uncertain due to the constitutional vote and upcoming elections. It mostly affects the work of the SERVE Long Term Volunteer who is based in Zimbabwe. During some field visits, the Long Term Volunteer has been shadowed by plain clothes police officers and the Central Intelligence Organisation. In response,

meetings have been held with local officials to clarify the role of our Long Term Volunteer and contingency plans are being developed if there are disturbances during the elections;

### **3. SERVE DEVELOPMENT PROGRAMME 2012-15 YEAR 1 PROGRESS**

#### **3 A: Summary of Changes in Programme Context**

There are two significant changes in the operating context. First, the late disbursement of funds affected the implementation of the SDP in 2012. SERVE did not receive Irish Aid funding until July 2012. SERVE accepts that the SDP cannot be entirely dependent on Irish Aid funding and implemented as many components as possible from early 2012 onwards as we waited for funding to be disbursed. These included the short term Volunteer to Build Capacity Programme relating to South Africa and Mozambique, the Long Term Volunteer placement, infrastructural improvements to OVC & Wellness Clinics in South Africa and elements of our advocacy and development education work.

However, SERVE were unable to adopt a policy of advancing large scale funding to partners to begin work in lieu of receiving Irish Aid funding. This meant that funding for the following components was not transferred until the second half of 2012 – (i) the nutrition component of the Godisanang OVC Programme in South Africa; (ii) Tsholofelo’s Community Skills Training Programme in South Africa; (iii) Young Africa Zimbabwe’s TVET Programme and Epworth Campus Development; (iv) Young Africa Mozambique’s TVET Programme at Beira; and (v) Young Africa Mozambique’s agriculture focused TVET Programme at Dondo. Our partners applied themselves in this shortened timeframe to meet agreed targets, implement an RBM system and collect missing baseline data. This was almost universally achieved except for the micro credit component at Young Africa Mozambique which could not accept applications until late in the year and is off track. The research work, for which SERVE HQ is directly responsible, is also behind schedule.

Second, Tapologo’s ART Programme funding from PEPFAR ends in May 2013, meaning that they faced a significant reduction in funding for ARVs and blood testing. For the past two years, Tapologo has been negotiating with the Department of Health (DoH) for the provision of ARVs and blood testing. A formal agreement was finally agreed in April 2013. However, in the absence of this formal agreement Tapologo was forced to start transferring its ART patients to the nearest DoH clinic to collect their ARVs at a rate of 285 patients a month. In 2012, this had a major impact on beneficiary numbers and affected Tapologo and SDP targets. This is explained in more detail in Section 3B, Page 8.

One other change was of a less serious nature because the affected partners were able to adjust their programmes. Violence in the Marikana mining community made international headlines in August 2012. Marikana is located very close to the squatter camps where Tapologo and Tsholofelo work. Violence and unrest spread to these camps and made the working environment difficult. The bulk of planned work could be completed as both partners relied on local contacts to assess the security situation in each community and respond accordingly.

#### **3 B: Programme Progress and Key Changes**

In completing this section, SERVE will begin with a brief overview of what we consider to be the main achievements and failures in the first year. We will then analyse and reflect on the status of each result contained in the updated Results Framework submitted to Irish Aid in February 2013, and the intended or unintended change. It is important to state that due to the shortened implementation timeframe for some of the SDP components in 2012, it may be too early in the Programme cycle to

track change. The focus in the first year has very much been on developing reliable baselines and establishing a good monitoring system.

SERVE considers the following to be the **principal achievements** of the first year of the SDP:

- ☑ Programme implementation is mostly on course despite late transfer of funds for some programme components;
- ☑ A robust results focused monitoring system is in place, at partner level and at the SERVE organisational level. Many parts of this system are new and the monitoring tools were designed in a consultative manner. They have generally worked well although SERVE and our partners remain open to making changes to ensure the data collected is reliable and useable. There have been a number of important lessons learned from this process and these are highlighted in Section 5 below;
- ☑ The SERVE Volunteer to Build Capacity Programme successfully placed 28 short term volunteers and one long term volunteer in the Programme Countries in 2012. Volunteer evaluations of the Programme were positive. SERVE also completed an external audit of our Volunteer Programme with Comhlamh in December 2012. The report is very positive. Some gaps in our Policy Framework were highlighted, and SERVE have responded accordingly;
- ☑ Increased focus on systematic tracking of nutritional status of OVC on the Godisanang OVC Programme in South Africa;
- ☑ Infrastructural work at Tapologo's OVC Centres & Wellness Clinics was completed as planned, and involved a significant financial and labour contribution from SERVE volunteers;
- ☑ The Sexual and Reproductive Health and Rights (SRHR) training programmes mainstreamed by our partners are leading to beneficiaries making "better choices" compared with control groups surveyed by our partners;
- ☑ The expansion of the Young Africa TVET Centre at Epworth, Zimbabwe is ahead of schedule;
- ☑ The ambitious Young Africa Agri Tech programme at Dondo, Mozambique is progressing well. SDP funding targeted towards utilities and start up costs has been essential in this progress. Multi-year EU funding has been secured by Young Africa and will ensure further progress in 2013; and
- ☑ The Young Africa TVET Centre at Beira, Mozambique is performing well in terms of self sustainability and stands at 82% for 2012, compared with 55% in 2011. SDP funding targeted towards the recruitment and resourcing of an Entrepreneurship Promoter is helping Franchisees to perform better and improve market linkages.

SERVE considers the following to be the **main failures** in the first year of the Programme:

- ☑ The Godisanang OVC Programme in South Africa is struggling to meet beneficiary targets, mainly due to the underperformance of Child Care Workers;
- ☑ Tapologo's ART Programme is off target due to the reasons outlined in Section 3A;
- ☑ The micro credit component of Young Africa's TVET Programme at Beira, Mozambique was particularly affected by the late disbursement of funds, and the bulk of this funding remains unspent (and has been carried forward into 2013);
- ☑ The research work into the GOVC Programme is behind schedule but can still be delivered in 2013;
- ☑ Our monitoring structures did not capture the number of hours contributed by local volunteers, making it difficult to quantify the economic value of the voluntary contribution to the partners workforce; and
- ☑ Despite some progress, many of the benefits of the SERVE Volunteer to Build Capacity Programme remain immeasurable, especially with regard to the impact on social cohesion and personal development for benefitting communities. Documenting of these benefits remains mostly qualitative and anecdotal.

