Community Driven Development in South Africa, 1990-2004

David Everatt
Lulu Gwagwa

October 2005
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Abstract

South Africa has a rich history of community-based development which provides a strong foundation for community-driven development (CDD). With the advent of the democratic era in 1994, Government has pursued an explicit strategy to formulate public policy, plan and establish fiscal frameworks that are directly supportive of community empowerment.

The frameworks that have been put in place to allow the local sphere to support community empowerment are impressive. Local councils are subject to validation through regular access to free and fair elections. Local government jurisdictions now cover 100 percent of South Africa’s land area and all residents of the country, and the 284 local governments are explicitly tasked with responding to most service and infrastructure demands of communities. The planning process of the public sector is driven by Integrated Development Plans (IDPs) that are intended to be based on extensive consultation with communities. The country’s medium term planning process plays out in all local government jurisdictions and affords all citizens the opportunity to influence the allocation of public resources to meet community demands. The intergovernmental fiscal framework supports both the governance structure and the IDP process by making predictable and transparent allocations of both unconditional and conditional grants to local governments to meet community demands. In 2003/4 more than US$2 billion in grants were made available to local governments through the Division of Revenue Act (DORA). Local government own resources, derived from property taxes, user fees, licenses, etc, multiply DORA funding several times over.

However, the development impact of the programs supported by these frameworks lags behind. One of the explanations for this lack of impact could be the lack of real community participation in these programs. The objective of this study was therefore to analyze CDD in South Africa since 1991, the year in which the race-based Group Areas Act was rescinded. The study covers the history, the development of the supporting institutions of decentralization, the degree of community empowerment and capacity development already achieved within that framework, and the obstacles still standing in the way of fully accountable community empowerment and scaling up. The analysis identifies the key policy constraints to improving the implementation of service delivery and development programs across sectors and spheres of government.

Following best practice in Community-Driven Development, the design and supervision of this study was a co-production between four Bank units in the Africa Region. The CDD Steering Committee co-financed this review out of the Trust Fund for Environmentally and Socially Sustainable Development as part of its program to incorporate the CDD “lens” into government policies. The Water and Urban 1 Technical Unit used its supervision budget for the Municipal Finance Management Technical Assistance Project, because of the connection to the Municipal Finance Management Act, which allows for direct grants from local governments to community groups. The Human Development 1 Unit used its staff budget to promote community empowerment and participation as drivers for ‘voice’ and ‘choice’ for the poor to influence policy decisions and resource allocation in their thereby creating opportunities to improve their livelihoods. And the Environmentally and Socially Sustainable Development Unit 1 used its Technical Assistance budget for support to rural development, land reform and the environment, because of the importance of making South Africa’s land reform and environmental programs more beneficiary-driven.

The World Bank team was composed of Aziz Bouzaher, David De Groot, Jacomina de Regt, Norbert Mugwagwa and Rogier van den Brink. The Peer Reviewers were Hans Binswanger, Jim Hicks and Ian Goldman. Rick Scobey and Jaime Biderman were the Sector Managers, and Ritva Reinikka was the Country Director. We all hope that this study will be thought-provoking and useful to policy makers, practitioners, and communities in South Africa.
Acknowledgement

Nolulamo Nobambiswano (Lulu) Gwagwa is one of South Africa's leading development thinkers and practitioners. She has a PhD from the University College London, an MSc from the London School of Economics & Political Science, a Masters in Town and Regional Planning from the University of Natal, and a Bachelor of Arts with University of Fort Hare. With a MSc cum laude from London University she was the first black person to qualify as a town planner at the University of Natal in 1980. She was one of only five finalists in the 2001 Businesswoman of the Year Award.

Her recent appointments include Deputy Director-General of the National Public Works Program in the National Department of Public Works (1995-8) and Chief Executive Officer of the Independent Development Trust (1998-2004). She turned the IDT from a grant-making agency into a development implementation management agency, with a capital base of R1.5 billion. Since 1998 the IDT has managed development programs to the value of R1 682 million, including the coordination of the Government's Integrated Sustainable Rural Development Program. She is currently a private consultant.

David Everatt is a seasoned and prolific development expert with a BA from the University of East Anglia, UK, and PhD from the University of Oxford. He has taught economic history at the University of Cape Town, and was Editor (History in the Making) at the South African History Archive (SAHA). From 1990 to 1998, he worked for the Community Agency for Social Enquiry (CASE), ultimately as the Executive Director, transforming a donor-dependent NGO into one of the first completely financially self-sufficient NGOs in South Africa. David is a private consultant and has worked in South Africa, Kenya, Uganda, Lesotho, Nigeria, and Russia. David has undertaken a plethora of projects, including as project manager for the IDT, South African Breweries, Sirius Youth Development, the National Department of Public Works (evaluating the Community Based Public Works Program 1999/2000 and 2000/2001), the Office of the President (finalizing the Medium Term Strategic Framework), the so-called "Like-Minded Donors Group" in Kenya, Kellogg Africa Program, the Department of Public Works (evaluating the Rural Anti-Poverty Program), the Department of Provincial and Local Government (developing a national monitoring framework for South Africa), the Department of Public Works, and the Constitutional Assembly of South Africa.
# Table of contents

**Introduction** .................................................................................... 1

- The South African model in brief .......................................................... 4
- A brief history of community mobilisation: 1983-1994 ............................ 8
- The civic movement ................................................................................ 9
- Apartheid's last gasp and CDD ................................................................. 13
- Civil society ............................................................................................. 14
- The current state of the non-profit sector ............................................... 15
- Leadership and capacity problems ......................................................... 19
- Funding streams ...................................................................................... 20

**Part 2: The evolution of ‘developmental local government’.** 22

- Deepening democracy and accountability? ........................................... 24
- Going to the grass-roots ......................................................................... 25
- Community Development Workers ......................................................... 25
- Government and CDD ............................................................................ 28
- The Evolving Fiscal Mechanisms ............................................................. 29
- IGFR .......................................................................................................... 30
- Revenue allocation and the local sphere ................................................ 32
- Scope for CDD within the emerging decentralisation framework .......... 33

**Part 3: Findings from the South African case studies** .......... 35

- The case studies: an overview ............................................................... 36
- Context .................................................................................................... 37
- Government .............................................................................................. 37
- Civil society .............................................................................................. 38
- Leadership & management .................................................................... 38
- Sustainability ........................................................................................... 41
- Ownership/support/dependence ............................................................. 43
Appendix 1: The Mongoaneng Development Forum ................. 47
Appendix 2: Morapalala Water Project ................................. 57
Appendix 3: Motherwell Youth Development Forum ............... 66
Appendix 4: Tembisa Self Help Association of the Disabled (T-SHAD) from advocacy to income-generating projects.................... 73
Appendix 5: Tswelo Pele Pitso: Women’s Co-operative ........... 80
Appendix 6: Terms of Reference .......................................... 88
a. This paper analyses the status of Community Driven Development (CDD) in South Africa. It outlines the historical context, analyses the emerging governance model and financial management system, as well as the status of civil society. It notes that the environment (legal, fiscal, policy and so on) exists for CDD, but that CDD is considerably under-utilised. As a result, just five case studies of CDD projects are offered, to better assess how applicable CDD is in South African conditions. The case studies suggest that CDD is a robust addition to the developmental arsenal, while remaining an option where local conditions are suitable rather than a blueprint to be rolled-out at scale. It ends by offering recommendations for taking CDD forward.

b. The governance model in South Africa is still evolving, but it is clear that South Africa is committed to local development and service delivery using a decentralised system of government with strong community involvement. Government is strongly supply-driven, and heavily focused on speed and delivery in dealing with the historical backlogs it inherited. Appropriate constitutional provisions are in place, alongside local government structures (still taking shape, with many lacking critical capacities), key elements of the intergovernmental fiscal system, and a (possibly over-elaborate) planning system. These are the foundations on which the realisation of government’s development intentions must be built.

c. A large and economically important civil society sector exists, in which blacks and women play a very important role. The struggle against apartheid also left a powerful legacy of community-based organising and mobilising. The immediate post-1994 period, however, created something of a passive ‘recipient’ mind-set which remains a barrier to more recent participative planning systems. Moreover, local governments often act more as gate-keepers and controllers than as facilitative bodies allowing communities to control resources and resource allocation.

d. As a result, these foundations have yet to result in significant involvement by communities in planning, project identification, or widespread participation in the implementation of local development programmes and/or service delivery.

e. Community-based development remains far more widespread than community-driven development (CDD), in which communities have control over project identification, project resources and implementation. Community participation as a result remains wedged at the level of consultation during planning, and subsequent involvement in the running and maintenance of projects. It seems to be only a few central government programmes that have moved in the direction of CDD; provincial and local government, and even NGOs, are not yet using this approach.

f. Reasons for this disconnect between intentions and institutional preparation on the one hand and reality on the other include:

g. Local governments use ward committees to involve communities, but their status is not yet well defined and their functionality far from even. They often operate as extensions of local government, rather than independent community structures.

h. There are no budgets for ward level initiatives, such as a community fund.
i. The National Development Agency is too centralised and sets very high barriers for NGOs and communities to receive any funding.

j. As a consequence there are therefore few options for communities to receive small amounts of money and start building capacity via a learning-by-doing process.

k. Monies from the equitable share grant could be used for this purpose, but are not.

l. Government agencies at all levels are reluctant to ‘let go’ and transfer control to communities, particularly true of the project identification function.

m. Local development is linked to a very elaborate three year development planning process, in which communities are supposed to play an important role. Neither local governments nor communities have the capacity for such elaborate planning and therefore rarely overcome the hurdles to accessing funds. The planning and project identification process has become consultant-driven, rather than community-driven. This reflects international experience that decentralisation alone cannot lead to a systematic bottom-up planning process, which is then abandoned; annual budgets are the primary planning tool at local levels, and incentives and guidelines are used to bring those in line with national priorities.

n. Efforts to ensure accountability are focused on upwards accountability, rather than horizontal and downwards accountability.

o. Reflecting and reinforcing this upward emphasis, the disbursement and auditing rules of the South African state have not yet adapted to a decentralised and community-driven mode of operation. As a consequence, accounting officers behave in a very risk averse way.

p. NGOs, surprisingly, are also not using the CDD approach, and are stuck in a service delivery model that disempowers the communities they are supposed to serve. That may also be a consequence of the onerous rules and planning requirements which govern access to funding.

q. The paper concludes that there is too much emphasis on onerous planning and upward accountability; on capacity building preceding action; no substantive opportunities exist for learning by doing; and there seems little willingness to let go of the critical identification and implementation functions, as well as control over money, to communities. Despite this, the case studies on the whole find positive outcomes for the CDD approach, and no instances of financial mismanagement. The paper recommends broader use of CDD, tempered by the reminder that CDD is not a blueprint but an option to be assessed in situ.
Introduction

1. Community-driven development (CDD) covers a wide range of practices and is subject to some definitional contestation. In this report, CDD refers to a set of practices that, generally speaking, seek to give control of decisions and resources to community groups. The 5 principles of CDD – empowering communities, empowering local authorities, realigning the centre to support CDD, promoting accountability and capacity building – apply equally to more traditional nations of community-based development, which for some are included within CDD. Our Terms of Reference (found at Appendix 6: Terms of Reference) directed us to examine CDD in its narrower definition, where “…allocative efficiencies … result from control of resources by end-users who have the greatest degree of knowledge about their own priorities”.

2. To be effective, CDD commonly requires strengthening civil society, particularly community-based organisations (CBOs); bolstering local access to appropriate information; and creating an enabling environment through legal and institutional reform, decentralisation, appropriate sector policies and responsive sector departments and implementing agents.

3. South Africa’s democracy, brought about through grass-roots mobilisation, is just a decade old; but it is reasonable to expect to find CDD variants operating in the country. The struggle against apartheid mobilised hundreds of thousands of South Africans not simply around the political goals of freedom and equality, but around their exclusion from decision-making and delivery at local level. Civic associations, which played a prominent role in the 1980s, mobilised people around slogans such as ‘one city one tax base’, and used consumer and service payment boycotts to force local authorities and businesses to negotiate around service delivery. Freedom, equality and the end of apartheid was obviously the primary goal; but this was under girded by community struggles around participation in local development.

CDD poses a challenge in South Africa. On the one hand, apartheid ended through a process of negotiation rather than an overthrow of the incumbent regime; as a result, a host of concessions had to be made to both the ruling regime and local and international capital. Dramatic redistribution of wealth was impossible for a host of reasons. As a result, the African National Congress (ANC) and its allies, which formed the government after 1994, had to adopt a long-term view in which redistribution and growth could occur simultaneously, requiring a national framework which would guide investment on the basis of equity. But CDD relies on communities having the space and resources to generate and

pursue its own ideas and goals. This requires the state to manage a balancing act between ensuring that its policy goals inform development, but simultaneously accept that “our people, with their aspirations and collective determination, are our most important resource” and that reconstruction and development must be “a people-driven process”.3

3. ‘Community participation’ (both terms are interrogated later in the report) has been a hallmark of government policy since the advent of democracy in 1994, although judgements of its efficacy in practice vary, as we discuss below. Community participation was a central concern of the 1994 Reconstruction and Development Programme (RDP), the election manifesto of the African National Congress (ANC) and its allies; this remained true of the 1996 Constitution; and since the first democratic elections in 1994, government has steadily been building its own model of inter-government relations (IGR) within which CDD has a key role.

CDD relies on an enabling environment, including a strong civil society sector. South Africa has a rich and diverse non-profit sector, with operating expenditure standing at R9.3 billion in 1998.4 Non-governmental organisations (NGOs) played a key role in the anti-apartheid struggle, and although their relative importance has declined since 1994, the non-profit sector as a whole remains a defining feature of South African society. A recent nationally representative survey found that 93% of respondents belonged to some or other form of civil society organisation, with the same proportion involved in charitable and reciprocal giving on a monthly basis.5 At issue in this paper is the extent to which this rich social capital has found expression in CDD.

4. This report provides a broad overview of the way in which CDD has developed in South Africa. Our main focus is on the post-1994 period, given the massively different social, economic, political, legislative and other conditions that obtained under apartheid. We begin with a brief overview of the broad environment within which CDD is implemented, before going backwards in time to recall the prominence of local, often civic-led struggles in the 1980s. We look at civil society, assessing its size and scope and the potential it displays for upscaling CDD. We then provide more detail on the way in which CDD has been developed and deployed in the environment created by the 1996 Constitution and subsequent legislation, as well as some of its different programmatic forms. This will be followed by a series of case studies that seek to assess in detail how CDD has and has not worked in the post-1994 period. The final section draws all our findings together, allowing the case studies to reflect on the efficacy of the model created by government.