*Table A: Summary of 2012 Results – On track/Off track*

Outcome	Result	Status
1. Reduced vulnerability and improved quality of life for OVC in targeted communities in Rustenburg, South Africa	1.1 Godisanang OVC (GOVC) Programme successfully strengthens target communities to meet the needs of 440 identified OVC (292 female, 258 male) through a community based response	Off Track
	1.2 6 OVC Daycare Centres renovated/expanded by 2015, helping to retain current beneficiaries/meet increased demand	Off Track
	1.3 352 OVC reach and maintain adequate nutritional status by 2015 (Adequate status determined by WHO standards)	Newly established baseline
	1.4 Evidence based research available to promote replication of GOVC intervention model which is a partnership between government and NGO	Off Track
2. Enhanced levels of HIV/AIDS healthcare in 9 target communities and young people in target communities empowered to make better choices regarding their sexual & reproductive health	2.1 Nine Wellness Clinic providing comprehensive HIV/AIDS care to 9 target communities by 2015	Off Track
	2.2 85% of young people make better choices regarding their sexual and reproductive health as a result of Life Skills Training being mainstreamed into TVET Programmes	On Track
3. Improved employment and self-employment prospects for young adults in targeted communities	3.1 Graduates of Tsholofelo Community TVET Programme have increased individual income (each year)	On Track
	3.2 Young Africa Zimbabwe TVET Centre at Epworth increases throughput on effective TVET courses by 130% by 2015	On Track
	3.3 At least 80% of new micro credit loans to TVET Franchisees and graduates being repaid by 2015	Off Track
	3.4 Young Africa Agri Tech Programme delivers effective agriculture focused TVET training to 1000 rural youth and 300 farmers by 2015	On Track
	3.5 Improved sustainability and effectiveness of Franchise Model at Young Africa TVET Centres in Beira, Mozambique by 2015	On Track
4. Results Related to Partner Capacity Building (Contributes to all three Outcomes above)	4.1 Improved governance structures that drive enhanced programme quality and programme impact and strengthens relationships with key donors/ stakeholders	Off Track
	4.2 The programme partners deliver cost-effective infrastructure and service outcomes while increasing the percentage volunteer contribution of the partners workforce	On Track
	4.3 The programme by building the capacity of the voluntary sector contributes directly to the achievement in the target communities of increased social capital, social cohesion, personal development and empowerment (all "immeasurable impacts")	On Track
5. Strategic Engagement with the Irish public	5.1 Target group of 400 volunteers benefitting from SERVE development education programme with at least 50% actively involved in initiatives in support of international development	On Track
	5.2 Increased attention to TVET strategy by Irish Stakeholders (with an interest in Africa) {Integrated into Result 5.3 following 2013 updates}	N/A (Integrated into R5.3)
	5.3 Contribution to a momentum and movement for change in favour of the MDGS relevant to HIV/AIDS, OVC's and TVET and the role of the voluntary sector in the development process	On Track

The following section will analyse and reflect on the status of each SDP result and should be read in conjunction with the updated Results Framework submitted to Irish Aid in February and March 2013.

The **first Outcome** in the SDP is “Reduced vulnerability and improved quality of life for OVC in targeted communities in Rustenburg, South Africa”. There are four associated Results and these are Results 1.1 to 1.4.

Result 1.1 – Monitoring activities for this result were completed twice in 2012 – in June and December. In June, the number of OVC receiving a service on the Godisanang OVC (GOVC) Programme stood at 413 (75%) and was on track to meet the 80% target. However, the trend in the second half of the year showed a sharp decline and by December, the number of OVC receiving a service was 330 (60%). This unintended change forced SERVE and Tapologo to adjust the result and targets for 2013 – 2015. The reasons for this decline were (1) GOVC Child Care Workers (CCWs) were underperforming and not achieving their monthly targets. Low morale and unclear job descriptions were identified as contributing factors; and (2) The GOVC Programme is working with a cohort of children and young adults who are very vulnerable and highly mobile. Those who are classed as “vulnerable” and those who are orphans often have to move within South Africa to try and find work or a better quality of life. As such the figures can fluctuate from month to month.

Tapologo is committed to working with the CCWs to address HR issues. In late 2012, Tapologo completed a HR project which ensured that CCW job descriptions and appraisals are based not only on qualitative work, but also quantitative work based on target numbers and “Caregiver: OVC” ratios. A revised 2013 staffing plan was implemented. This was “work shopped” with CCWs in early January 2013 and it is expected that CCWs will redouble their efforts to meet their targets each month.

This issue has highlighted the importance of the CCW role in OVC programmes. Comprehensive training, HR reviews and avenues for personal and professional development of CCWs are essential. An OVC programme can have good infrastructure and strong policy framework in place, but the programme ultimately relies on the commitment of its community based staff.

Result 1.2 – Maintenance and improvement of the physical infrastructure available to the GOVC Programme is important to its success. In terms of completion of infrastructure upgrades, the targets for 2012 were met – work was completed at Boitekong and Robega OVC Centres. Changes include increased capacity, improved health & sanitation facilities, improved security and additional work space for staff. This result is closely integrated with Result 1.1, so both centres witnessed a decline in user numbers – an unintended change. If the challenges affecting the GOVC Programme can be resolved, an increasing number of OVC will benefit from the work achieved.

This result is also closely aligned with the SERVE Volunteer to Build Capacity Programme. In July & August 2012, SERVE volunteers worked alongside community members and made a significant contribution to completing this work. SERVE’S development education programme focused on the challenge of HIV and AIDS, and allowed us to explain the SDP (including Irish Aid’s role) and the volunteer’s contribution towards it in South Africa. Photographs of SERVE volunteers in South Africa can be found at this link - <http://www.serve.ie/picture-gallery-page/serve-volunteer-project-to-south-africa-2012/>

Result 1.3 – The baseline for this result was set in Q4 2012 and appropriate targets for 2013-15 were also set. It is only possible to measure change from Q1 2013 onwards. However, it is possible to measure against World Health Organisation Standards for Child Growth. The following tables were produced using WHO AnthroPlus software, and show that acute and chronic nutrition standards are below WHO standards.

Table C: Height for Age, WHO Standards

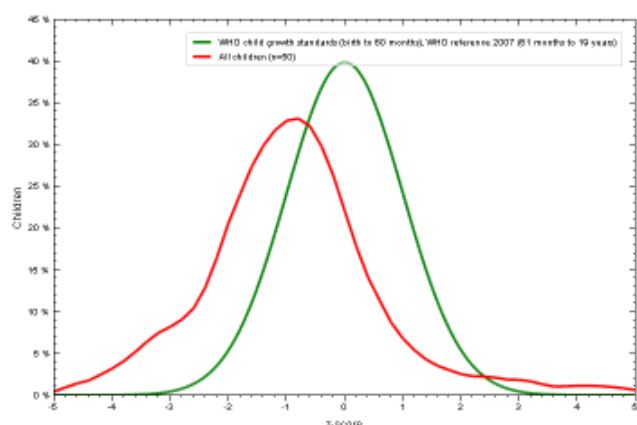
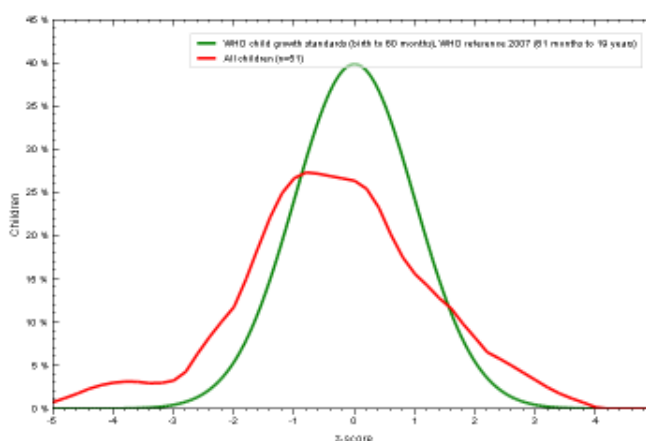


Table D: BMI for Age, WHO Standards



Further analysis of the results completed by SERVE show that only 59% of all OVC are at the ideal BMI for their age; 27% of OVC are under their ideal BMI for their age and 14% are over their ideal BMI for their age. Female OVC were healthier – 39% of female OVC were either under or over their BMI for age, compared with 45% of male OVC being under or over their BMI for age. These issues of underweight and overweight OVC can be tackled by the nutrition component of the GOVC Programme. This component is directly supported by SDP/Irish Aid funding and is consistent with Irish Aid’s commitment to tackling hunger and nutrition issues.

Of more concern is the high level of stunted growth (chronic malnutrition) amongst target OVC. Analysis shows that 49% of all OVC were stunted. Again, female OVC were better off than male OVC – 45% of female OVC were stunted compared with 55% of male OVC. The effects of stunting typically become permanent so the GOVC Programme will be unable to reverse the damage done in cases of chronic malnutrition. Further analysis of these results is available at [www.serve.ie/sdp](http://www.serve.ie/sdp).

On reflection, it is not surprising that stunted growth rates are high – it occurs in fetal development and early childhood, yet the GOVC Programme may only come into contact with a child from the age of 3 onwards. Exclusive breastfeeding is encouraged as a response to childhood malnutrition but in squatter camps this is complicated by the risk of mother to child transmission of HIV, although the risk can be significantly reduced with treatment. An important learning is that there is an urgent need for early intervention in the areas of maternal, pre-natal and post-natal care and education. Tapologo does not have the financial or human resources to roll out such a comprehensive programme but through its community based Child Care Workers, will endeavour to make contact with OVC as early as possible.

**Result 1.4** – Tapologo and SERVE agree that the GOVC Programme can benefit from research to externally review its results, operation and opportunities for replication. This research is approximately 2-3 months behind schedule due to (a) time pressure commitments affecting senior Tapologo staff as a result of challenges to the Tapologo ART Programme; and (b) more extensive research will take place than first thought, with additional child protection and ethics issues to be taken into account. This research will be completed and disseminated by Q4 2013. We expect important learning to emerge and it will be used by Tapologo and SERVE to inform future programming.

The **second outcome** in the SDP is “Enhanced levels of HIV and AIDS healthcare in 9 target communities and young people in target communities empowered to make better choices regarding their sexual & reproductive health”. There are two associated results – 2.1 & 2.2.

**Result 2.1** – Similar to Result 1.2, maintenance and improvement of the physical infrastructure available to Tapologo’s ART Programme is important to its success. Work was completed at Freedom

Park, Phokeng and Boitekong Wellness Clinics – a slight change to the 2012 target sites due to changed priorities at Tapologo. Changes include improved waiting facilities for patients, improved water supply and access for disabled, and a significant expansion of work space at Boitekong clinic. Despite these physical improvements, two of the three centres experienced a reduction in patient numbers in the second half of 2012 as a result of the Department of Health's (DOH) delay in agreeing a timely continuation strategy to replace PEPFAR funding which ends in May 2013. Between October and December 2012, the number of patients on ART fell by 47%, from 1,233 to 656 as they were moved to government clinics. An agreement whereby the DOH will provide ARVs and blood testing services to Tapologo was finalised in April 2013.

Tapologo are confident that patient numbers will now increase. The improved facilities at Boitekong, Freedom Park and Phokeng will help Tapologo to continue to provide comprehensive HIV and AIDS care to these communities. Patients prefer to deal with Tapologo rather than DOH clinics because Tapologo provides holistic services (counselling, support groups, nutritional support and home visits) which DOH clinics do not provide. The location of Tapologo clinics in squatter camps also reduces transport costs for patients. Another important lesson learned is that the local government clinics could not handle the increased number of patients. Doctors in these clinics wrote to the DOH requesting that patients be returned to Tapologo.

Result 2.2 – Effective Sexual and Reproductive Health Rights (SRHR) training has an important role to play in helping vulnerable young people make better choices regarding their sexual health. The TVET programmes run by our partners provide an excellent opportunity to mainstream SRHR training to young people.

The baseline for SRHR “better choices” amongst young people at Tsholofelo, South Africa was established in December 2012, and the targets for 2013-15 were set. “Better choices” covers abstinence, being safer and correct condom use as defined in the UN ABC model. The results in 2012 are broadly in line with the targets. Amongst the three partners that provide SRHR training, the majority of respondents (69% in Zimbabwe, 80% in Mozambique and 83% in South Africa) gave positive answers regarding sexual health knowledge, action and intentions. Comparisons with control groups of a similar profile showed that participants in the SRHR training programmes are more likely to make better choices – this is an important change. The challenge is to maintain and improve on these results over the course of the SDP. SERVE will contribute by rolling out a Youth Leadership Training programme from 2013 with our partners.

Analysis of results has highlighted a number of issues that SERVE and partners need to respond to from 2013 onwards. These include:

- In South Africa, 56% of respondents reported that the media is their primary source of information on SRHR (this compares with 4% in Mozambique and 10% in Zimbabwe). This is a worry for Tsholofelo, as the portrayal of SRHR issues in the media is not accurate;
- There is a gap between knowledge and actions with regard to condom use across respondents at all partners:
  - In South Africa, 85% of respondents stated that condom use can reduce the risk of getting HIV, but only 54% of respondents reported that they used a condom every time they had sex in the past three months. Access to condoms does not appear to be an issue, as 96% reported that they were easily accessible;
  - In Mozambique, 94% stated that condom use can reduce the risk of getting HIV, but only 51% used a condom every time they had sex in the past three months. Availability of condoms was not an issue;
  - In Zimbabwe, 81% stated that condom use can reduce the risk of getting HIV, but only 64% used a condom every time they had sex in the past three months. Again, availability of condoms did not seem to be an issue;



Partners have found the results very helpful in assessing the strengths and weaknesses of their SRHR programmes, and await the next set of results in 2013 to track the change in young people's knowledge, attitudes and actions.

The **third outcome** in the SDP is, "improved employment and self-employment prospects for young adults in targeted communities". There are five associated results – 3.1 to 3.5.

Result 3.1 – The Tsholofelo Community TVET Programme was refined during 2012, which led to some unintended changes. First, it was not possible to run all the original TVET courses because of increased violence and unrest in squatter camps (linked to the Marikana mine strike). Second, there are very low levels of literacy and numeracy in the squatter camps, so Tsholofelo responded to demand from the community and added Adult Basic Education & Training (ABET) to the Programme. This led to an older target group (average age 30) than first envisaged but remains within the scope of the SDP.

Tsholofelo and SERVE undertook monitoring work to assess the levels and source of participant's incomes before and after completing a TVET course. There were a number of important learnings. First, beneficiaries are reluctant to provide financial information, even though all results are confidential. Only 28% of respondents gave financial information which meant that the original KPI was unobtainable, and a refined result and KPI was agreed with Irish Aid. Second, results did show that there was an average 24% increase in post course individual income. Further monitoring work in 2013 will give more concrete figures. This is a positive change and indicates that there is scope in the informal market for beneficiaries to use and earn extra income from their newly acquired skill. Third, the gender disaggregation of beneficiaries shows that 77% of beneficiaries were female, just 23% were male. This reflects the challenge of engaging men in these squatter camps in education or training programmes. Finally, the violence at Marikana, which involved large numbers of unemployed and disaffected people, highlighted the importance of effective and accessible TVET and ABET programmes to respond to the **immediate** needs of marginalised young people and adults. SERVE explored this issue further in the context of violence in squatter camps. Please visit <http://www.serve.ie/public-engagement-campaigns/2013/1/18/telling-the-story-reducing-violence-in-south-africas-squatte.html> for more information.