5. The South African model, it should be emphasised, is still evolving, morphing as it is implemented, piloted and re-assessed. As such, we are describing a set of changing processes, government strategies and methods, which will continue to change over time and which vary in different locales. Moreover, South Africa enjoys a vibrant political debate, including political parties, social movements, civil society organisations (CSOs), as well as

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4 ibid., p.5.
researchers and the academy. In other words, there are multiple views on the issues discussed here; where possible, we attempt to outline the contours of debate.

6. The report includes 5 case studies of CDD projects (Appendices 1 – 5), which allow us to analyse the situation in detail. Analysing the case studies – which include more and less successful CDD projects – highlights a number of important points that relate to our broader discussion of civil society and the governance model. Four stand out.

7. Firstly, civil society organisations (CSOs) are marked by their near-complete absence. Just one of the case study projects had worked with a local community-based organisation (CBO), while non-governmental organisations did not feature at all, beyond large NGOs contracted by government to deliver services on its behalf. This has contributed to very diminished support for projects, as well as the failure to empower project members, many of whom openly state that they lack confidence to negotiate with ‘outsiders’ (government, commercial banks, etc.) and thus fall back on their ‘charismatic leader’ to do so on their behalf. Where no such leader exists, disputes are not resolved, and projects have become dysfunctional. The post-apartheid re-orientation of civil society has had a negative impact on the capacity of small-scale community-based development projects to grow and thrive.

8. Secondly, in the South African governance model, local government has to play a critical role as the driver of development. The Integrated Development Plan (IDP) process should provide a forum for community projects to access resources and work together with local authorities. The case studies – which are limited in number and an unreliable basis for making broad generalisations – suggest that local government has a considerable distance to travel before it becomes ‘developmental’. In the case studies, local government is not proactive in identifying and supporting community driven projects, and elected local councillors are largely distant and disinterested. This is compounded by the fact that most project members lack the confidence to participate in the IDP and related processes. Local government is new and still learning, but the case studies suggest that a steep and swift learning curve is needed for the local sphere to realise its developmental role in practice. But most importantly, the IDP is part of an intergovernmental system. As such it is not driven by communities - rather, they are ‘invited’ to participate in its preparation and delivery.

9. By contrast, the national sphere is very active in supporting small local projects. This reflects the development of governance post-1994, where the national sphere was initially the key player in delivering services and infrastructure to poor communities. In the absence of a strong developmental presence from civil society or local government, the national sphere remains a key actor, which will have to change if the local sphere is to realise its envisaged role. The case studies also illustrate some key lessons the local sphere should learn from the experience of the national sphere. These include an insistence on spending and avoiding ‘roll-overs’, which are widely criticised in and out of government as an indicator of poor performance by the relevant department. We argue that ‘developmental governance’ requires government to find an appropriate compromise between its own financial management imperatives and the needs and timelines of the communities it is working with. Where funds are rolled over because a project is not ready to absorb them, this should be regarded as positive not negative. In one of the case studies, a dysfunctional project has received large
amounts of central government money (rather than being supported in reaching a state of readiness), and has very little to show for it.

10. A related point is the need to accommodate projects as they are rather than obliging them to fit a preferred model. In one case study, a central government department demanded that a series of discrete projects merge into a single, larger entity if they were to receive funding. This caused considerable unhappiness among some project members, and while half remained in the larger entity and received funding, others simply dropped out. Developmental governance almost by definition disallows rolling out a blueprint and requiring community-based initiatives to fit its requirements: the reverse is true.

11. Finally, the broader environment remains largely unsupportive. We have noted the near-absence of local government and CSOs in the case studies. CDD projects should be able to operate in the private sector as well; however, commercial banks remain disinterested in supporting community-based initiatives unless they have substantial collateral on hand, which of course most do not. Scaling up CDD cannot occur in isolation from broader private sector reform and the adoption of a far more development-friendly mind-set.

12. Finally, the case studies suggest that CDD is successfully being implemented in South Africa albeit on a limited scale. The current regulatory and fiscal framework is more supportive of community based development than CDD, particularly in relation to the control and management of project funds. Finally, as noted above, CDD must be understood as an approach not a blueprint. Scaling up can only occur where local dynamics can be accommodated by the approach.

The South African model in brief

13. Perhaps an appropriate metaphor for understanding the development of inter-government relations, and the place of CDD within it, is a game of chess. The ANC-led government, with an assured electoral dominance, has the political space to adopt a long-term vision for democratising South Africa, something critics often forget. And a long-term strategy is required, given that the opponents include poverty, inequality, racism, unequal access to services and infrastructure and what President Mbeki has termed ‘two economies’ – one skilled, in regular employment, predominantly urban and predominantly white; the other un- or under-skilled, on the peripheries of the formal economy, lacking access points, and overwhelmingly black.6 Behind these domestic opponents are the forces of globalisation, North/South inequalities and the like.

14. Since the first democratic election in 1994, government has been slowly but steadily moving its own pieces into place – capturing the state through democratic elections, reorienting the (often hostile) public service, prioritising equity and delivery to the poorest areas, reducing debt and achieving (albeit sluggish) economic growth were some of the opening moves. These were followed by more strategic moves: putting in place the Medium Term Expenditure Framework (MTEF) to provide transparent and stable budget planning; following this up with the Medium Term Strategic Framework to ensure that policy priorities directed the MTEF process; democratising the local sphere and re-orienting development

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away from a central supply-driven to more demand-driven approach through both mandatory planning instruments (the Integrated Development Plans required of all municipalities) and strategies to change the way in which all three spheres operate in response to local priorities (the Integrated Sustainable Rural Development Strategy and Urban Renewal Strategy). In this report we focus on the main initiatives in the area of CDD, focusing initially on the environment (policy, legislative and fiscal) created by government and then case studies involving government and civil society organisations. But it should be recalled that these are the opening moves in what promises to be a long and very difficult contest between a young democracy and its opponents.

15. South Africa is a unitary state, with a decentralised system of government comprising three spheres: national, 9 provinces, and 284 municipalities. According to the 1996 South African Constitution, “government is constituted as national, provincial and the local spheres of government which are distinctive, interdependent and interrelated”. The first democratic general election was held in 1994. The ANC gained just less than two-thirds of the vote, and set about reorganising inter-government relations to remove the racially skewed policies and institutions of the past and replace them with a new vision, set out in its Reconstruction and Development Programme:

...an election victory is only a first step….Attacking poverty and deprivation must therefore be the first priority of a democratic government. … A programme is required that is achievable, sustainable, and meets the objectives of freedom and an improved standard of living and quality of life for all South Africans. The RDP is designed to be such a programme. … Each and ever expectation will not be realised and each and every need will not be met immediately. Hard choices will have to be made. The RDP provides the framework within which those choices can be made. Even more importantly, it will involve both government and the people in identifying needs and the obstacles to satisfying those needs, and will involve both in jointly implementing realistic strategies to overcome these obstacles. The RDP is an expression of confidence in the wisdom, organisational abilities and determination of our people.8

16. The RDP elaborated 6 basic principles, the second of which was ‘A people-driven process’ and which stated:

Development is not about the delivery of goods to a passive citizenry. It is about active involvement and growing empowerment.9

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7 Constitution of South Africa 40(1)
9 ibid., p.5.
17. Once in power, the racially demarcated apartheid landscape was re-shaped into 9 provinces and, in 1995, into 843 elected transitional units in the local sphere. The first full democratic local elections were held in 2000, after the Municipal Demarcation Board consolidated the local sphere into 284 local government units, comprising 6 metropolitan municipalities, 47 district municipalities and 231 local municipalities. Put simply, inter-governmental relations is just 10 years old in South Africa; and the local sphere, the rock-face of delivery and community participation, barely a toddler.

18. The Constitution provided for a number of areas of concurrent legislative competency shared by the three spheres. The national sphere conducts foreign policy, defence, security, establishes monetary and fiscal policy, and develops a national economic strategy. “National government must also be prepared to accept responsibilities which might, in other circumstances, be conducted by provincial or local governments, but are determined to be more effectively delivered by the national government for a variety of reasons.”

19. Provincial governments deliver programmes for which they are capacitated (such as education, secondary and tertiary health care, transport and the like). They are also expected to co-ordinate with each other “such that it is unnecessary or less desirable to pass responsibilities to the national government in order to achieve national goals.

20. Municipalities that have the capacity to effectively deliver to their residents all other services not deemed to be more effectively delivered by provincial or national governments.”

21. Equity lies at the heart of IGR, particularly at the local sphere:

   The extent and pattern of [locally delivered services] … may reflect local preferences, but it is essential that equity considerations prevail and that the responsibilities carried by local governments not become (or, given the legacy of apartheid, remain) a means through which economic disparities in populations are perpetuated in the availability of public services.

22. The 3 spheres have the power to raise own revenues – for the newly demarcated local sphere that now conjoins rich and poor, urban and rural areas, formerly separated by apartheid, this assumes a sufficient local tax base – but while expenditure is relatively decentralised, revenue-raising is heavily centralised. In 2001/2, the local sphere raised 7.8%, the provincial sphere 1.6% and the national sphere 86.1%, illustrating the point. Expenditure looked somewhat different, with the national sphere accounting for 48.7%, the provincial sphere 40% and local 11.3%.

23. Over time, the local sphere has become increasingly prominent in government’s thinking about IGR generally and as agents of delivery in particular – although this was also clearly

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11 Ibid, p.5.
12 Ibid., p.9.
stated in the RDP. Initially, the national sphere turned to the provincial sphere as agents in delivering key anti-poverty programmes in the post-1994 period, reflecting the weakness and transitional state of the local sphere. More and more the local sphere has become the key partner in delivery. But – importantly from our perspective – the local sphere is also critical in ensuring that development is demand-driven. Government’s two key strategic interventions regarding delivery – the Integrated Sustainable Rural Development Strategy and Urban Renewal Strategy – are posited on government’s own harsh critique of its initial performance, where development was seen to “rain from above”\textsuperscript{14} with little or no reference to what was needed by local communities.

24. The largest increases in national government’s 2002 budget were transfers to the local sphere, rising by 18.3% a year from 2001/2 to 2004/5. This reflects the central place given to the local sphere in the broader development project. Local authorities are responsible for establishing Ward Committees, chaired by elected local councillors and with equitable representation for women, which are tasked with enhancing participatory local government. Local authorities are also tasked with broad-based consultation in drawing up their Integrated Development Plan, with clear guidelines governing both process and content. The community participates in identifying its development needs and prioritising them.

25. The municipality has to ensure that its IDP (and accompanying sector plans) are in line with the Provincial growth and Development Strategies (PGDS). The municipality then enters negotiations with both the provincial and national sphere, in order to ensure that identified priorities are met. This is a critical moment – and one where success is currently far from universal – where development delivery shifts from supply- to demand-driven. It is also the point where local requirements impact on sector department submissions to the Medium Term Strategic Framework, which ensures policy coherence across the spheres; and then into the Medium Term Expenditure Framework, where budgetary allocations are made. But in terms of the current model, it is important to emphasise that the focus is on policy coherence, integrated and co-ordinated delivery, which in turn inform budget allocation between the three spheres and supportive programmes.

26. This may seem a far cry from CDD, but it is not: Government has sought to reverse its own delivery patterns of 1994-1999 by ensuring that the local sphere drives the development (including budget allocation) process.\textsuperscript{15} Moreover, many of the implementation strategies adopted by government’s development programmes utilise greater or lesser degrees of community participation in the identification of projects (increasingly via IDPs, but also in instances where national or provincial programmes adopt their own targeting strategy), the location, the labour pool (helping identify the normally undefined ‘poorest of the poor’), and then serving on project management committees, including post-implementation, ownership, operation and (it must be said, less successfully) maintenance.

27. Underpinning the development project is an on-going emphasis on delivery. For some, the prioritisation of delivering tangible benefits of democracy to those denied them for centuries is understood in terms of class struggle, with the ANC government cast in the role of

\textsuperscript{14} ISRDS
developing a national bourgeoisie at the expense of some broader, if undefined, redistributive and participative project. It is perhaps more useful to understand the issue less than either/or than a mixed approach, a set of moves on the chess board seeking to block a series of moves of the opponent and simultaneously advance the overall position of the country as a whole. But clearly there is a danger that community driven development is sacrificed at the altar of delivery. Housing provides an illustrative example, where government’s fixation on quantity above quality – with providing a million houses - led to the creation of economically unsustainable communities on the periphery of urban and metropolitan areas where transport costs eat a large slice of whatever household income is available. But there is also the danger of romanticising ‘the community’ and/or ‘participation’ as some kind of return to the heady days of mass struggle, where the fault-lines in black communities were obscured by the common desire for freedom.

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28. A different view of the model – common among critics of government is the approach to community participation and its impact on the development outcomes and the empowerment of communities. According to one commentator,

The ideals of community participation have remained elusive not only as a consequence of political processes, but also because government has made unrealistic assumptions about its role in development. A statist approach has disempowered communities and narrowed the scope for participation. It is suggested that the relegation of community participation has precipitated a crisis of sustainability manifested in dysfunctional and deteriorating infrastructure and inability on the part of communities to afford the services that have been provided.17

29. South African commentators are remarkably quick in identifying crises, which seem to appear wherever researchers tread18; whether or not there exists a ‘crisis of sustainability’ is debatable. But the purpose of the quotation is to indicate that a range of voices exist with regard to community participation, which unavoidably has declined from the era of mass mobilisation. The quotation usefully points to the challenge identified earlier: the need for a framework based on equity, to insist that the status quo is removed, while allowing space for CDD to occur and flourish. The recent establishment of a national cadre of Community Development Workers signals a recognition by government that locally-based facilitation is fundamental to achieving a ‘people-driven process’, as well as reminding us that we are examining the unfolding of a long-term strategy which should be understood in context.

A brief history of community mobilisation: 1983-1994

30. The development of a democratic order is commonly seen to be closely related to the emergence and development of civil society, the ‘third sector’ placed between the state and

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As resistance to apartheid grew, civil society – including a host of NGOs, CBOs, political organisations, trade unions and so on – played a key role in giving voice to black South Africans systematically excluded by the ruling regime. Civil society provided a home and training ground for future national and local leaders. CSOs also filled a gap in mobilising communities around service delivery concerns. Working in NGOs and CBOs was usually complemented by volunteer roles in advice offices, political organisations, welfare structures and other areas.