Result 3.2 – In 2012, work at the Epworth TVET Centre was entirely focused on construction work to expand the Centre. In addition to the SDP funding, SERVE secured funding from other sources in Ireland and the UK to complete the funding requirement. The project is ahead of schedule and is expected to be completed by Q3 2013 and ready for new students from Q1 2014. The only change that can be reported is at output level – the physical progress of the new building, and monitoring work (aided by the Long Term Volunteer) has focused on this. Once the building is operational, outcome monitoring will focus on income & SRHR changes for beneficiaries.

Result 3.3 – The allocation of micro credit funding to Young Africa graduates in Mozambique and Zimbabwe was affected by the late disbursement of funds. A total of 24 young people received loans in 2012 – the gender disaggregation was 46% female, 54% male in Zimbabwe and 11% female, 89% male in Mozambique. A number of applications were pending at the end of 2012 and some funding was carried over at Young Africa Mozambique to facilitate these in early 2013. The repayment rates were off track at the end of 2012 due to late disbursement but the loans were performing. A more accurate picture of the performance of these loans will be available in Q1 and Q2 2013.

Based on previous learning, YA have a strategy in place to maintain the repayment rate. This involves Financial Management training to applicants prior to disbursement of the loan. On a monthly basis the Micro Enterprise Officer visits each of the recipients and assists those encountering problems. The economic environment in Zimbabwe as a whole is quite harsh with inflation influenced by the USD and South African Rand exchange rates. The fact that elections are due in 2013 brings further

uncertainty to an economy still recovering from collapse. Based on their experience, Young Africa Zimbabwe has requested that some of the future micro credit be given in the form of toolkits rather than cash, to facilitate graduates immediate access to the market.

Result 3.4 – The Young Africa Agri Tech Programme is an ambitious one, as YA have been asked to turn 200 hectares of undeveloped rural land into an agriculture training centre for young people and local farmers. Work in 2012 was very much focused on start up and initial development costs. SDP funding was targeted towards essential utility costs including connection to the electricity grid and land boundary and marking costs. For the moment, change and monitoring are focused at the output level as YA puts the infrastructure in place to deliver agriculture focused TVET to young people and farming communities. YA has made good progress in this regard, and the programme can be deemed on track. Young Africa has secured (but is waiting to drawdown) significant multi-year funding from the EU which will speed up development in 2013, and allow for roll out of courses in 2014. Once these courses are implemented we will focus our monitoring on the change achieved in terms of graduate income levels and the self-sustainability level of the Agri Tech campus.

The Provincial Director of Agriculture in Sofala Province has pledged assistance for graduates to obtain unused land from the government, and become active farmers. Discussions are ongoing to formalize these structures, and if successful this will be an excellent example of linking a micro level intervention to the meso level.

This result is also closely aligned with the SERVE Volunteer to Build Capacity Programme. In August 2012, SERVE volunteers worked alongside community members and made a significant contribution to progress at Agri Tech. SERVE'S development education programme focused on the challenge of HIV and AIDS, and allowed us to explain the SDP (including Irish Aid's role) and the volunteer's contribution towards it in Mozambique.

Result 3.5 – The Young Africa TVET Campus at Beira, Mozambique performed well in 2012. SDP funding was targeted towards improving the sustainability and effectiveness of the Franchise Model. An Entrepreneurship Promoter was recruited and is working with the Franchise Holders to provide business training and improve links with local markets. This is having a positive impact on business performance with Franchisees paying 85% of the agreed rental amounts to Young Africa by the end of 2012 (the original indicator of profit margins was not obtainable). Overall, sustainability levels (defined as income vs. running expenses) at the YA campus stand at 82% for 2012 which is a marked improvement on the 2011 figure. Business performance is expected to improve further in 2013 as micro credit funding will be made available to Franchisees to invest in their businesses.

Good business performance for the Franchisees is only one component of the SDP – the real focus is on improving the income levels and employment prospects (in the formal and informal sector) of graduates. Monitoring work completed with a new batch of students in January 2013 meant that a new baseline individual income figure of \$63 a month was set, with targets adjusted for 2013-15. It is too early to quantify the change in income amongst these young people. This will be completed in Q2 and Q4 2013.

Analysis of the data gathered in January 2013 (gender disaggregation – 47% female, 53% male; 75% aged 16-24) shows that only 18% of respondents earned the majority of their income as payment for work or by selling goods. The overwhelming majority, 73% got most of their income from family, relatives or friends. Only 20% of respondents have more than one source of income. This highlights the lack of independent earning power amongst the target group, and their reliance on family structures – something the SDP is trying to change by improving employment and self-employment prospects. A sample of the data is presented here.

Table E: Formal Education Levels of YA Students

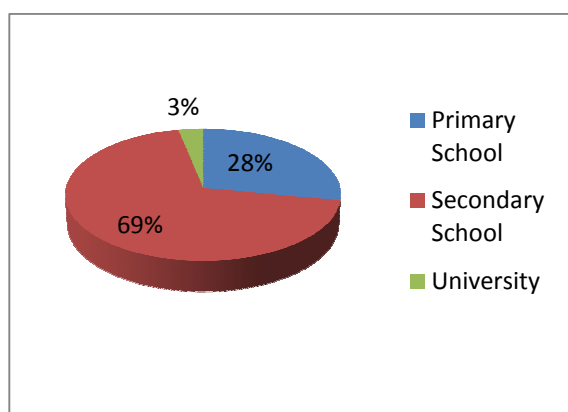
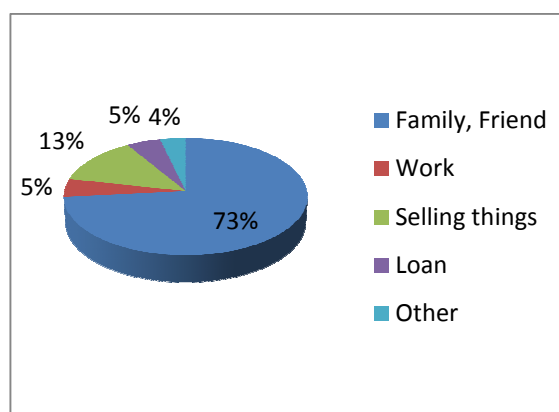


Table F: Income sources of YA Students



**Results 4.1 to 4.3** aim to strengthen the capacity of SERVE and our partners to implement the SDP, strengthen governance and mobilise local communities. These results contribute to the three key outcomes and incorporate elements of the SERVE Volunteer to Build Capacity Programme.

Result 4.1 – SERVE have improved its governance structures as a result of the changes outlined in Section 2. We expect to have a Governance Manual completed by Q2 2013, which will provide a template for replication with partners. Completion of a governance manual with Tapologo, expected in 2012, is therefore behind schedule.

Success of the SDP and our partner’s programmes is dependent on maintaining good relationships with existing key donors and engaging with new donors. We regard the following donors as key donors for implementation of the SDP – Irish Aid, Royal Bafokeng Structures, including Royal Bafokeng Holdings, Royal Bafokeng Administration and the Impala Bafokeng Trust (Tapologo, GOVC Programme), PEPFAR (Tapologo ART Programme, RSA), the European Union (Young Africa Mozambique, Agri Tech) and Wilde Ganzen (Young Africa Zimbabwe).

The loss of PEPFAR funding for the Tapologo ART Programme was a concern for Tapologo and SERVE but the continuation strategy agreed with the Department of Health is to be welcomed. The addition of EU funding to the Agri Tech project is a major achievement for Young Africa and provides significant multi-year funding that will develop infrastructure and allow for rollout of training programmes. Young Africa continues to explore DFID UK and USAID funding opportunities.

Result 4.2 – The SERVE Volunteer to Build Capacity Programme makes a significant contribution to the infrastructure and service outcomes delivered by our partners. Twenty nine volunteers in total were placed in the Programme Countries in 2012.

SERVE believes that recognising the value of volunteer work is an important prerequisite towards successfully harnessing volunteerism as a renewable economic resource for development and the creation of social capital and social cohesiveness. The KPIs in Result 4.2 attempt to quantify this value. However, it was difficult to quantify the combined economic value of international and local voluntary contribution as our monitoring template did not capture the total number of hours provided by local volunteers. This was reviewed in March 2013.

There is a good representation of local community volunteers on the partner’s Boards – which suggests strong local ownership. It was also possible to measure the percentage of the partners workforce contributed by volunteers – the average result was 29% which is a considerable contribution. The Tapologo OVC and ART Programmes are especially dependent on community volunteers but it is important to note that these people are compensated with stipends due to the time and level of effort they provide.

An important learning is that local and international volunteers make a significant contribution to the work of our partners and the SDP but this has never been quantified. There is a risk that the voluntary contribution can be taken for granted. Implementing a good monitoring system can acknowledge the power of volunteering and show appreciation for those who volunteer. SERVE is using the UN Statistics Division “Handbook on Non Profit Institution in the System of the National Accounts” and the International Labour Organisation’s “Manual on the Measurement of Volunteer Work” as a guide.

Result 4.3 – SERVE believes that many of the impacts of our Volunteer to Build Capacity Programme, especially in the areas of social capital, cohesion, personal development and empowerment, are immeasurable. Nevertheless, SERVE does have a responsibility to “tell the story” of volunteerism through case studies, opinion pieces and anecdotal evidence.

The Youth Parliaments that Young Africa operates in Mozambique and Zimbabwe are a good expression of young people becoming empowered and contributing to improved social capital and cohesion. They provide young people with a formal structure to contribute to the running of Young Africa, and also encourage linkages with local communities, so that the benefits of Young Africa’s work are not limited to the teaching campus. SDP funding contributed towards the running of the Youth Parliament at the Young Africa Zimbabwe campus at Chitungwiza.

SERVE explored the role of employment and accessible TVET in reducing violence and anti-social behaviour in South African squatter camps, and looked at the impact of a community campaign focused on access to ABET that was inspired by local volunteers and helped by SERVE volunteers. These case studies document some of the “immeasurable” change that can be associated with volunteering and are available here - <http://www.serve.ie/public-engagement-campaigns/>

The final section of SERVE’S Results Framework relates to **strategic engagement with the Irish public**. The outcome is “increased awareness that leads to active participation amongst a targeted constituency in supporting development initiatives pivotal to reducing vulnerability and enhancing livelihood security”. After correspondence with Irish Aid, the Results Framework was adjusted to include two Results – 5.1 & 5.2.

Result 5.1 – SERVE mainstreams development education into all stages of the Volunteer to Build Capacity Programme. It makes an important contribution towards increasing awareness of development issues amongst volunteers, inspiring people to think critically about development issues and become active citizens. The volunteers who went to South Africa and Mozambique focused on issues related to HIV and AIDS, and were informed about the SDP, their role within the SDP and the work of Irish Aid in these countries. A very high proportion of volunteers (91%) rated the SERVE development education programme as “beneficial” or “very beneficial”. Of more interest and importance was the impact of the SERVE development education programme on volunteers post placement. A new monitoring template focused on awareness levels, critical thinking and active citizenship, and showed generally positive results. Awareness of development issues rose from 45% pre placement to 73% post placement. A baseline for critical thinking was set (no pre placement data was available) – 75% said they think critically about development issues post placement, and this will be tracked in 2013-2015. A baseline for active citizenship was also set (63%) and this covers those who are actively involved in campaigns or spoke formally about their experiences. We estimate that 6,000 people benefitted from this degree of “active citizenship”.

One expression of Active Citizenship is involvement in SERVE Solidarity Groups, which are regional groups in Ireland working to build SERVE’S profile. Overall, there is an 8% participation rate amongst all past SERVE volunteers. A 20% participation rate amongst 2012 volunteers suggests that involvement is higher in the year immediately post placement and reduces as past volunteers secure employment or relocate. The challenge for SERVE is to try and retain people on Solidarity Groups for as long as possible.

Result 5.2 – Advocacy, engagement of SERVE volunteers and stakeholders, mainstreaming of the MDG agenda and the impact of volunteering on the development process contribute towards change in favour of the MDGs and role of the voluntary sector on the development process. In 2012, SERVE’S advocacy campaign on HIV and AIDS focused on raising awareness amongst volunteers and young people in the Republic of Ireland and Northern Ireland. Young people in Northern Ireland were challenged to live the life of a person with HIV for a day as part of the “£1.27 Challenge”. Increased awareness of HIV and AIDS issues amongst participants and a wider audience was the major change achieved.

SERVE’S “Focus On” newsletter engages with our volunteer network and supporters on development issues. It is sent to 750 people each quarter and a special edition in 2013 reviewed the 2012 MDG Report as relevant to the SDP. There were a number of interesting learnings, with similar indicators being used to track youth unemployment, child nutrition and HIV transmission. This is available at [www.serve.ie/sdp](http://www.serve.ie/sdp)

Finally, SERVE also prepared a case study to discuss the “Impact of Volunteering on the Development Process” focused on South Africa and Mozambique. The case study reflects on perceptions of volunteering and the impact it can have from an African perspective. Vernam Timbini, who has worked with SERVE in Zimbabwe and Mozambique for a number of years highlights the impact of volunteering on breaking down gender stereotypes. “I appreciate [SERVE] sending volunteers down to Africa. In Africa, men aren’t supposed to do this, women aren’t supposed to do that.” He points out the benefits of male and female volunteers working together on building projects in Mozambique, with female volunteers “moulding bricks, painting and mixing mortar. Here they say a woman can’t do that... it’s strengthening the idea of gender that we’re all equal.” The case study is available here - [http://www.serve.ie/storage/sdp-2012-15/Impact\\_Volunteering\\_Development.pdf](http://www.serve.ie/storage/sdp-2012-15/Impact_Volunteering_Development.pdf)

In order to boost engagement with the Irish public and provide transparency around the SDP, SERVE added a page to our website dedicated to the SDP. The SERVE website had approximately 120,000 views in 2012.