31. Foreign funding was regarded as ‘international interference’ in a domestic affair. All funds received had to be authorised in terms of the Fund-raising Act of 1978, thereby providing the state with a measure of political control over voluntary organisations. A host of manoeuvres were used by donors to ensure that funds reached CSOs. Civil society in South Africa was (and remained so into the early 1990s) effectively divided into ‘struggle organisations’ which served the liberation struggle at both local and national levels, and those which eschewed a political role or profile.

32. Because apartheid deliberately under-served black areas, CSOs sprang up to provide education, water, skills training, counselling, rural development, bursaries, nutrition, urban planning, research, primary health care - virtually all areas where a poverty-struck population needed support but received little or nothing from the state. This was particularly true of the civic movement.

33. In South Africa, the term ‘civic’ is not a loose term for CSOs. It refers to a specific type of organisation that sought to mobilise whole communities around local concerns (such as infrastructure, service delivery and so on), implemented strategies such as boycotts of service payments or shopping areas in ‘white’ towns; and sought to highlight the link between fighting local battles and the broader struggle for freedom. Civics could be broadly grouped under the umbrella of CBOs; but not all CBOs were civic organisations. In the early 1990s, civics came together to form the South African National Civics Organisations (SANCO) and entered an election pact with the ANC; thereafter, their significance declined steadily. Nonetheless, their role in the 1980s deserves a brief review.

The civic movement

34. Civic organisations were a familiar feature of the political landscape in South Africa in the 1980s and early 1990s, but were of comparatively recent origin. Formerly ‘white’ areas have long traditions of rate-payers associations, and civic organisations first emerged in Indian and coloured areas, organising around local concerns. According to Seekings and Shubane 20, ‘radical civics’ – with an anti-government agenda - emerged in African areas from 1979 onwards, with an increasingly political profile.

35. In the late 1970s and early 1980s, civic organisations were established in response to changes in housing and urban development, local government, as well as the political
strategies employed by the liberation struggle, notably the call to make South Africa ‘ungovernable’. Civics were concentrated in major metropolitan areas and in (similarly metropolitan) Indian and coloured areas. Civics sought to rally opposition to increasingly discredited local government structures. To do so they tried to maintain a non-party but broadly anti-apartheid stance. They provided an alternative channel for the expression of discontent and for mediation between residents and the state, served as hostile watchdogs over councils and contested local government’s claim to represent the ‘community’. Civic organisations also became centres of opposition to the central state, to Bantustan authorities, and to parties that participated in central and local state structures. According to Seekings and Shubane, civics revived a tradition of civic protest and organisation and reasserted the possibility of defying the state.

36. During 1983-84, when campaigns for the tricameral elections were being fought (after the apartheid regime provided Indian and coloureds with limited representation in separate ‘parliaments’ with distinctly delimited purview and powers), civics were formed in African townships around more explicitly political concerns. Many township councils collapsed, and some civics began to set up alternative structures of ‘people’s power’.

37. In the mid-1980s, rent and consumer boycotts increased pressure on local businessmen to support political and economic change. Through such boycotts, civics became involved in negotiations with local businesses and local officials, but Seekings and Shubane note that “these early local level negotiations were scuppered by the central state”21 before they could form any serious local-level challenge to apartheid. In the mid- and late 1980s, central government was trying to put out a forest-fire of local protests, which flared up across South Africa (not restricted to the large metropolitan townships). Some local negotiations which began in the 1980s may have been stopped from leading to concrete change, but continued as negotiations and in the very early 1990s – as soon as de Klerk had changed the political landscape by unbanning political organisations and releasing their leaders - led to joint action.22

38. Street committees were extended to many townships during this period. These committees performed quasi-local government functions including overseeing the provision of land in informal settlements, land invasions, policing and settling disputes (by ‘informal justice’). Under ANC slogans of making South Africa ungovernable and instituting people’s power, civics, street committees and other bodies began providing alternative governing structures, although without formal guidelines or rules.

39. In late 1985 and early 1986, state-sponsored vigilantes disrupted civic activities in a number of townships. Civics increasingly became a target of state repression under the successive nation-wide states of emergency. Large numbers of activists were detained. Civic leaders were charged with treason, sedition, or subversion, and detentions and trials drove the civic movement underground.23 Repression paralysed most civics, although some struggles over

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21 Seekings and Shubane: Evaluation op cit., p.20.
22 Stutterheim, in the eastern Cape, is an example where the white mayor began talks with UDF leaders in the 1980s as a consumer boycott (of white-owned businesses) took hold; by the 1990s, Stutterheim had a well-developed development agenda, a relatively peaceful transition, and far less racial tension than other, similar areas.
rent and other civic issues continued. According to Seekings and Shubane, “most civics ended the decade in disarray” 24, although a few had begun slowly to rebuild grass-roots organisation.

40. In 1988, some civic organisations made themselves available for negotiations if those negotiations were to focus on non-racial and democratic local government, hinting at a willingness to end the rent and consumer boycotts. Civic associations formed an intrinsic part of the subsequent local government negotiation process because they had managed to mobilise sufficiently to achieve high visibility in many areas and they had established a reputation of being able to undermine projects and programmes they did not support. Their technical and negotiating skills, however, lagged behind those of colleagues in the labour movement, for example. The main agreement was the Soweto Accord signed in September 1990 between the Transvaal Provincial Administration (TPA), various Soweto town councils and the Soweto People’s Delegation (SPD), which had been formed in 1988. 25

41. On February 2nd 1990, then President F W de Klerk unbanned the main liberation movements and announced the release of political prisoners, including Nelson Mandela. This period was one of multiple strategies: political negotiations were accompanied by a wave of political violence, and both liberation movements and their supporting structures in civil society had to both engage with the apartheid state and resist its more overt attempts at destabilisation. It was also one of internal disputation as exiled activists (estimated at some 21 000) returned home, and jockeyed for positions with local leaders. The imminent take-over of state power meant that new, material rewards were available, exacerbated by the frantic search for black faces by corporate South Africa.

42. From 1990 onwards, many civics became increasingly involved in development-related activities as well as political protest. The unbanning of the ANC led to widespread debate about the future of the UDF, the civics and other constituents of the national liberation movement. This brought deepening confusion with it. Seekings and Shubane argue that a degree of consensus existed that the civics should play a role similar to the Congress of South African Trade Unions (COSATU) - while the latter worried about shop-floor issues, the civics would worry about local-level concerns in a non-party political fashion. Put more bluntly, the ANC wanted to clear the electoral arena with its allies firmly behind it.

43. Over this period, civics were heavily involved in a variety of negotiations which in turn gave them greater prominence. These included negotiations with state structures over the provision of land, services, housing, and development of townships and informal settlements; with parastatals such as Eskom (the Electricity Supply Commission) over the provision of electricity; with lending institutions and developers over the private sector’s involvement in the provision of housing and development in these areas; and with police over law and order maintenance. Civics were also heavily involved in negotiations over the restructuring of the structures of local government. 26 While negotiations were taking place

25 The delegation included prominent Soweto residents such as Desmond Tutu and Albertina Sisulu. The Accord focused primarily on limiting forced evictions which the Transvaal Provincial Administration had been energetically pursuing.
at local, national and sectoral levels throughout South Africa, local organisations frequently suffered. Their leaders were often drawn into negotiations and away from their organisations and home base. For many, as the new South Africa took shape and the first democratic elections drew near, the distinction between the electoral role of the ANC and the local, civil function of the civic movement, grew blurred.

44. Seekings and Shubane warn that the civics’ involvement in such visible negotiations should not be equated with strength but rather the absence of alternative structures capable of mediating on behalf of township dwellers. The implication seems to be civics became involved in negotiations by default, as the only mass-based organisations focusing on local-level concerns, and by virtue of their prominence, gained through protest politics which ill-equipped them for detailed negotiations. They conclude that:

The formation of SANCO has facilitated the involvement of civics in national level negotiations ... It remains unclear, however, what impact SANCO has had on civics on the ground. Civics continue to vary considerably in strength, and hence in prominence. Whilst some continue to operate effectively, others are still struggling to reorient their focus away from local protest actions or are being undermined by internal struggles.27

45. Civics came to be seen as (and in many cases claimed to be synonymous with) ‘community involvement’. As development replaced resistance in the early 1990s, so civics could demand to be included in government, private sector and other initiatives. However, as Seekings and Shubane point out, the prominence and near-ubiquity of the civics in the negotiation phase “…does not necessarily reflect any organisational strength on the part of civics in particular: popular resistance and civic capacity are not synonymous.”28

46. A host of local social structures function at a different level to the ANC and SANCO. These include stokvels, small saving circles in which members deposit a weekly or monthly fixed amount and, in rotation, receive the kitty (a variant of Rotating Savings and Credit Associations found elsewhere); burial societies; sports, cultural and other societies; churches, which claim membership of 8 out of 10 South Africans; and so on. Recent studies also suggest that formerly civic-related structures, such as block and street committees, continue to exist – particularly in informal areas - but are no longer formally related to civics.29

47. The civic movement left a powerful stamp on South Africa. While civics themselves have dwindled, the tradition they left is one of mobilising communities around local needs, fertile soil for the growth of CDD.

27 Seekings and Shubane: An evaluation p.22.
28 Seekings and Shubane: An evaluation p.87.
Apartheid’s last gasp and CDD

48. de Klerk’s announcement of the unbanning of liberation movements and release of political prisoners triggered a flurry of activities related to CDD. Firstly, the state and capital together created a series of new institutions – quasi-NGOs – which were tasked with both delivering to black areas and using a community-based approach. The best-known of these is the Independent Development Trust (IDT), endowed with a R2 billion grant (R1bn each from government and the private sector), and which set about implementing development programmes utilising a public works approach imbued with a CDD element, later taken over by the National Department of Public Works.

49. Another was the Joint Education Trust (JET), JET was established in 1992 to administer a R500-million contribution to education development by 20 of South Africa’s leading corporates. Working in four areas, JET supported over 400 NGOs working in teacher development, early childhood development, adult basic education and youth development. JET adopted a sectoral approach to grant making, characterised by the establishment of quality assurance mechanisms for grantees within each sector. In addition to grant-making activities, JET began to diversify its services following the election of South Africa’s first democratic government in 1994, offering project management services to donors, generally in partnership with the national and provincial Departments of Education. The basic thrust of the JET was and is to improve the quality of education and to transform the existing system into one more equitable for all South Africa’s citizens.30

50. The IDT in particular sought to utilise the techniques of community-based development, where JET offered grants to NGOs and CBOs working in the education sector. But in the large scheme of things, they represented a last gasp attempt by both the apartheid state and capital to apply a cosmetic covering to their past.

51. While the quangos were struggling with issues of legitimacy, the CSO sector more broadly was involved in a series of overlapping, participative, policy development initiatives. As resistance gave way to imminent governance, so the ANC began to develop a detailed policy platform. Sector-based initiatives, ranging from women and youth to urbanisation, undertook wide-ranging consultation and research exercises to develop their own policy positions and then, crucially, to lobby for their inclusion in the RDP and to inform a series of Forums set up across sectors, where government, business and the mass democratic movement (a combination of political organisations and progressive CSOs) were negotiating the future. At the same time, the opposing political forces were negotiating the terms of the transfer from apartheid to democracy, accompanied by attempted destabilisation through political violence.

52. The debates in both Forums and around the RDP were tough: the RDP went through 6 drafts before being finalised. The political negotiations were equally tough, punctuated by vicious massacres in the former Natal and Transvaal provinces, with the ANC-led alliance using ‘rolling mass action’ to underline their mass base and legitimacy. In this context, development work on the ground took something of a backseat to political negotiations and

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the ultimate goal of freedom and equality; but future community driven development was at the forefront of the RDP, as we have noted.

Civil society

53. Fowler defines civil society as follows:

… an array of people’s organisations, voluntary associations, religious bodies, representative organs, non-governmental development organisations, foundations and social movements which may be formal or informal in nature, and which are not part of government or political parties, and are not established to make profits for their owners. 31

54. Historically, definitions of civil society in South Africa have been highly contested, reflecting differing origins and political orientation. 32 As Swilling and Russell put it,

Defining NPOs in the South African context is a particularly hazardous exercise because the constructed notion of "a non-profit sector" is inevitably intimately bound up with the unresolved emotive debate about what "civil society" is. As South Africans negotiated themselves from a racially exclusive authoritarianism into a rather robust - albeit politically volatile - non-racial constitutional democracy over the decade starting in 1990, the debate about the state's function and form could not be detached from how South Africans envisaged a future civil society. The only uncontested notion is that civil society refers to associational life somewhere between the state and individual (or family). Whether or not it includes the for-profit sector, it's synonymy or antinomy with the market, it's homogeneity or heterogeneity, how big or small it is, whether it can move from being oppositional to developmental, and whether, indeed, it is an it at all, pervaded the debates of the time. 33

55. Much of this history has been well-documented 34, and debates over sectoral definitions have lost much of their former energy. There are many sectoral taxonomies and associated periodisations in existence. Perhaps the simplest of these was developed by Kihato and Rapoo, who distinguished merely between ‘old generation’ and ‘new generation’ CSOs, with the dividing line comprising a mixture of date of inception and political orientation. 35 Other analysts have used a similar way of distinguishing between CSOs, but provided more categories.

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The current state of the non-profit sector

56. The non-profit sector more broadly – comprising NGOs and community based organisations (CBOs) – seems to be in relatively good health, although this is more true of the latter than the former. The Non Profit Organisations Act, which came into force in 1998, sets out the following definitional criteria:

- Organised
- Private
- Self-governing
- Non-profit distributing, and
- Voluntary.

57. The recent non-profit survey used these criteria to identify non-profit organisations throughout South Africa. Some flexibility was required in order to include the range of CBOs including co-operatives, stokvels (saving clubs), burial societies and so on. Within the methodological limitations of the study, Swilling and Russell report that there are 98 920 NPOs in South Africa, concentrated in three sectors: culture/recreation, social services and development/housing. These three sectors together employed 178 370 full-time equivalents or 54% of the total number of people employed in the sector. According to the study, 53% of all South African non-profit organisations can be classified as less formalised voluntary associations (i.e. not formally structured as Section 21 companies, trusts and so on). The majority of these organisations can be found in poorer communities. They are therefore likely partners for CDD, their formal legal status notwithstanding.

58. There is a deeper issue, namely the inequalities that divide larger, well-resourced NGOs from smaller and poorer CBOs, despite the fact that the latter are most commonly located in and directly serve the poorest communities in South Africa. Supporting such CBOs can directly benefit target communities – particularly when targeting vulnerable groups such as HIV/AIDS orphans - but CBOs may also lack management and administrative capacity and require considerable support in this regard.