### **3 C: Further Programme Progress**

SERVE’S strategy to influence **policy development at the meso and macro level** relies on the development of external research and evaluation to support what we believe to be good development programmes. In 2012, we planned to begin research into Tapologo’s Godisanang OVC Programme which is a partnership between local government (funder & facilitator), Tapologo & local communities (manager & implementer) and private service providers (support implementers). The purpose of the research is to evaluate the effectiveness of the programme (by drawing on existing monitoring data including data generated through the SDP), the implementation model and consider the opportunities for replication – which would be an excellent practical example of influencing policy at the meso level. As already detailed in Section 3B, this research is behind schedule but can still be achieved by Q4 2013. Once completed, key learning will be used to influence future programming. A dissemination strategy focused on understanding and action will be implemented and will involve making the research freely available, development of a research summary document and a policy brief to assess how learnings and/or new evidence has implications for OVC programming.

**Oversight** and quality assurance from SERVE HQ is achieved through the following structures and procedures:

- An MOU is in place with all SDP partners outlining the standards to be achieved in our partnership;

- ☑ A contract is signed before any funding is transferred. This contract outlines the exact use of funding, the process to request an alternative use of funding if necessary and the monitoring requirements of the grant – linked directly back to the Results Framework;
- ☑ Partners forward narrative and financial reports to SERVE HQ on a regular basis, and have also responded quickly to ad hoc requests for information throughout 2012;
- ☑ The SERVE Long Term Volunteer who is placed in the Programme Countries has an important oversight role, and has made two monitoring visits to three of the four SDP partners, and one visit to the remaining partner during his placement so far. The Long Term Volunteers is a competent and qualified person acting in a professional capacity with our partners;
- ☑ There were two further visits from SERVE HQ during 2012 to the partners in South Africa and Mozambique. A Terms of Reference was set for all visits, and all meetings were documented and standard report forms completed where necessary; and
- ☑ All recommendations from visits are fed back into a Control Sheet which assigns ownership and a timeframe for follow up.

SERVE HQ provided **technical assistance** in the following areas (discussed in more detail elsewhere in the report):

- ☑ Design and implementation of Results Focused monitoring systems. Test runs and training of local staff carried out by Long Term Volunteer;
- ☑ SERVE Volunteer to Build Capacity Programme provided technical assistance in construction and infrastructure development components;
- ☑ Capacity building in the area of financial management at Tsholofelo by supporting a key staff member to undertake financial management training in 2013 and improving the policy framework at Tsholofelo (see Section 5 for more information).

SERVE'S approach to **sustainability and exit strategies** involves ongoing discussions with partners on the following issues: local management structures, promoting good governance, transparency, dependency ratios, income diversity, community involvement, the role of local authorities, training needs, succession planning and measuring programme effectiveness. SERVE believes that the halfway point of the four year programme is a good time to review agreed targets and formulate the next stage of engagement or an exit strategy. It is, however, important to consider the following points and trends noted in 2012:

- ☑ Three of the four programme partners (Tapologo, Young Africa Mozambique & Young Africa Zimbabwe) have good donor diversification and are not entirely reliant on SDP funding to run their programmes. Core costs are funded through a combination of donors and/or income generating activities. SDP funding is targeted towards components that add value, strengthen existing programmes and develop the infrastructure capacity of partners. For example, SDP funding at Young Africa Mozambique was used to recruit and resource an Entrepreneurship Promoter who works with franchise holders and graduates to improve business performance and develop market linkages. This contributed to a high self sustainability levels at Young Africa Mozambique's Beira campus, in terms of generating income to cover core costs;
- ☑ Tsholofelo are dependent on SDP funding to run the Community TVET Programme. Efforts to broaden the donor base in 2012 by SERVE and Tsholofelo were unsuccessful and if this continues, there is a concern around post SDP sustainability. We will continue to work towards broadening the donor base and building Tsholofelo's capacity to secure donor funding. However, it is also important to acknowledge that if SERVE were to discontinue the partnership with Tsholofelo, they would still continue to offer good development

programmes to the squatter camp communities in the areas of health care and early childhood education; and

- ☑ All of the SDP partners have good structures in place to ensure good levels of institutional and reputational sustainability. These include strong management structures which are rooted in the communities served, openness to learning and improving their policy frameworks and good financial management structures. The MANGO Financial Management Health Check was completed with Tsholofelo and the results were generally positive. Weaknesses were found in the areas of written policies and training, and these are being addressed with support from SERVE.

The **cost of fundraising** compared with previous years has reduced by 6% (from €15,722 to €14,781). In 2012, SERVE's **fundraising strategy** focused on: (1) consolidating good relationships with existing institutional donors in Ireland; (2) developing new relationships with institutional donors and trusts in Northern Ireland and the UK; (3) realignment of staff roles, implementation of a fundraising operational plan with clear targets and moving responsibility for general fundraising activities to the Galway office; (4) shifting the focus from large scale fundraisers (e.g. Flip Flop Friday, our national fundraising day) towards running a higher number of "smaller" but more interactive fundraising events (e.g. Four Peaks, Run-a-Muck); and (5) building capacity of Solidarity Groups to engage in local fundraising (e.g. church gate collections, table quizzes).

The key **outcomes** were:

- (1) Grant income (institutional donors) increased by 24% from 2011 to €856,338;
- (2) For the first time SERVE secured funding from institutional donors/trusts in Northern Ireland and the UK. This significant funding contributed towards the SDP in 2012;
- (3) SERVE made funding applications to DFID for the first time in 2012. Ultimately these applications were unsuccessful but there were important learnings and we are planning further applications in 2013; and
- (4) Total voluntary income from the Irish public increased by 5.6% from 2011 to €583,395.

#### **4. SERVE'S PARTNERSHIP APPROACH**

SERVE remain committed to the partnership approach to development, which promotes participation of communities in design, implementation and evaluation of projects. SERVE continues to implement the SDP with our four key partners – (i) Tapologo, RSA (HIV and AIDS sector, including OVC and ART Programmes); (ii) Tsholofelo, RSA (Education, vocational skills training and primary health care); (iii) Young Africa Zimbabwe (vocational skills training for young people, including SRHR training); and (iv) Young Africa Mozambique (vocational skills training for young people, including SRHR training). They are the direct recipients and managers of SDP funding (they do not sub-grant to other local organisations).

SERVE is committed to the capacity development of our partners, and developed a Results Framework focused on capacity development. The progress towards these results has already been outlined. In addition to these three results SERVE have strengthened partnership and capacity by:

- ☑ Working closely with our partners to develop a robust monitoring system to collect the information needed for the Results Framework. This was done in a transparent and receptive manner. There were a number of lessons learned by SERVE and our partners (these are discussed in the next section). Overall, this process have been informative and useful – our partners have been able to use some of the information gathered through the SDP to complete successful applications to other donors;

- ☑ There is a strong system of accountability in place. Grant contracts are clear and understood by partners. There is good communication between SERVE HQ and partners – progress and difficulties were discussed in an open manner;
- ☑ Although the research element was behind schedule in 2012, we are confident that this will be achieved in 2013 with Tapologo, Tsholofelo and Young Africa Mozambique. This will promote an evaluation and lesson learning culture and add value to the existing partnership relationship – building capacity for both partners;

The percentage of total incoming resources that is on-granted to implementing partners is communicated in Annex 3 as 59%. This was the actual percentage on-granted funds in the financial year January 31<sup>st</sup> 2013, but underestimates the real percentage of on-granted expenditure which is closer to 80%. The understatement is due to the timing issue related to Misesan Cara grants mentioned in Section 6, page 21.