59. On a more positive note, one of the most impressive findings of the non-profit study is that blacks and women play a significant managerial role in the sector. Of the organisations surveyed, 59% of managers were women and 73% of managers were black. In addition, 60% of all full-time employees were women, and 81% were black. This contrasts sharply with the gender profile of the public sector and the gender and race profile of the private sector. Finally, a key finding of the non-profit study was that the sector is a R9.3 billion industry that contributed 1.2% to the Gross Domestic Product in 1998.37 The sector is larger (measured by size of workforce) than many formal sectors.

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to enjoy a rich and vibrant non-profit sector. The non-profit survey results contradict some analysts who had previously made gloomy predictions about the sector’s imminent demise. The results also suggest that the sector – as a sector – must be more assertive in its relationship with government in particular. It is a major economic force, not a rag-tag clutch of unreconstructed activists, and should flex its muscle as required. Below, we analyse some of the problems in the sector – which partly explain why it has failed to act in accordance with its size.

Challenges facing the NGO sector in South Africa

61. The end of apartheid removed the raison d’être of many CSOs including NGOs, required a dramatic shift in relations with government and the private sector and impacted on levels of funding. A great deal has been written about post-1990 civil society and the NGO sector in particular, much of it focused on problems and weaknesses facing the sector, including many predictions of its imminent implosion or collapse.38 Other commentators tried to highlight the new opportunities that democratisation brought with it.39 There are some problems common to the non-profit sector as a whole, while others are primarily relevant to NGOs.

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38 See successive annual reviews published in Development Update (Interfund, Johannesburg).
Both appeared in an article by Atlantic Philanthropies’ South African Director Gerald Kraak, who outlined six ‘morbid symptoms’ that characterise the sector. 40

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**The 6 ‘morbid symptoms’ of the South African non-profit sector**

- The paucity of sound research on the sector, the persistence of significant gaps in our knowledge of the sector, and the negative impact this continues to have on effective policy formulation for the sector;
- The problem of the longer-term sustainability of the sector (including the perennial issue of reduced donor funding and the absence of effective strategies to counter this trend);
- The difficult legislative and fiscal context in which the sector operates;
- An apparently deteriorating relationship with government;
- Problems within the South African National NGO Coalition (SANGOCO) in providing national leadership and direction for the sector and its alleged neglect of the provinces;
- Poor leadership and lack of organisational capacity in many organisations.

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62. The first problem area – the lack of sound research on the sector – has been overtaken by two key events, namely the release of the non-profit study and the establishment of a well resource civil society research unit (the Centre for Civil Society at the University of KwaZulu-Natal).

63. Given the important role played by CSOs during the struggle era, and the fact so many politicians and new civil servants formerly worked in the NGO sector, it is surprising to note the tardiness with which the ANC government made resources available and overhauled the legal environment in which NGOs operate. Four years after the first democratic election, the government Non-Profit Organisations Act came into effect. Since then, NGOs have been similarly slow to register – 8000 had done so by the end of 2000, half of which were done automatically as a result of having registered under the apartheid era National Fundraising Act. The tax relief available to “public benefit” organisations under the Act is expected to see the registration process speed up. Currently, organisations exempted from taxes on the basis of public benefit are those providing services in the fields of HIV/AIDS, abuse of women and children and the ageing.

64. Swilling and Russell argue that key government departments and leading non-profit organisations have co-created a legislative and policy framework that defines a non-profit
organisation and establishes a sectoral role in governance and delivery. They have also
developed a registration procedure managed by the state without giving the state all power to
decide who is/not a non-profit organisation. A centralised funding agency has been
established, alongside funding sources (National Development Agency Act and Lotteries
Act), while tax incentives have been introduced for private sector donors. They go on to say:

It needs to be immediately emphasized, however, that like so much else that has
taken place at the policy and legislative level in South Africa since 1994, it is only
really the potential that has been constructed. There are already huge
complications with the implementation of the framework, most of which have got
to do with a dearth of managerial and institutional capacity within the NDA, the
Department of Welfare and the Receiver of Revenue to actually ensure that all
aspects of the new framework are properly and speedily implemented.  

65. Relations between the NGO sector and government began to deteriorate after the RDP was
seen to be replaced by the Growth Employment and Redistribution (GEAR) strategy; where
the RDP had articulated a clear role for non-profit organisations, GEAR was widely seen as
a ‘sell-out’ to the Washington Consensus with its emphasis on fiscal discipline and attracting
foreign direct investment. Bench and Lipietz outlined four main factors in explaining the
poor relationship:

- “Attitudinal” and bureaucratic obstacles, manifested in distrust of NPOs by
government bureaucrats;
- Institutional lack of clarity – failure by government to formulate a coherent policy
approach to NPOs;
- Institutional capacity constraints – neither NPOs nor government departments have the
capacity to manage complex partnership arrangements;
- Legal obstacles: government, especially at provincial and local levels, inherited
complex legal constraints that complicate relations.

66. Dangor offered a somewhat different explanation, arguing that government had changed,
moving from a ‘soft’ to a ‘hard’ state, …from a state that opens itself to influence and inputs from other stakeholders to [a
state] that inures itself against internal advocacy groups.

67. This explanation should be understood in context: NGOs in particular opposed the GEAR
economic strategy, and increasingly found themselves attacking government. And they were
attacked in return, by (then) President Mandela, followed by other Ministers and officials.
Hostilities sharpened as Sangoco adopted a more overtly political stance.

42 Bench B and Lipietz B (1998) “Structuring effective development-oriented interactions between the state and civil society in SA: A
comparative analysis of mechanisms in place”. (Mimeo, Transitional National Development Trust)
68. Ntsime stresses the fact that there were problems on both sides; he goes further in arguing that NGOs and CBOs developed different ways of working with government. Writing about attempts made by the National Department of Public Works to secure NGO partners, Ntsime stated:

NGOs are often quick to cry foul when government makes decisions that exclude them. Sometimes they are right; but they are equally often wrong. Many enjoy good political contacts with Ministers, MECs, MPs and so on, and use these to bring pressure to bear on civil servants – even where, as in the case of the DPW, serious work and resources have been utilised to try and maximise the participation of NGOs.44

69. Government has clear expectations of the sector, as stated by the Minister of Social Development:

The basic twin expectations of government are that NGOs will firstly, continue to act as monitors of the public good and safeguard the interests of the disadvantaged sections of society. This performance of this social watch role requires both transparency and accountability on the part of NGOs. The government’s second expectation is that NGOs will assist in expanding access to social and economic services that create jobs and eradicate poverty among the poorest of the poor. This requires cost effective and sustainable service delivery.45

70. Swilling and Russell sum this up rather tartly:

‘Social watch’ and ‘service delivery’: these are the twin roles so neatly captured in this statement of current government policy towards the sector.46

Leadership and capacity problems

71. Kraak’s analysis of the capacity problems facing NGOs is widely regarded as an authoritative summary of the area. His points are summarised below:

- A lack of creative, dynamic and visionary leaders
- A failure to reproduce quality leadership
- Working in the NPO sector is a career-based stepping-stone rather than a ‘calling’
- Generally low levels of commitment, especially in delivery-oriented NPOs as opposed to politically or ideologically-based NPOs
- Prevalence of a victim mentality
- Unresolved tensions over race and gender

45 Quoted in Swilling and Russell The size and scope op cit.
46 Swilling and Russell The size and scope op cit.
• Lack of monitoring, evaluation and reporting systems to check progress, identify problems and react accordingly
• Poor fundraising skills, strategies and drives

72. Kraak goes on to note that donors have poured substantial resources into ‘capacity building’ exercises, which have become on-going ‘navel-gazing’ exercises that are an end in themselves. He concludes by arguing that donors have to help NGOs resolve systemic problems – among which the skills deficit is paramount – before capacity building can bear fruit. Motala and Husy take a different angle and call for a range of interventions aimed at ensuring the sustainability of interventions beyond the lifespan of a project. Unlike Kraak, they argue that capacity building should be at the core of such initiatives. They note that donors should cover operational and implementation costs, which cannot be earned through standard cost-retrieval mechanisms. 47

73. Swilling and Russell argue that “the finding that the sector's leadership is dominated by women and black people is obviously hugely significant from the point of view of leadership development for the future.” NGOs have been the “organisational schooling ground for many black people - and to some extent women - who are currently rising up through the public and private sector bureaucracies” – and must continue to play that role. They conclude:

...the non-profit sector's leadership profile makes it a key target for long-term leadership development training and education for those who would like to see a greater gender and racial balance in the organisational and managerial leadership across the public and private sectors.48

Funding streams

74. The non-profit study has highlighted the economic factors at play within the sector, as well as the economic significance of the sector.

It is estimated that the non-profit sector had an income of R14 billion in 1998:

- **Government** contributed 42% or R5.8 billion of all revenue that accrues to the non-profit sector (in Western Europe the average is 50%).
- **Health, social services and development/housing** get the lion’s share of government support.
- **The South African private sector** donates nearly R3 billion, 21% of the total revenue flow into the sector.
- **Donors** (private philanthropy and non-governmental international aid) contribute R3.5 billion, 25% of revenues that accrue to the sector.
- **Foreign donors** gave R500m of the total (R3.5bn) in 1998.
- **Private donor funding** is in health, development and housing, and education.
- The financial value of volunteer work is R5.1 billion; added to private donor support (R3.5 billion), the **total value of all private support** is equal to R8.7 billion or 46% of total revenue flows into NPOs.
- **Service fees, dues and other self-generated income** accounted for 34 percent of non-profit revenues, or R4.6 billion.

**Source:** Swilling and Russell (2002) *The South African non-profit sector*

75. Almost a third of all income derives from cost retrieval, a major change from the past. Government monies make up 42% of all income for non-profit organisations, particularly true of the development sector. It is important to emphasise the financial resources government has made available to the sector. The Taxation Laws Amendment Act (Act 30 of 2000) effectively exempts NPOs from income tax and exempts donors from donations tax within defined areas of work. The National Development Agency Act has the “primary objective” of contributing to “the eradication of poverty and its causes by granting funds to civil society organisations”. The Lottery Act created an independent Board to ensure that funds are allocated for work in the areas where NPOs predominate. Swilling and Russell emphasise the significance of these Acts as well as their implications for NGOs:

By passing the NDA Act, Lottery Act and TLA Act, the government has demonstrated its willingness to redirect substantial fiscal resources into NPOs: the NDA via a direct budgetary allocation, the TLA Act by foregoing certain tax revenues, and the Lotteries Act by redirecting the disposable income of ordinary citizens that would have been beyond the reach of the tax authorities. However, to access these resources, NPOs must be prepared - and possess the capacity - for entering the complex and resource-sapping world of institutional formalisation: being legally constituted into an NPO of one form or another (often using expensive lawyers), registration procedures in terms of a range of different statutory provisions, funding applications in required formats, report writing, annual audits, regular inspections, extensive and meticulous record-keeping, and so on.49
The post-election period was characterised by withdrawal of donor funding from CSOs in favour of government-to-government funding, with a large proportion of funds being channelled to the RDP office. Kihato and Rapoo argue that all sectors experienced erratic funding patterns during this period, but CSOs were hardest hit. In the mid-1990s, a study found that almost 1 000 largely welfare organisations were on the brink of financial collapse. Most of them had previously catered for the welfare needs of the white population, and were hit by a double-whammy – the reduction in donor funds and the redirection of government resources to historically disadvantaged communities.

Govender\textsuperscript{51} has reported that some R18bn in international donations was utilised in the forms of grants, concessionary loans and technical assistance. Half of the funds went direct to government, a quarter to parastatals, 15% to civil society sector and the remaining 10% went to various other agencies. Measured across all these recipients, the funds were allocated to the socio-economic priorities of RDP, namely education (22%), good governance & social development (19%), infrastructure (13%), water & sanitation (11%) and so on.

With growing awareness of the challenges that face government and slow its implementation work, the pendulum began to swing back towards CSOs. At the same time, corporate social investment (CSI) had increased by over 6% per year after 1994, rising to 13% in 1999/2000.\textsuperscript{52} Kraak has also noted that overall levels of donor funding stayed constant between 1994 and 1999, whereafter it began to increase. He makes a further point:

\begin{quote}
...the level of funding to NPOs has remained relatively steady and has increased since 1998, largely because of the failure of government to deliver in key sectors using international aid.\textsuperscript{53}
\end{quote}

However, one constant feature of these changing patterns of funding is the preference donors have for funding ‘conservative’ work – development rather than human rights, capacity building rather than advocacy, and so on.

\textbf{Part 2: The evolution of ‘developmental local government’}

Informed by the constitution, both the White Paper on Local Government (WPLG) and its accompanying pieces of legislation\textsuperscript{54} have ushered in a system of local government whose central tenet is an interactive relationship between government and communities in defining priorities and allocating resources thereto. The WPLG asserts that “(d)evolutional local government is committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality

\begin{footnotesize}
\begin{itemize}
\item Kraak (2001) “Morbid symptoms” op cit.
\item Kraak (2001) “Morbid symptoms” op cit.
\item Municipal Demarcation Act; Municipal Structures Act; Municipal Systems Act; Municipal Finance Management Act.
\end{itemize}
\end{footnotesize}
of their lives”55. It further emphasizes the importance of “democratizing development, empowering and redistributing”56, whilst ensuring a balance between, on one hand, regulation, and on the other, encouraging and supporting community action through resources, training and information on opportunities.

81. One of the key pillars of the South African developmental local government has been the introduction of Integrated Development Plans (IDPs). The IDPs were first introduced in 1996, but the process was really consolidated post the 2000 local government elections. The intention of IDPs, amongst other things, is to align planning, budgeting, resource allocation and sequenced management of implementation to ensure deeper development impact. As such IDPs have been accepted as the building block for the emerging intergovernmental planning system, with the local sphere as the point of integration. As such it can be argued that IDPs are not necessarily a platform for CDD, but for community based development (CBD), where community participate rather than initiate, control and manage the development process. But IDPs are still (potentially) an important platform from which to launch demand-driven development.

82. The Presidential Coordination Council57 and national Cabinet have directed that IDPs be the basis for budgeting for all the three spheres of government. This was raised within the context of the challenges experienced with budget alignment during the implementation of the Integrated Sustainable Rural Development Programme and the Urban Renewal Programme. These two programmes were adopted by government in 2001 as pilots in using space to coordinate development with communities, as opposed to supply driven development seen from the eyes of national and provincial sector departments.