## 5. SDP MONITORING & LEARNING PROCESS

Much of the focus of the first year of the SDP has been on the establishment of a robust and reliable monitoring process. New templates were designed to capture the following data:

- ☑ Nutrition status of OVC on the Godisanang OVC Programme, RSA (based on WHO standards);
- ☑ SRHR awareness levels and decision making of young people (based on UN ABC model);
- ☑ Income levels of beneficiaries of TVET Programmes;
- ☑ Economic value of economic contribution of international and local volunteers to partners programmes (influenced by John Hopkins University, ILO and UN models); and
- ☑ Impact of development education on SERVE volunteers based on awareness levels, critical thinking and active citizenship.

These templates have worked well, with the exception of the template to capture the economic value of volunteering which is being refined for 2013. The majority of data required to update the Results Framework was gathered. Partners welcomed the monitoring process and have acknowledged the following benefits: (1) availability of accurate primary data to improve programming; (2) availability of primary data to contribute to funding applications and reports to a range of key donors; and (3) opportunity for local staff to build their skills in the area of monitoring, data collection and data analysis.

A Control Sheet is kept at SERVE HQ which records each monitoring exercise, the positive and negative learnings and follow-up steps required. In 2012, a number of lessons were learnt which will improve the monitoring process in the future. These include:

- ☑ All partners are now competent in completing the monitoring work after training provided from SERVE HQ and the Long Term Volunteer;
- ☑ Monitoring templates must be designed in a participative manner. Partners have a unique understanding of what is possible and acceptable in this regard. For example, the design of the SRHR questionnaires was very time consuming because of the sensitivities and taboo of talking about sex in certain communities. This was particularly true in South Africa where people administering the questionnaires were often younger than the people completing them. It took a lot of persuasion and explaining before beneficiaries gave their consent;
- ☑ Literacy levels in the squatter camps in South Africa are much lower than amongst the target groups in Mozambique and Zimbabwe. Therefore the monitoring templates used in South Africa need to be shorter and simpler;



- ☑ In general, beneficiaries appreciate being asked their opinion as long as the purpose of the monitoring work is clearly explained. This makes it easier to complete multiple monitoring exercises with them throughout the SDP;
- ☑ Somewhat surprisingly, control groups were very open to taking part in the monitoring process, often without being incentivised. If this trend continues the costs of monitoring and evaluation may be lower than envisaged; and
- ☑ Monitoring work in Zimbabwe proved to be more difficult than other programme countries. For example, when young people were asked to complete questionnaires to gauge income levels they were initially reluctant as they believed the questionnaires were an attempt by the government to profile people in advance of the upcoming elections. Clear explanation of the purpose and context of the monitoring exercises is needed.

The main changes that can be attributed to the monitoring and learning process are:

1. With regard to the Godisanang OVC Programme, Tapologo must implement a strategy to respond to the alarming levels of stunted growth. A holistic and comprehensive response may not be possible due to resource and technical constraints but it may be possible to provide training to Child Care Workers to identify vulnerable children at an earlier age; and
2. In response to the low repayment rates of micro credit funding (partly due to late disbursement of funds) Young Africa Zimbabwe have requested that some of the micro credit funding be provided in the form of toolkits to allow graduates to immediately begin working in their chosen skill. This is in response to the growing occurrence of graduates receiving cash and starting a business in a non related skill to that in which they graduated.

With regard to resource allocation decisions by SERVE, we believe that it is still too early to make decisions based on the monitoring results to date. By 2014, we will have 18-24 months worth of monitoring data to influence allocation decisions – to either target funding towards components that are working so that successes can be scaled up, or provide additional support towards components that are struggling.

SERVE submitted a comprehensive evaluation plan to Irish Aid to support the SDP and it had the following components: (1) Surveys & Baseline Development; (2) Internal Audit; (3) External Audit; (4) Internal Evaluations; (5) External Evaluations and (6) Research & Publications. The following progress can be reported:

1. Ongoing Surveys and Baseline Development were completed as planned and contributed to this report and 2013 updates to Irish Aid;
2. An internal audit of the financial structures of Tsholofelo was completed slightly behind schedule, in Q1 2013. The MANGO “Not-for-profit organisation Financial Health Checklist” was used;
3. SERVE are awaiting audited accounts from our partners for the year 2012 and it is expected that we will achieve the target of having 70% of partner expenditure audited by August 2013;
4. (a) There are ongoing internal evaluations of the SDP completed by the SERVE Programme Office which contributed to this report and updates provided to the Board; (b) SERVE completed and maintains a risk register for the SDP, which will be reviewed in May 2013; (c) SERVE completed Comhlahm’s Code of Good Practice Self Audit in December 2012;
5. Although originally planned for 2013, SERVE undertook an external evaluation of Comhlahm’s COGP in December 2012. The formal report has been received and a management response issued;

6. (a) As already mentioned, the GOVC research is behind schedule; (b) With regard to the Evaluation of the Young Africa Hostel Programme, it was decided to not undertake this research as the model YA will use at the new Agri Tech centre (boarding facilities) will be different to the Hostel Programme model used at their centres in Beira, Mozambique and Zimbabwe (targeted at teenage orphans and vulnerable girls, with rehabilitation components included).

These exercises resulted in a number of important lessons and recommendations, some of which have already been referred to in this report. Other recommendations include:

- Financial management structures at Tsholofelo are strong. However, there is a need for formal financial management training to be undertaken by the Project Coordinator. The Project Coordinator will complete two financial management courses (run by MANGO) in South Africa in July 2013. In addition, there is some work to be done with Tsholofelo with regard to written policies;
- Overall, the results of Comhlahm’s COGP audit were very positive for SERVE. Comhlahm noted that the audit “documents substantial and comprehensive levels of good practice which are embedded in organisational structures and norms”. Comhlahm also noted SERVE’S “consistent and strong engagement with the issues of good practice and willingness to share reflections and learn from others in the spirit of collaborative learning and improvement in the overseas volunteering sector in Ireland”. However, there were a number of recommendations made so that SERVE could improve our volunteer programmes and the following actions are currently being taken as a result:
  - ☑ Clearer MOUs with partners to outline the resources SERVE can provide;
  - ☑ Strengthening of our Child Protection Policy to include vulnerable adults;
  - ☑ Development of a formal Debriefing Policy for volunteers on their return to Ireland;
  - ☑ Development of formal monitoring and evaluation procedures for the volunteer programme;
  - ☑ Development of an equality policy that reflects the spirit of Irish equality legislation; and
  - ☑ Development of guidelines on gift giving, and safe and ethical fundraising.