83. The process of preparing IDPs is critical in deepening democracy, accountability and transparency. The Municipal Systems Act stipulates that municipalities must facilitate the participation of communities in the preparation of IDPs. It emphasizes the importance of building capacity and allocating resources for community participation. The Act further provides for various mechanisms and procedures that would take into account the diversity of and within communities, for example literacy levels, gender, youth, etc. Furthermore, the Act has legislated for the establishment of ward committees as representative structures through which communities can and should participate in local government activities, including planning and budgeting. These ward committees are chaired by ward councillors, whose role is also to represent these wards in council, and subsequently provide feedback. But the reality is that most municipalities have struggled with the setting up and functioning of ward committees. Some of challenges58 include, firstly, lack of clarity on the governance of ward committees. Are they essentially a community representative structure, an extension of the local government formal structures, or a link between the community and local government? Whilst this might sound like semantics, it has very practical implications on the role, functions and accountability of ward committees. Given that ward committees are chaired by ward councillors, it can be argued that they are in fact an extension of formal

56 ibid. Section B p.4
57 PCC is a meeting of all the nine provincial Premiers, and is chaired by the President. It is one of the critical intergovernmental structures aimed at strengthening intergovernmental relations. Since 2001, the PCC has local government transformation as a standing agenda item.
58 Drawn from the Report on the National Conference on Ward Committees, June 2003
local government structures that are critical in facilitating and encouraging the municipalities to support CDD.

Secondly, there are issues around the structure and representivity of ward committees. This is important because it impacts on the prioritisation of issues. Thirdly, most of these ward committees lack the requisite capacity and resources to play an effective role. This is more so in rural areas where distances between villages in one ward might be fairly large. Fourthly, there are unresolved relationship issues between ward committees and other community structures, which impact on the legitimacy of the former. Fifthly, whilst the Municipal Finance Management Act (2004) stipulates that “(w)hen the annual budget has been tabled, the municipal council must consider any views of the community….” (23 [1] a), there is no budget for ward level programme initiatives. There are no incentives or direct and concrete benefits to a community whose ward committee is effective. This limits the impact of an otherwise very critical instrument for community driven development. Rather funding has been made available by national government for training of ward committees.

Deepening democracy and accountability?

Based on a review of progress on local government transformation, the PCC in March 2003 adopted fifteen interventions. One of these was “(d)eepening democracy and accountability”, which included the introduction of community development workers, the continuation of the imbizo programme, the implementation of community based planning, the roll out of community multi purpose centres, and the finalization of the White Paper on Traditional Leadership. In emphasizing these areas, the PCC demonstrated government’s concern with strengthening various instruments that could improve the effectiveness of developmental local government.

Various assessments have been conducted on the quality and implementation of IDPs. One of the areas that has emerged is the need to improve the interest and participation of communities in planning processes that impact on their lives. But it is also whether the planning process can be used as a social mobilization platform. As such, the national department has encouraged several partners59 to pilot community based planning (some call it local area planning, ward based planning, etc.). The idea is that facilitation of planning processes at this very local level is likely to yield several outcomes, other than just the immediate output (the plan).

However, one of the main concerns that has been raised in relation to community based planning is that the current budget system does not “recognize” community based initiatives. It is a “government budget” rather than a “community budget”. Therefore, priorities emanating from the community based planning process can only be addressed if and when they get incorporated into the IDP. This obviously raises a question of whose plan is the IDP. In Uganda government has set up the Local Development Fund which directly targets initiatives that emanate from local planning processes. The funds are disbursed directly to communities. This has proved to be an important incentive for communities to participate in planning.

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59 Some of the organisations and donors that have piloted community based planning include DFID, Independent Development Trust, WK Kellogg Foundation.
The WK Kellogg Foundation (WKKF) is one of the partners in this initiative and they are piloting local area planning in three local municipalities. What has emerged very clearly is the need for a development fund that would be directed at micro community-based initiatives that would, in most instances, be ‘too small’ for the IDP process. Yet these are the kind of initiatives that are critical in unlocking community resources and energy and feeding them into the development process. The WKKF has committed to pilot setting up this ‘sweetener fund’. The irony is that the procedures of the Foundation are such that the same communities are unlikely to meet Kellogg’s stringent grantee requirements. There will need to be a qualifying organisation to receive and manage the funds on behalf of the communities.

But the other question is whether these community initiatives, and CDD for that matter, can address the issues of required scale and speed of delivery that face the South African government. Or is it a question of running a multi-pronged delivery model within which there is scope for CDD?

Community based planning is also time and resource (money and facilitation support) consuming. For example, in Mangaung, DFID invested R2.15 million to cover forty three wards. Local government would need to budget for it in the same way they for the IDP.

Going to the grass-roots

Since 2001 and 2002 national government introduced the concepts of imbizos and vukuzenzele, respectively. The imbizo is meant to be about politicians and senior government officials going to villages and townships to meet with ordinary citizens. This is an innovative way of providing a platform for monitoring access to and impact of various programmes on the quality of life of citizens. Whilst the programme was started by President Mbeki, it is now widely adopted at provincial and local government levels. But it is fair to say that imbizos are still far from playing the ‘downward accountability’ role they are meant to.

Also, the President, in his February 2002 State of the Nation Address called on South Africans to adopt the attitude of vuk’uzenzele. This is about mobilising communities and citizens to take the destiny of their lives into their own hands, through volunteering. This was an important step in militating against the unintended consequences of the RDP era where it was understood that ‘government will deliver’ so communities simply ‘waited for their turn’ without having to explore and drive their own initiatives.

Community Development Workers

Furthermore, concerned about the weak link between government and communities, the President in his February 2003 State of the Nation Address stated that:

“Government will create a public service echelon of multi-skilled community development workers who will maintain direct contact with the people where these masses live. We are determined to ensure that government goes to the people so that we sharply improve the quality of the outcomes of public expenditure intended
93. The programme has two sub-components: deployment of community development workers (CDWs) in communities and developing their skills in community development at different levels. The role of CDWs still needs further clarification, particularly as they are deployed in a complex and still evolving developmental local government environment. In some instances there are already sector specific community workers like community health workers and extension officers. CDWs will support and complement, not duplicate the work of these workers. In essence, the CDWs will not define a separate agenda outside the existing government priorities. Their purpose is to make sure that the already identified and approved priorities are implemented efficiently and effectively, and reach the intended beneficiaries. That is why on the ground CDWs will work within local government structures, whilst supporting implementation of sector programmes. By being on the ground, they will also be an important monitoring mechanism. Some of the envisaged roles of CDWs include:

- Preparing and ongoing updating of community profiles.
- Facilitating community based planning.
- Linking the community with external institutions (both government and none government) that can contribute towards improved service delivery.
- Facilitating community involvement in the implementation of projects and services.
- Being a conduit for information on government services relevant to the community, whilst also bringing to the attention of government structures community issues and needs.

94. Lessons are already coming through from the four pilot provinces that are implementing the CDW programme. The role needs further clarification and communication across all the affected stakeholders. On the ground the relationship between the CDW, the ward councillor and ward committee needs sorting out. Presently these are all government structures that are interacting directly with the community. This has the potential to cause confusion and raise tensions.

95. According to the Dept of Public Service and Administration, CDWs should be employed by the provinces and deployed to municipality. What are the implications of recruiting these CDWs as public servants? Should they be accountable to the communities, the municipality, or the province? One of the issues as well is whether CDWs are a one way process (improving the reach and / or access to government services), or just as critically a chance of enhancing and empowering communities to play a critical role in their own development.

96. The President’s call for the CDWs to help “improve the quality of the outcomes of public expenditure” and the fact that these CDW are public servants could be interpreted to mean that their role, in the first instance, is to improve the efficiency of government delivery, rather than necessarily empowering communities and supporting them in “their” development. Our view is that the role, and particularly accountability, of CDWs needs to
managed carefully if they are to facilitate community driven (or even community based) development. They should be accountable to communities and as such enhance downward accountability which, in our view, is weak in the current environment.

**NGOs and CBOs**

97. In the May 2004 State of the Nation Address the President called on departments to liaise with the National Development Agency (NDA) to improve government’s cooperation with NGOs and CBOs. This is an interesting development given that a few years ago President Mandela raised a caution about the reactionary role of (particularly) external NGOs in the flagging South African democracy. The NDA was set up by government in 2000 as a funding agency for NGOs and CBOs activities directed at poverty reduction. Whilst an issue can be raised about the effectiveness of the NDA in this role, given its various teething problems, of more importance for this report is the approach that they have taken.

98. Analysing a recent call or proposals by the NDA a number of issues emerge. There seems to be a contradiction between their target group and the rules of the game that they have set for qualification. Firstly, they note that they will prioritise NGOs and CBOs and the project limit is R450,000 to R500,000. The NDA will, however, only cover up to 90% of the budget and the applicant is expected to show how they will finance the balance. They insist that applicants “must have stable and sufficient sources of finance to ensure the continuity of their organisation of the project and if necessary, to play a part in financing it”. Secondly, the application is expected to be accompanied by an annual report or accounts.

99. Thirdly, no hand written application will be accepted. Fourthly, the applicant must be experienced and have capacity to manage project of similar size and complexity. Whilst the rationale for all of this might have something to do with testing the commitment of the applicant and the potential sustainability of the project both during implementation and beyond, it immediately disqualifies most small and rural CBOs in particular. The statutory role of the NDA, amongst other things, is to build the capacity of NGOs and CBOs, hence the call of the President for line function departments to work through them in establishing partnerships with the sector.

100. In this regard the NDA does indicate that proposals can include capacity building, and unlike many funders they also cover most overhead costs. The point though is that the hurdles they have put for entry are perhaps onerous for their target group. At play here are two critical issues. The nature of the funding that the NDA has requires strong upward accountability. As a public entity they are regulated by the Public Finance Management Act, just like line function departments. Related to that is the unintended focus on project outputs at the expense of a critical focus on capacity building as a legitimate output in its own right. In this way the project becomes the means rather than an end in itself. Also, the NDA is a national organisation and perhaps might not have agility required to really innovate in this sector.

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60 The NDA was established by government as a funding agency to support poverty reduction activities of NGOs and CBOs. It is funded by government and donors, with the European Union as the largest funder.

61 Call RFP EC 1/2004 for Food Security & Economic Development in Selected Communities of the Eastern Cape Province.
Emanating from the case studies, the role of the NDA is critical in supporting the establishment and strengthening of CBOs. Clearly there will also be a need to review some of the eligibility criteria in order to reach a wider pool of CBOs, particularly small rural CBOs.

Government and CDD

But government departments themselves make use of and partner with NGOs and CBOs in the delivery of services. Faced with many challenges in efficiently and effectively delivering on the Poverty Relief Programme (PRP), at the end of the 1999 / 2000 financial year the Department of Social Development introduced cluster co-ordinators (CCs) in the programme to play the role of identifying projects, providing implementation support, monitoring and reporting. These CCs were primarily NGOs and CBOs. A number of challenges bedevilled the approach.

Firstly, it was difficult to find “functional” CBOs and NGOs in remote rural areas that were the actual geographic target of the PRP. Therefore, communities formed these structures just to access the programme. The newly formed structures did not have the required capacity and systems to support the projects as per the programme requirements. Secondly, the department only entered into one year contracts with CCs. This was not adequate to build the required capacity that could move into areas of community development beyond the duration of the programme. Thirdly, and perhaps most instructive in relation to the President’s call, above, departmental staff who had been working in the project were threatened by the CCs, particularly the community liaison officers. They had “lost control” of project identification. Some of them perceived the training of CCs as an indication that communities would not be relying on them anymore.

But a critical component of the PRP was that the department, within existing rules and regulations, was able and willing to take the risk of disbursing funds directly to projects. Communities had direct control of resources. What this experience has shown is that whilst the control of funds is essential for CDD, government must be willing to “let go” of other areas as well in order to create a total environment. The area of project identification is essential for community ownership. The attitude of officials and their paradigm is critical for CDD because they set and interpret the “micro” rules, which ultimately determine what happens on the ground. Whilst the funds were disbursed directly to communities in the PRP, the officials still determined the pace of disbursement (tranches) and controlled the process through reporting requirements.

This raises an important point in a context where government officials determine who gets the benefits of development. In the case of the Department of Social Development, historically social workers were central to project identification and the allocation of social security grants. This put them in a particular position with regard to power relations in the development process. Therefore, if CDD is to be successful, there is need for a reorientation of government officials from being ‘controllers and gatekeepers’ to being facilitators and supporters. The system needs government officials who interact directly with communities to be champions of CDD and therefore willing to interpret the evolving regulatory and policy framework appropriately (including willingness to take community supportive risks). The question though is: Are these officials trained to do this? What are the incentives, if any?
106. Harrison\textsuperscript{62} asserts that “(i)f our goal is community building and democratisation, it is important to move beyond the discourse of ‘consultation’ and ‘participation’ towards a conception of the IDP as an instrument for the mobilization of civil society. It should be a process around which social groupings can organize to present their interests” in a conducive environment.

107. As indicated earlier, the South African constitution states that there shall be national, provincial and local spheres of government that are “distinctive, interdependent and interrelated”. The local sphere sets the framework for municipal development activities. It provides the link between local needs, priorities and conditions with national guidelines and sector considerations. Most importantly, it is the site for service delivery. Developmental local government is an important framework for and platform from which the local spheres seeks to deliver on its constitutional obligations. As indicated earlier on in this section, the WPLG asserts that government must “work with people” and must adopt a “democratizing…, empowering and redistributing” approach. However, in pursuit of this (based on the above exposition) a number of challenges are worth noting which have a direct impact on the practice and the potential up-scaling of CDD.

108. Firstly, capacity and willingness of government, especially local government, to engage with communities will continue to play a key role in CDD, even when the correct policy and legislative environment is in place. Secondly, given the low capacity of most remote rural areas to engage with government and other development resource providers, facilitation skills and the ability to engage with non-organised community groupings is a critical. Currently the IDP requires consultation with communities around the IDP and the budget. To a large extent, this consultation tends to be through structured groupings like the ward committee and the IDP Representative Forum. Thirdly, the ability of technocrats and councillors to translate and “package” community issues into responsive projects and services. Failure to do this correctly is a disincentive to communities to participate in the planning process.

109. Finally, there is on one hand, the challenge of balancing accountability for service delivery within specific time frames and public funds; and on the other, the need to create enough and appropriate space for CDD to thrive. One of the critical outcomes of developmental local government in South Africa is “the provision of household infrastructure and services”. Given the historical backlogs and inequalities in access and quality of service, government has committed itself to quantifiable targets (in most instances). One of the instruments that government has sought to utilize in this regard is the structure of its fiscal system.

The evolving fiscal mechanisms

110. In 1994 the newly elected democratic government inherited a highly fragmented and incoherent system of governance (at national, provincial and local level), for example: the homelands, the self governing states, the tri-cameral system, the Black local authorities, etc. The fiscal and budgeting system supporting this fragmentation was just as fragmented. Supported by the Interim constitution, the new government started off by centralising the fiscal system. The idea was to create capacity and mechanisms to deliver whilst driving a fundamental transformation process, in line with the constitutional obligations of equity.

111. The South African constitution assigns exclusive and concurrent powers to the three spheres. For example, provinces have exclusive powers for provincial roads and planning. They share concurrent powers with national for health, education and welfare. Provinces also have an oversight role over the local government sphere. The evolution of the fiscal and budget system is informed by these arrangements, bearing in mind the “distinctive, interdependent and interrelated” nature of the relationship.

112. In terms of the fiscal and financial arrangements the national sphere is responsible for fiscal equalization and ensuring equitable access to all. Provinces are responsible for supporting the local sphere and monitoring implementation. And local government drives service delivery and subsidy implementation.

113. One of the key elements in any fiscal system is revenue collection. In South Africa, although provinces have taxing powers, for various reasons they are not exercising them to any meaningful way, except for car licenses and hospital fees. This currently amounts to less than 5% of their total budget. Provinces thus still rely on intergovernmental transfers for their revenue. They lack fiscal autonomy. “There is therefore a very significant mismatch between revenue raising powers of provinces and the expenditure responsibilities imposed upon them”63.

114. The Intergovernmental Relations Act of 1977 outlines the intergovernmental revenue sharing mechanisms. The bulk of the transfers (approximately 90%) to provinces is in the form of unconditional grants whose expenditure are broadly guided by national norms, but is according to provincial priorities. These grants are mainly directed at three expenditure areas: health, education and welfare. Conditional grants, on the other hand, are meant to “ensure that national priorities are reflected in provincial budgets”64. This is important, as alluded earlier, in a country riddled with historical inequalities.

115. The intergovernmental fiscal relationship is managed through a series of structures to achieve consultation, negotiation and national consensus over the allocation of resources. But the system is also intended to assist in the alignment of policy, implementation and resource allocation across the three spheres. These structures are legislated in the Intergovernmental Relations Act, and include the participation of provinces (political and administration) and organized local government.

116. In the first ten years the main focus of national government with regard to provinces has been about setting up the system with efficiency, expenditure control and redistribution as the key drivers. For historical reasons, the capacity for fiscal management and discipline has been very weak, as evidenced by consistent overspending in some provinces. This was seen by national treasury as a serious threat to national goals of macro economic stability. With regard to local government the focus has been fiscal sustainability, given that they are supposed to primarily rely on own revenue.

63 Ajam T (not dated) Intergovernmental Fiscal Relations in South Africa.
64 Ibid.
117. This reality has had and continues to have an impact on the extent to which the current fiscal system is accommodative and supportive of CDD. The main fiscal reform areas seem to be around stabilizing and streamlining the system, ensuring efficiency, control, transparency (allocation and expenditure) and upward accountability, and “oiling” sector service delivery.

118. Government has introduced the medium term expenditure framework (MTEF) through which three year indicative allocations are determined and published. The intention is provide certainty around resource allocation to priorities. However, it is fair to say that despite the MTEF, departments still largely plan on an annual basis. Given the time needed to initiate CDD and get activities off the ground, the MTEF does create the space from which to plan in advance, build capacity put in place the necessary systems. This has been attempted by the Department of Social Development in its PRP, which they redesigned into a three year programme, with the first year focusing on pre-implementation activities. But to achieve this, the relevant minister must be prepared, willing and able to “protect” the administration against what gets perceived as non-delivery by a very delivery output-orientated government and public.

119. In 1999, government introduced the Public Finance Management Act applicable to national and provincial government, and all government agencies. In 2004 the Municipal Finance Management Act was adopted. These pieces of legislation have the similar intent of aligning strategic planning, financial management and reporting. But the legislation has also introduced what might be unintended consequences. The strong levels of accountability of accounting officers has brought in caution in decision making and to a certain extent limited innovation and risk taking. To most administrators allocation of budgets directly to communities and community structures is perceived a high risk because you loose control over expenditure (output, its quality and timeframes). Also, the PFMA has introduced not just compliance, but also performance auditing. This has legislated the pressure of tangible delivery targets

120. In 1996, the National Department of Public Works attempted to disburse Community Based Public Works Programme funds directly to communities. This was discouraged by the Auditor General. The reasons provided were that this blurred accountability for public funds; and that the accounting officer (the head of the department) did not have enough assurance that the funds were used for what they were intended. As such, amongst other reasons, this led to the department limiting its delivery model to the community based approach with funds disbursed through municipalities, public entities and NGOs. This raises the centrality of the Auditor General in the highly regulated and formalised South African delivery system, where upward accountability plays a major role.

121. South Africa has a multi-layered fiscal system that is still evolving. The direction is towards devolution to the local sphere, in line with its service delivery responsibilities. As such any scope for CDD will be dependent, to a significant extent, on local government. As Manor has noted, decentralisation requires local government to have (at least):

- Enough power to influence the political system and development activities
- Enough money to accomplish important tasks
- Enough capacity to do the job
Robust accountability mechanisms.\textsuperscript{65}

122. These should be borne in mind during the subsequent sections of this report, particularly where the over-elaborate local planning system is analysed.

**Revenue allocation and the local sphere**

123. National allocations to municipalities comprise approximately 13.7\% of the total local government budget. But given the varying fiscal capacity, service delivery backlogs, poverty levels and the varying revenue base, in real terms national allocations vary between 3\% for metropolitan municipalities to 92.1\% for a rural municipality like Bohlabelo in Mpumalanga. Therefore, in reality, most municipalities like provinces also depend on national transfers and grants.

124. There are three sources of national transfers to local government:
- Equitable share (57\%);
- Municipal infrastructure grant (35\%); and
- Capacity development and restructuring (8\%).

125. The equitable share was introduced in the 1998/99 financial year as a redistributive mechanism. As such the formula for its allocation takes into account fiscal capacity, fiscal efficiency, development needs, poverty levels and service delivery backlogs. It is thus directed at service delivery targeting and prioritising those municipalities and households with no services and who have low affordability levels, respectively.

126. The equitable share is an unconditional grant and covers amongst other things:
- Basic institutional and governance requirements for municipalities that are unable to fund their administrative infrastructure.
- It covers operational costs associated with basic services.
- It contributes towards the provision of free basic services.
- To ensure certainty in service delivery the equitable share has a guaranteed (at least 70\% of the previous year’s allocation) and minimum amount (R1 million).

127. As an unconditional grant, the equitable share seems a useful source of funds for CDD projects. The size of the equitable share is set out below, suggesting the scope that exists.

<table>
<thead>
<tr>
<th>R million</th>
<th>2004/5</th>
<th>2005/6</th>
<th>2006/7</th>
<th>2007/8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equitable share</td>
<td>7 678</td>
<td>9 643</td>
<td>10 515</td>
<td>11 371</td>
</tr>
<tr>
<td>Total transfers</td>
<td>14 757</td>
<td>17 159</td>
<td>19 708</td>
<td>21 461</td>
</tr>
</tbody>
</table>

Table 1: National transfers to local government 2004/5 – 2007/8 (only showing equitable share and total transfers)\textsuperscript{66}

128. Both the municipal infrastructure grant (MIG) and the capacity development and restructuring grant, are conditional grants. The MIG is an outcome of a consolidation of several infrastructure grants to municipalities, including the consolidated municipal programme; the water services capital fund; the community based public works programme; the local economic development


\textsuperscript{66} Government of South Africa: Explanatory memorandum to the Division of Revenue (Table E.16, p.257).
programme, the sports and recreation programme; and the electrification programme. Municipalities will be required to prepare three year spending plans in line with the MTEF in order to access the MIG. 4% of the MIG allocation has been set aside as a capacity and management grant to improve the absorptive capacity of municipalities.

129. The other conditional grant is the capacity building and restructuring grant which focuses primarily on financial management, systems improvement, corporate governance, community participation. This is a critical grant for most municipalities, especially the rural ones, given the capacity challenges that they continue to face.

130. An analysis of the emerging trends point to the following:
   - There is an increasing importance of the equitable share as an unconditional grant to local municipalities. For example it has increased from 38% in 1995/96 to 53% in 2003/04.
   - There is consolidation of grants to improve equity, transparency, efficiency and accountability.
   - There is improved predictability, planning, linking of budgets to priorities as a result of improved quality of IDPs and the introduction of multi year budgeting.
   - The bulk of allocations are going directly to local municipalities. This enhances local decision making.

131. Clearly the trend is towards local planning, budgeting and decision making. This is an important opportunity for CDD, the closer to communities the critical decisions get made. But on other hand, the local municipalities, given their capacity challenges and the way they interpret the MFMA requirements, they might be less likely and confident to take the “risks”, monitor and support CDD. Generally, municipalities adopt a supply-driven approach to delivery and this contrary to the very fundamental principles of developmental local government.

132. Unfortunately, the way in which government records its planned expenditure in the Division of Revenue disallows any analysis of the resource envelope ear-marked for CDD projects without an enormous amount of time. This is a major gap in the report, and one that should be filled in future, if possible.

Scope for CDD within the emerging decentralisation framework

133. Ajam\(^{67}\) raises a critical question. Is the emerging fiscal decentralization in South Africa about “achieving national allocative goals efficiently…(or about) local responsiveness and increased participation…”? Analysis of the current situation suggests that it is a bit of both. By legislating for planning, fiscal flows, intergovernmental relations, and strategic management, government has put in place very clear parameters and procedures, even for unconditional grants. This certainly facilitates the achievement of “national allocative goals efficiently”, which is important for also achieving the equity goals enshrined in the constitution.

134. On the other hand “local responsiveness and increased participation” in the South African context is not just about fiscal decentralization. It is a political issue of extending political rights to the majority that was previously disenfranchised. That is why fiscal decentralization does not

\(^{67}\) ibid.
necessarily translate, in practical terms, into direct and explicit support for CDD. Rather there is the language and practice of “participation”, “consultation” and “community based”.

135. Fiscal decentralization in South Africa is regulated through the PFMA and the MFMA. So whilst the development framework advocates for a central role of communities in their own development, the accompanying regulatory framework demands very strong upward accountability. The Division of Revenue Bill (2004), in outlining the duties of receiving officers, emphasizes the reporting requirements (monthly), compliance with the act, spending in terms of the purpose and subject to conditions.

136. The MFMA, however, does acknowledge the possibility of transferring funds to CBOs by motivating for an exemption to the Auditor General, and certifying that the implementation of stringent conditions in terms of the Act is “uneconomical and unreasonable”. But if the PFMA is anything to go by, then the exemption process can become too onerous for local municipalities (where the bulk of equitable share is going). This is a disincentive to already under capacitated municipalities. What is perhaps needed are clear operational guidelines approved by National Treasury, the Auditor General and the Department of Provincial and Local Government.

137. Dongier et al insist that “CDD requires community control of investment and management decisions”69. In the South African context there are a number of issues that are worth noting in relation to the evolving fiscal arrangements.

- Administrative decentralization has not proceeded in the same pace as the political and fiscal decentralization. Given the regulatory framework, municipalities will need capacity (both institutional and professional competency) to effectively support CDD, whilst complying with procedural requirements of managing public funds. Commenting on the Special Poverty Relief Allocation, the Palmer Development Group conclude that “(t)he evolving financial regulations have created a less flexible environment that threaten to place some SPRA outside the law through compliance”70, for example direct disbursements to communities in the PRP.

- All government entities are audited by the auditor general both for compliance and performance. The latter requires measurable and, therefore, auditable indicators. Some of the critical success measures of CDD are not quantifiable, and could lead to qualified audit reports. As such until the auditor general adopts other ways of measuring performance, accounting officers might not be willing to take the “risk”.

- One of key tenets of CDD is moving and supporting the community at their own pace. But “under spending” or “roll-overs” are a serious political and management issue in South Africa. This is within the context of serious service delivery backlogs. Also, in terms of regulatory framework, an accounting officer could be held personally liable for what is defined in the PFMA and MFMA as fruitless expenditure, unauthorized expenditure, over spending, and under spending. CDD is potentially technically prone to these.

- Despite the introduction of the MTEF, programme budgeting is still very much annually driven and measured. This limits the space for effective pre-implementation

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68 The accounting officers of institutions that are receiving the fiscal transfers (conditional and unconditional).
69 Dongier et al Community-Driven Development, P.309.
activities that are essential for successful CDD. “The government system is not designed to cope with delays caused by community consultation” because such delays result in under-spending.

- As indicated at the beginning of this section, in 1994 the democratic government inherited a fragmented system. Over the last ten years a lot of emphasis has been to bring efficiency. This has been and continues to be important in achieving the national goals of redistribution and equity. But could this state machinery be “too efficient” to the extent of being a disincentive for community initiatives.

- The evolving system has also brought in strong accountability and transparency. But mechanisms for downward fiscal accountability are not yet obvious and compelling to politicians and officials, in same ways as upward accountability is. The system of imbizos and community development workers has that potential, but it has not yet been realized. So far the imbizos are about communities reporting to politicians what has not been done, not working, or what their un-serviced needs are. This is a far cry from holding politicians accountable – downward accountability.

138. Clearly the emerging South African model puts more emphasis on the participation of communities in the development process. The regulatory and fiscal system might seem to be not facilitative of communities controlling and managing project funds. This includes decision-making on the actual allocation of funds, which is done through the IDP. Communities contribute to the decision making process, depending on the strength of their ward committees and the effectiveness of their ward councillor. But looking closely, the system does not preclude CDD.

Part 3: Findings from the South African case studies

139. Mansuri and Rao define CDD as “…community-based development projects in which communities have direct control over key project decisions, including management of investment funds.” They argue that by reversing the traditional developmental power structure and giving agency and voice to poor people, CDD should enhance sustainability, efficiency and effectiveness, inclusiveness, empowerment, build social capital and allow for up-scaling while complementing market and public sector activities. CDD does so by reducing information problems – local knowledge is built into the project and targeting should improve. CDD should expand the resources available to poor communities (including access to credit), and civic capacities should be strengthened by nurturing representative local structures. Finally, more active communities should improve government responsiveness, especially in the local sphere.

140. But they are also candid about the potential problems that face (or are created by) CDD. Amongst the issues raised in their paper, Mansuri and Rao note that institutions promoted under CDD may undermine legitimate elected local government, and that community-driven initiatives often work under very different timelines than those of project implementers or funders looking for quick results. They emphasise the centrality of facilitators, and rightly note that despite their key role, facilitators are often young and inexperienced, and may guide projects to suit their own

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71 ibid.
requirements, glossing over divisions within the community in the process. Also, as shown by the case studies, there is a risk of facilitators creating a dependency relationship with communities. The project might be successful but only as long the facilitator is still around. This raises the important question of developing an exit strategy upfront and ensuring that rolling it out is part of the project and facilitators’ key performance areas. This would include a capacity building plan for the community, especially the project leadership team.