## 6. EXPENDITURE & SERVE’S KEY FINANCIAL INFORMATION

### (a) Commentary on Expenditure against Approved Budget:

*Table G: Summary of SDP 2012 Expenditure – Irish Aid funding only (as of December 31<sup>st</sup> 2012)*

Category	Budget €	Spent (31-12-12) €	% Variance
Direct Costs	256,500	242,601	5.40%
Programme Quality Costs	16,638	2,598	84.30%
HQ Admin Costs	17,435	17,435	0
<b>Total</b>	<b>290,573</b>	<b>262,634</b>	<b>9.60%</b>

With regard to direct costs, there was an underspend of €13,899. This consisted of:

- ☑ Under-spend of €4,823 (1.6%) on the Tsholofelo Community TVET Programme in South Africa. SERVE received funding from Irish Aid in **July 2012**. After contracts were agreed, SERVE transferred the grant of €45,000 to Tsholofelo on August 9<sup>th</sup> 2012. Due to this late transfer of funds, Tsholofelo was only able to expend 89.3% of the grant before the end of

the year. In order to allow for the restart of the programme in February 2013, the funding of €4,823 had to be spent in early 2013. This gives the Programme the strongest possible chance of meeting the 2013 targets;

- ☑ Under-spend of €6,841 (2.4%) on the Young Africa TVET Programme at Beira, Mozambique. After contracts were agreed, funding of €40,000 was transferred to Young Africa Mozambique on 27<sup>th</sup> July 2012. The under-spend relates to the microcredit for young people component. Young people graduate from Young Africa twice per year – in June and December. Young Africa makes microcredit available after both graduation ceremonies. Due to the late transfer of funds, YA was not able to offer microcredit to the June graduates. Applications have been made by the 2012 graduates in December, and by the end of 2012, 9 young people received loans. Further applications for microcredit were made before the end of the year, and YA waited for a decision from Irish Aid regarding carryover of funds; and
- ☑ Under-spend of €2,235 (0.8%) on the Long Term Volunteer component. Due to serious delays in the LTV acquiring his Visa (outside the control of SERVE), he did not begin the placement until October 2012, despite the application process starting in August 2012.

With regard to Programme Quality costs, there was an underspend of €14,040. This was the result of the late start of some programme components and research work being behind schedule. In addition, the accounting treatment was based on cash paid rather than accruals basis. The costs under these headings will not be incurred until expenses are paid in 2013.

*Table H: Summary of SDP 2012 Expenditure, per country – total programme expenditure*

Category	Budget €	Spent €	% Variance
Direct Costs – RSA	613,377	415,475	32%
Direct Costs - Zimbabwe	375,087	258,675	31%
Direct Costs - Mozambique	844,267	513,772	39%
Indirect Costs (PQ, Admin)	130,851	71,042	45%
<b>Total</b>	<b>1,963,582</b>	<b>1,258,964</b>	<b>36%</b>

The variances can be explained as follows:

- ☑ In South Africa, (i) SERVE made an error in the preparation of the budget relating to infrastructure development work at Tapologo’s Wellness Clinics, which incorrectly inflated the 2012 budget. A four year plan was agreed with Tapologo costing €123,500. This total was included in the 2012 budget, instead of being spread across the four years of the SDP. This was corrected in the 2013 submissions; and (ii) Neither SERVE nor Tsholofelo were able to secure significant funding from another source to support the Community Skills Training Programme;
- ☑ In Zimbabwe, Young Africa (i) achieved savings on the running of their programmes in the areas of HR and running costs; and (ii) did not secure funding from other donors to purchase specific equipment worth approximately €20,000;
- ☑ In Mozambique, there was a considerable underspend because Young Africa was waiting to drawdown significant EU funding which they expected to receive in October 2012, but was delayed to Q1 2013. This funding is worth €712,000 in 2013; and
- ☑ With regard to Indirect costs, there was a significant underspend in (i) the Programme Quality components of research & learning, organisational development and monitoring & evaluation (explained earlier); and (ii) HQ administration costs were lower than budgeted due to prudent management and regular review of cost base.

## (b) Commentary on key org financial information & audit assurance

SERVE operates in the two jurisdictions on the island of Ireland. SERVE operates under distinct charity numbers in the South of Ireland and the North of Ireland. Separate accounts are maintained for the two charities. The financial aggregate outcome for SERVE is included in Annex 3. The salient financial information for the **South of Ireland** is presented in € and the outcome for the year Jan 31<sup>st</sup> 2013 is as follows:

	<b>2013</b>	<b>2012</b>
Total Income (€)	1,403,648	1,286,744
Total Restricted Income (€)	1,148,018	996,970
Total Unrestricted Income (€)	255,630	289,774
Grant Income (€)	856,338	753,254
Voluntary Income (€)	547,310	533,490
From the Irish Public (€)	492,901	460,613
Total Resources Expended (€)	1,200,664	1,071,547
Direct Charitable Expenditure (€)	1,178,102	1,050,738
Direct Programme Costs (€)	1,114,932	1,008,880
Unrestricted Reserves (€)	160,963	165,812

This financial information is drawn from the audited accounts for the year ending January 31<sup>st</sup> 2013.

The salient financial information for the **North of Ireland** is presented in £ and the outcome for the year ending Jan 31<sup>st</sup> 2013 is as follows:

	<b>2013</b>	<b>2012</b>
Total Income (£)	107,690	78,589
Total Restricted Income (£)	56,974	44,267
Total Unrestricted Income (£)	50,716	34,322
Grant Income (£)	0	0
Voluntary Income (£)	107,690	78,589
From the Public (£)	76,690	78,589
Total Resources Expended (£)	35,297	84,879
Direct Charitable Expenditure (£)	35,297	84,111
Direct Programme Costs (£)	20,926	69,191
Unrestricted Reserves (£)	41,170	24,174

This financial information is drawn from management accounts. The audit for SERVE in the North of Ireland for the year ending January 31<sup>st</sup> 2013 is not yet complete. It will be completed in June 2013.

### **Commentary**

The financial outcome for the year ending January 31<sup>st</sup> 2013 shows:

- The SERVE/ Irish Aid ratio is 44%: 56%;
- Unrestricted Income is 20.6% of total incoming resources;
- The final year unrestricted reserves are responsibly higher than the minimum required;
- There are cash reserves of close to €1.2m between the South of Ireland and the North of Ireland as at January 31<sup>st</sup> 2013. There are four important factors relevant to an analysis of these reserves: (1) €210,679 represents a prudent unrestricted reserve balance; (2) There is €420,000 that relates to a long term school development in Haiti, delayed due to planning

and legal issues related to the burial of earthquake victims. Some progress on the legal front is reported in the last four weeks; (3) There is €347,606 of Mísean Cara grant funding, which is a balance that is uncharacteristically high, due to the timing of the receipt of funds from Mísean Cara. Funding was received in January 2013, which is the last month of our financial year. These funds were not transferred before the end of the financial year but have been transferred in the new financial; (4) The remaining reserves of approximately €220,000 represent a combination of €16,638 of Irish Aid funds unspent, €19,198 of third world group funding unspent and a prudent reserve of restricted funding spread between and in support of the projects in our priority countries;

- The 15% increase in salary costs is due to the employment of an additional staff member in September 2012; and
- The financial statements for both SERVE in the South of Ireland and the North of Ireland are prepared following the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities 2005 and with the Companies Acts 1963 to 2012.

### **Audit Assurance**

The following level of external financial audit assurance was achieved for the year ending January 31<sup>st</sup> 2013:

1. The Volunteering to Build Capacity Programme (€225,602) – 100% external audit assurance;
2. The Development Programme ( €889,274)- 66% external audit assurance;
3. The Development Education Programme ( €16256)- 100% external audit assurance;
4. Shared Advocacy and Fair Trade ( €4105)- 100% external audit assurance;
5. Administration ( € 65427)- 100% external audit assurance;
6. Sterling expenditure- (£35,297)- 100% external audit assurance;

The overall external audit assurance rate for the year ending January 31<sup>st</sup> 2013 on expenditure of €1,242,314 was 76%.