141. Participation – the cornerstone of CDD – is embedded in the existing relations of power, authority, gender, age and so on within a community. Moreover, participation can shift greater costs onto the poor, who are expected to contribute financially and/or through time and labour to projects. At the other end of the project cycle, maintenance and support are key potential weaknesses; CDD requires on-going support and “the need for a well functioning state apparatus does not disappear with active community involvement.”

142. Leadership is also important, and Mansuri and Rao usefully remind us that “…elite domination is not always elite capture” – an important point to bear in mind when reading the South African case studies.

143. We return to these points below.

The case studies: an overview

144. Bearing these points in mind, we now provide a brief overview of the findings from the South African case studies. The case study reports are attached as annexures to this report, and we do not describe them in detail in the text. The case studies are summarised below in Table 2. In this section we analyse some key point emerging from the case studies.

145. (Only) Five case studies were undertaken as part of this project. We had hoped to undertake more, but despite a considerable effort, and flexibility regarding timeframes from the World Bank, we battled to find projects that fitted the definition of CDD rather than community-based development, which is far more common in South Africa. As a result, we were unable to identify successful and failed CDD projects from the pre- and post-1994 period, and make appropriate comparisons. This should not disguise the very substantial amount of development work taking place in South Africa, nor its richness and diversity. However, the specifics of the narrow definition of CDD – where communities control resources themselves – seems to be noticeable by its near-absence.

146. Equally significant is the fact that the national sphere of government seems to be very active in promoting CDD in place of its earlier preference for a community-based approach. This is particularly true of the National Department of Social Development (DSD), which adopted a developmental approach (in preference to a ‘welfarist’ approach) in the mid-1990s. Social Development was a key funder in 3 of the 5 case studies. In a number of case studies, CDD and community-based approached commingled: DSD provided cash grants which communities managed, while departments such as Public Works used a community-based approach in the provision of infrastructure. The case studies are an insufficient basis on which to make broader

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73 Ibid., p.33.
74 Ibid., p.42.
generalisations, but they do suggest that while CDD may not be replacing community-based development, it is increasingly widespread.

**Context**

147. We noted earlier, but repeat the point here, the importance of appreciating the context when analysing development and governance in South Africa. The first democratic elections were held in 1994, which included the national sphere as well as the newly demarcated provincial sphere. Many provincial authorities also inherited bureaucracies and bureaucrats) from the 14 former Bantustans or ‘homelands’ created under apartheid. Transitional local authorities were elected in 1995; municipal boundaries were re-drawn in the late 1990s, and are to be re-drawn (to remove cross-border municipalities) in 2005. The South African ‘governance model’ is not fixed but changing and developing over time, and our analysis should be understood in that context.

148. 1994 did however signal a major change in the environment. Projects that had started prior to the first democratic elections of 1994 reported improved relations with government (including local government) after the election. Although democratic local government elections were only held in 1995, the local sphere became more supportive, helped by the abolition of homeland government structures as well as the national shift in emphasis from politics to development. The Tembisa Self-Help Association for the Disabled (T-SHAD), for example, no longer required direct action (in the form of picketing and protesting) to get land from the local authority. The Morapalala Water Project had failed to persuade the Lebowa government to provide clean water; but after 1994 accessed World Bank support.

**Government**

149. Having noted the contextual issues, however, the case studies make it clear that the national sphere of government is the most active in CDD; the provincial sphere only appears in any significant fashion in the Gauteng study; while the local sphere is barely visible in most.

150. The only project that reported positive engagement with elected local officials was the Tswelo Pele Pitso Women’s Co-operative in the Eastern Cape, where the local councillor had engaged the District Municipality on behalf of the project, resulting in the provision of infrastructure. Significantly, this was also the only project whose members had participated in their local IDP process, suggesting that part of the problem may be failure to engage local development planning processes rather than a failure on the part of elected local officials.

151. In the Morapalala Water Project, local councillors were unresponsive – so members of the project engaged local officials (i.e. bureaucrats rather than elected councillors) very successfully, succeeding in getting a full-time maintenance person on site. Engaging technocrats rather than (or as well as) elected officials may be an important option for CDD and other local development initiatives.

152. In the South African governance model, the local sphere is meant to be the coal-face of development, and resources are increasingly being channelled to the local sphere for this reason. However, the case studies suggest that the model is not yet working: the national sphere remains the most active, while the resources of the local sphere – both financial and human capacity (such
as extension officers) – are not being deployed to support CDD initiatives. The local sphere seems to be focusing more on community based development through the IDP process

Civil society

153. The absence of NGOs or CBOs is also striking in the case studies. The Morapalala Water Project had been helped by a local CBO in drafting funding applications. The Motherwell Youth Development Forum (MYDF) had made contact with a couple of local NGOs, though without any tangible results. The only NGO that appears in the case studies is the Mvula Trust, which was contracted by the Department of Water Affairs and Forestry to deliver services and is more a “quango” than classic NGO. The Independent Development Trust (IDT) is a public entity, and appears in a number of the case studies providing support services to various government departments (including DSD).

154. It is difficult to draw any firm conclusions on the basis of this limited set of case studies, but the absence of independent development NGOs or CBOs is striking. The Morapalala Water Project (helped by a local CBO) is in a deep rural area, questioning easy assumptions about civil society being located in urban rather than rural areas. It may be fair to conclude that the post-apartheid re-orientation of the NGO sector (discussed above) has seen its size and outreach diminish; coupled with the lack of pro-active engagement by the local sphere, this has left national government as a key player. This is cause for concern, given the primary developmental role envisaged for local government and the active engagement of civil society organisations (CSOs) required by the IDP and related local planning processes. As indicated earlier, this emphasises the important role of the NDA in strengthening the capacity of civil society to engage in the development process, especially in rural areas.

Leadership & management

155. Development literature is replete with analysis of ‘charismatic leaders’ and the dangers of elite capture. The case studies underscore the importance of leadership, and the need to recall Mansuri and Rao’s point that elite domination does not automatically equate with elite capture.

156. One of the key problems facing the least successful project among the case studies – the Motherwell Youth Development Forum – was the absence of strong leadership, which allowed differences among executive members to negatively affect the work of the MYDF. In all the other projects, a strong leader had emerged and was seen as key to the success of the project. This included a school principal (Mongoaneng Vegetable Garden), the founder and current CEO of T-SHAD, and so on. In the 4 case studies with strong leaders, whether by accident or design, those leaders appear to be highly egalitarian in both the internal working of projects and external issues (such as targeting the poorest households for employment or receipt of food parcels).

157. However egalitarian the leaders are, issues of dependence and sustainability arise. Some of the projects have shown considerable resilience (see below) – for example, when external funds dried up, the Tswelo Pele Pitso Women’s Co-operative survived for 8 months from their own contributions, as did the Mongoaneng Vegetable Garden when the electricity for their pumps was cut off. However, both projects rely very heavily on the project leader to negotiate on their behalf with external suppliers, government officials and others; the women in Tswelo Pele Pitso told us
quite openly that they lacked the confidence to handle such matters themselves. Whether these projects would survive the departure of their leaders is questionable – especially given the limited support provided by CSOs or local government.

158. Finally, the role of traditional leaders is important in projects located in rural areas. In the Morapalala Water Project, for example, the traditional leader is asked to call community meetings when the Project Steering Committee (PSC) fails to persuade all members to pay their monthly fee; where they fail, the traditional leader succeeds.
<table>
<thead>
<tr>
<th>Project name</th>
<th>Type/activity</th>
<th>Province</th>
<th>Urban/rural</th>
<th>Inception</th>
<th>Funding source/type</th>
<th>Income generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mongoaneng Development Forum</td>
<td>Vegetable garden</td>
<td>Limpopo</td>
<td>Rural</td>
<td>1994</td>
<td>Own contribution (money and labour) Tribal Authority (land) National Development Agency (cash grant) Rural Anti-Poverty Programme (infrastructure)</td>
<td>Sell vegetables to community and local schools</td>
</tr>
<tr>
<td>Morapalala Water Project</td>
<td>Providing clean water</td>
<td>Limpopo</td>
<td>Rural</td>
<td>1993*</td>
<td>Own contribution (money, time) World Bank (reservoir, pumps, stand pipes) Mvula trust (grant for expansion of existing infrastructure) Local authority (full-time maintenance personnel)</td>
<td>None</td>
</tr>
<tr>
<td>Motherwell Youth Development Forum</td>
<td>‘To mobilise youth and empower them economically’</td>
<td>Eastern Cape</td>
<td>Urban</td>
<td>2002</td>
<td>National Department of Social Development (grant) Provincial Department of Social Development (support staff) Independent Development Trust (support staff)</td>
<td>None</td>
</tr>
<tr>
<td>Tembisa Self-Help Association of the Disabled</td>
<td>Advocating for the rights of people with disabilities and income generation</td>
<td>Gauteng</td>
<td>Urban</td>
<td>Late 1980s</td>
<td>Own contribution (money) Local authority (land) Canadian Embassy (fencing) Various private sector companies (infrastructure) Provincial Department of Public Works (buildings) Provincial Department of Social Development (grant)</td>
<td>Manufacturing cleaning products Garden/nursery Recycling Sub-contracting Tuck-shop Secretarial services</td>
</tr>
<tr>
<td>Tswelo Pele Pitso Women’s Co-operative</td>
<td>Income generation for women</td>
<td>Eastern Cape</td>
<td>Rural</td>
<td>2001</td>
<td>Own contribution (money, time) National Department of Social Development (grant) Independent Development trust (support staff) District Municipality (buildings) National Department of Labour (training)</td>
<td>Sewing Poultry Vegetables Baking</td>
</tr>
</tbody>
</table>

Table 2: Description of case studies
All the projects covered by the case studies had management structures. Some, such as T-SHAD, included a Board with oversight functions, a CEO and committees to oversee specific project activities. In the case of T-SHAD, this reflected its evolution from a purely advocacy organisation to an organisation combining advocacy with a set of thriving income generating projects. In Morapalala, the Project Steering Committee provided overall leadership and managed the project finances, and Water Committees have been set up to involve household members in maintaining taps.

Some projects had financial managers or book-keepers; in all cases, financial oversight was provided by the project management structure. Importantly, we were not told of any disputes over financial matters; the main challenge in most projects was getting poor people to pay their monthly dues.

The only exception to this generally positive picture comes from the MYDF, which has an over-elaborate structure (an executive, organised into clusters etc.), could not provide us with information on their current financial status, and had spent half a million Rand but only trained 65 youth. Taken together with the point made earlier about the lack of strong leadership in the MYDF, it emerges from the case studies as an instance where the CDD approach has not worked. The Forum has many of the hallmarks of CDD – it manages its own funds, was established after a long consultation phase, is responsive to an identified local need, and so on. However, the Forum has suffered from internal disputes which went unresolved, compounded by a high turnover in support staff attached to the project. The latter point is important: projects require support that is both qualified and consistent.

Some issues relating to sustainability have been mentioned above (such as leadership/dependence, support from CSOs and government and so on). The MYDF stands out among our case studies for another reason. The other 4 projects started work on the basis of their own contributions – either financial, time and/or labour. The MYDF invested time in drafting a business plan but only began working once the funds had become available. Again, 5 case studies comprise a very small basis on which to make any reliable generalisations, but they strongly suggest that the efficiency and longevity of projects is strongly enhanced where own contributions were used not merely to create structures but to start work. When asked about the sustainability of the MYDF, respondents noted that they would have to seek funding elsewhere; in other projects, funding interruptions have not affected work (as noted above).

In 3 of the projects, income-generating projects are operating effectively; Morapalala Water Project is successfully maintaining the supply of water and collecting payments from beneficiaries; the MYDF is the only project that sees itself as dependent on sourcing funds from government. The MYDF is sector- rather than community-based, but this seems not to be the key variable in explaining its weaknesses compared to the other case studies, which include other sector-based projects (women, people with disabilities, etc.). As noted earlier, the robustness of the income-generating components combined with own contributions and good financial management in a number of the projects have allowed them to continue operating and survive the
‘shock’ when external funds have been interrupted. Their financial sustainability seems fairly secure.

164. But this should be understood in context. CDD should enhance the resources available to projects (credit, capacity and so on), and in some instances it did so. A number of the case study projects were able to secure funds or support, and support from one source often opened new doors: the Morapalala Water Project first accessed World Bank support, after which Mvula Trust followed, for example; while Mongoaneng Vegetable Garden saw its grant from the NDA followed by a significant injection of infrastructure from the National department of Public Works. Location is also important: T-SHAD attracts attention which turned into support from private sector by dint of its strategic position on the highway running from Johannesburg to the international airport.

165. But some doors remain closed. When Morapalala Water Project approached commercial sector banks for a loan to expand their water system, they were turned away as lacking collateral – the only collateral they could offer was the existing project infrastructure. Promoting CDD cannot occur in isolation from broader attempts to reform the financial sector and make it more open to approaches from CDD-type projects, or those projects will remain dependent on donor or government funds.

166. This is reflected in the case studies with income-generation components. In most cases, successful income-generating projects remain small and survivalist, although participants have shown considerable initiative in seeking to expand their work. The women’s co-operative, for example, have approached a supermarket chain to sell their wares; others have approached the Department of Education to sell bread to schools, or make track-suits for school children. Mongoaneng Vegetable Garden sells to nearby communities as well as their own. The commercial banks are notable by their absence, despite the fact that these are projects with a solid history of financial management and entrepreneurship.

167. Part of the problem lies with project members in some cases. As we noted earlier, the women from Tswelo Pele Pitso Women’s Co-operative told us they lack the confidence to enter negotiations with ‘outsiders’, and banks are more imposing and less welcoming than local government. A key element of CDD is empowerment for participants, but in the absence of solid support from local government or CSOs, this is not occurring, and should comprise a key component of CDD support work. It may also be an important area where government’s Community Development Workers (CDWs) to play a role.

168. Maintenance of infrastructure emerged from the case studies as a key item. Morapalala successfully approached local government for maintenance support, but other projects have struggled to find the funds to pay for repairing and maintaining equipment after it has been installed. There is a clear need for government and donors to budget for recurrent as well as investment costs, although this does not seem to be occurring.

169. Finally, however, we return to the local sphere of government. For the case study projects to be sustainable in the long-term, local government has to become far more proactive (than the case studies suggest it is at present) in identifying projects that exist – the local Department of Agriculture, for example, claimed to have no knowledge of Mongoaneng Vegetable garden despite national government having provided funds – and then assessing their key needs and
matching these with suppliers. The South African governance model will succeed or fail on the basis of how local government performs its developmental roles. The case studies suggest there is a considerable distance still to travel before we have ‘developmental local government’.

Ownership/support/dependence

170. Linked to sustainability is the issue of who really ‘owns’ projects and makes key decisions about their form and content. At a literal level, the projects are all owned and managed by participants. But the Tswelo Pele Pitso Women’s Co-operative is a powerful illustration of the influence exerted by external donors, in this instance the National Department of Social Development (DSD). Once DSD decided to support the project, it informed project members that it would only support an amalgamation of the different small projects in the area. This led to the projects merging, but in the face of unhappiness among some members, and membership dropped from 96 to 39.

171. DSD may have strong arguments for preferring to support a single, larger entity in place of a clutch of smaller, stand-alone projects. But their intervention impacted on the organic growth of projects in the locale. Tswelo Pele Pitso may now be a successful project – but what of those members who left, unhappy to merge their project into the larger entity? As noted by Mansuri and Rao, external agents (donors, government, facilitators, managers and so on) all too easily – and often for what they regard as good reasons – overly influence projects to suit their own needs, rather than adapting to meet the needs of projects.

172. In a related point, respondents from the MYDF described ‘cultural differences’ as continue plaguing the executive and limiting the efficiency and effectiveness of the Forum. Half a million Rand has been spent, and just 65 youth (including MYDF executive members) trained. The case study strongly suggests that the project urgently requires an intervention to get it back on track. But government continues to operate in fear of ‘roll-overs’ and the criticism they invoke from Treasury as well as in the media. As a result, there is pressure on DSD and other departments to spend money by deadline – ‘dumping money’ as it is more pejoratively known. The result has been on-going pumping of resources into a Forum not ready to spend the money.

173. Government as a whole has to move away from a strictly accounting approach to ‘developmental accounting’ where CDD-type initiatives are concerned. Good development projects very rarely move at the pace demanded by financial calendars, particularly where a CDD or community-based approach is utilised. Timelines have to merge the needs and timelines of both government and community. Funds are better kept back until a project is ready to use them well than ‘dumped’ on the project before it is ready.

174. Finally, the Morapalala Water project illustrates the importance of future, long-term planning in the delivery of services/infrastructure that caters for maintenance of existing infrastructure as well as future needs and expansion. Once the first phase of the project had been completed and was servicing those sections of the community who had participated in the project, the rest of the community also (naturally) wanted access to clean water. This had not been planned for, and was a potentially divisive issue, resolved by a grant from Mvula Trust. ‘Developmental (local) government’ requires not merely sensitivity to community needs and capacities, but also a long-term commitment to keep working in the area.
175. The IDP process is a key mechanism for this to be achieved. The onus rests on projects such as Morapalala to participate in their local IDP process in order to ensure that long- and short-term needs are catered for. But this in turn will require more support and empowerment – which we have seen to be lacking – to give project members the confidence they lack to take part in IDP and related processes.

Conclusion

176. The case studies suggest that CDD is an approach rather than a blueprint. Project goals, structures and modus operandi were very locally-driven and local socio-political and governance contexts very different. As an approach, CDD was successful in 4 of the 5 case studies, suggesting it has considerable capacity for broader application. ‘Up-scaling’ can occur in the form of encouraging broader understanding and knowledge of the approach, rather than simply rolling out a set format on heterogeneous communities.

177. There should be considerable scope for CDD to become more popular and widely used, since it matches the broad goals of government in terms of supporting locally-based initiatives, empowerment of people living in poverty, and integrating CSOs and local government in planning and delivery via the IDP process. But the case studies also suggest that local government has a considerable distance to travel before it is able effectively to support and nurture community-based or CDD initiatives, or we may face a longer-term danger noted by Mansuri and Rao, namely contestation between elected local government and community initiatives. The same is true of civil society, largely absent from the case studies. For CDD initiatives to thrive, financial and/or infrastructural resources are of course key; but so are more diffuse and ‘messy’ issues such as empowerment for project members to equip them to play a more proactive role.

178. One can conclude that both CDD and community based development are at play in the current South African context. But the regulatory and fiscal environment is perhaps more supportive of the latter. We indicated earlier that the South African model is still evolving, including the extent to which CDD is being implemented. We suggest this given the centrality of the local government sphere. The WPLG highlights the need for “ensuring the balance between, on one hand, regulation, and other encouraging and supporting community action through resources, training and information on opportunities”. To a large extent, whilst not perfect, the various instruments are in place to encourage community action: IDP; CDWs; imbizos; vukuzenzele; the NDA; to mention a few. We would argue that the national project of seeking macro economic stability, policy coherence, equity and addressing service delivery backlogs, has led to a regulatory and fiscal environment that emphasises upward accountability. At the same time the government is clearly conscious of the critical role of communities in development and as part of the democratisation process.

Recommendations

179. The foregoing analysis and case studies point to an important role that CDD could play in the South African development arena. The regulatory, policy and fiscal framework clearly provide scope for this, amongst other delivery forms. But there are areas that need exploration in order to enhance the scope for upscaling the application of CDD, especially at local government level, given that this is sphere charged with delivery management.
The MFMA provides scope for municipalities to allocate grants directly to communities, but CDD seems to be rarely offered. Overall, a greater emphasis on outcomes rather than expenditure may help, in tandem with a shift from upward accountability to horizontal and down accountability as well as opportunities for ‘learning by doing’.

Moreover, what is required are clear operational guidelines, “step-by-step” guide to ensure that all the requirements of transparency and accountability for public funds are met. For such guidelines to be effected they would need the approval of the three critical institutions: National Treasury; the Auditor General; and the Department of Provincial and Local Government.

The Ugandan model of allocating a proportion of local government transfers to communities needs to be explored. Communities are required to participate in the elaborate IDP process. Yet there is no incentive for participation. In most instances community based initiatives do not “find space” in the IDP project list. It would be useful to allocate funds directly to communities for such initiatives, especially given that there are now CDWs who could play a supportive and monitoring role. International experience shows tat such a move goes along way in mobilising community action beyond that particular small grant. We have noted that the equitable share would be a useful source of such funds; alternatively, local governments should have a ‘community fund’ to support CDD (and other) initiatives.

The above suggestions immediately open space for NGOs. But it is suggested that they play a facilitative role, supporting communities in their own actions rather than acting as intermediaries. Where NGOs act as intermediaries, they obviously close the scope for CDD regarding the management of funds. The example of PRP of the Department of Social Development is instructive here, and confirms that it can be done successfully. But there might be a need to build the facilitation capacity of such NGOs, especially in rural areas (where local NGOs might not even exist).

There is currently a lot of training and capacity building at local government level focusing at both councillors and officials. This presents an opportunity to introduce CDD and the aforementioned operational guidelines. This will produce the needed champions, with the necessary practical know-how.

The Department of Provincial and Local Government has launched Project Consolidate as:

- targeted hands-on support and engagement programme to build the capacity of municipalities to perform their mandate.
- Systematic refinement of policy, fiscal and institutional matters that will enable the consolidation of the local government system in the long-term.

A total of 136 municipalities have been identified for this programme. It is suggested that as part of the roll out of this programme, CDD be championed within the community empowerment element. A few municipalities can be identified as pilots where the above recommendations can be implemented, with the support of identified ‘champions’ in those municipalities.

Opportunities also exist through the Cities Network in relation to the metropolitan areas. For example, Durban Metro has the capacity to innovate, support and monitor such initiatives, given
that by and large their systems are in place. There is also scope to support the NDA given its mandate of focusing on CBOs and NGOs. Part of the support would need to focus on designing and bedding down targeting, disbursement, monitoring and reporting systems. This comment is based on the recent governance challenges that the NDA has been experiencing, which should not be allowed to discredit the CDD approach.

The World Bank could play a key role in supporting the above recommendations. They could bring in practical international experience in CDD, including highlighting the risks. In the South African context, as outlined throughout this report, the key questions to be addressed by those experiences would include:

- How to ensure effective accountability for public funds.
- Step by step operational guidelines bearing in mind the requirements of the MFMA.
- How to upscale implementation through CDD so that it is not just a few ‘parochial pilots’.
- Whether and how CDD can enhance the pace and quality of service delivery.

Finally, it is recommended that the World Bank first engage with National Treasury, the Auditor General and the Department of Provincial and Local Government on the content and recommendations of this report. They are the key drivers and custodians of policies and regulations that impact directly on the CDD approach. They are thus the primary clients of this report. The second engagement should be with the operational clients of the report. These include municipalities, provincial Departments of Local Government, the NDA, and other service delivery departments (Social Development, Local Economic Development, Health and Education).
Nobayethi Dube

Background

1. The Mongoaneng vegetable garden project is situated in a rural village (called Mongoaneng). The formal name of the project is Mongoaneng Development Forum.\textsuperscript{75} Mongoaneng village is 12 km away from Mankweng, a small town which borders the University of the North, and is about 40km away from Polokwane, the capital city of Limpopo.

2. The Mongoaneng project comprised one of a set of case studies commissioned by the World Bank on Community Driven Development (CDD) in South Africa. It was the first project to be visited, providing the research team with an opportunity to pilot the research instrument for the subsequent case studies. The project in Mongoaneng was identified as a community-driven development initiative since the community had initiated the project in 1994. Not only did the community initiate the project but they did so contributing their own funds. A few years later, the project received an irrigation scheme as well as a fence. Funds for the latter were disbursed by the National Department of Public Works, through the Rural Anti-Poverty Programme (RAP 85).\textsuperscript{76}

3. According to the World Bank definition, CDD is an approach where communities receive resources and have decision-making power at project level over the resources. In one of the World Bank’s papers, CDD is defined as “developed projects in which communities have direct control over key project decisions, including management of investment funds”\textsuperscript{77}. The Mongoaneng project fits the criteria because the community initiated the project and they have complete control over the project including managing it. The project also has a bank account that they manage.

Methodology

4. We conducted in-depth interviews with key individuals at project level. These included talking to project steering committee members, the co-ordinator and project members.

5. A semi-structured questionnaire was designed to facilitate the interviews. The questionnaire was divided into themes looking at issues of project development, funding, targeting, partnerships, Integrated Development Planning (IDPs), community participation and sustainability. Where possible interviews were recorded with the permission of the respondents.

Limitations

6. There were some limitations with regards to the data collection. The first limitation was that we could not access (face to face) some key respondents such as the co-ordinator of the project. In Mongoaneng we were told that the co-ordinator was not available to be

\textsuperscript{75} In this report the project is referred to as the Mongoaneng project.
\textsuperscript{76} This was a Community Based Public Works Programme (CBPWP).
\textsuperscript{77} Community Based and Driven Development: A Critical Review, Mansuri & Rao, page 3.
interviewed because of a family commitment. We had to make arrangements with the coordinator for a follow-up telephonic interview where we needed clarity as well as where project members were not able to respond to our questions.

7. A second limitation was that we could not interview anyone from the Department of Agriculture at either provincial or local level in connection with issues related to the project. The Department of Agriculture is responsible for farming projects in communities. When making contacts to trace the project we first contacted the Provincial Department of Agriculture to find out if they were aware of the project. They mentioned that they were not aware that the project existed. Officials from the Provincial Department of Agriculture then contacted their Local Department in Mankweng to establish if they had any knowledge of the project. It was through the local department that we were able to set up interviews for the project visit.

8. The third limitation was that we could not record the interviews. The interviews with women working on the project were conducted outside, since they do not have an office. It was windy and the quality of the recording would have been poor. Responses were recorded on the semi-structured questionnaire. Three members of the Mongoaneng Development Forum were interviewed. They formed part of the steering committee. They were the chairperson, the secretary and the assistant secretary. They (respondents) all preferred to sit together during the interview, rather than being interviewed individually. We also spoke to other project members to get their views on the project.

Community Driven Development

9. Literature on Community Driven Development (CDD) indicates that CDD describes a situation where control of decisions and resources is given to community groups. The literature also indicates that CDD reverses power relations in a manner that creates agency and voice for poor people, allowing them to have more control over development assistance. Creating agency and voice for poor people is essential particularly where the community is not homogeneous and where communities may have competing needs.

10. The literature further indicates that CDD is relevant across many sectors. For example, the potential for CDD is greatest for goods and service that are small in scale not complex and that require local co-operation such as common pool goods (management of common pasture and surface water irrigation systems) public goods (for example local, road maintenance) and civil goods (for example, public advocacy and social monitoring). Mongoaneng is a small-scale project and simple, focusing on a single type of activity. The community also played a significant role in decision-making and contributing resources for the project. As such it qualifies as CDD.

11. In Mongoaneng, for example, respondents mentioned that CDD is when a community decides to act for themselves on an issue of community interest. For example respondents from

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80 Dongier, P. et.al.: Community Driven-Development, Chapter 9, page 304.
81 Dongier, P. et.al.: Community Driven-Development, Chapter 9, page 304.
Mongoaneng mentioned that they had started the garden because ‘malnutrition was rife in the area so we decided to do something’.82

Project development

12. We asked respondents to tell us when the project began and how it was developed. We were told that the idea to start the project emerged in 1994. Respondents mentioned that the project was started basically from nothing, with a few community members coming together and discussing the possibility of starting a vegetable garden. The main reason is that there was malnutrition in the area. The second reason was that the community was concerned with poverty and the high rate of unemployment in the village. The community members then decided to approach the local principal and members of the School Governing Body (SGB) to ask for permission to plant a garden in the local high school premises. The vegetable garden which they operated from the school was initially so that they could provide their households with food.

13. So the idea to initiate the project came entirely from the community. In essence this was a poverty-alleviation project. Respondents told us that the project at the school was a success, and that it encouraged the community to think about getting a bigger plot of land that they could turn into a vegetable garden. The bigger plot area would also allow the community to allocate plots for each family involved in the project. In 1995 the committee then approached the Tribal Authority to find out if they could get land that they could develop into a vegetable garden. We could not get details of how long the process took for them to get land; but the Tribal Authority did give them land, which is the site they are currently operating on. The land is about 2.5 hectares. The community did not pay anything for the land, other than their own sweat since the land was not developed and they had to work hard to clear the tree stumps and shrubs.

14. The respondents mentioned that they used their hands to clear the ground and ‘we were working with our tools, we brought them from our homes’.83 In this instance the community contributed their own time as well as household resources to kick-start the project. For community driven development to succeed it should be noted that it requires hard work, as well as giving in your own time and also contributing financially to kick-start the project.

15. In this project for example, members had to work hard to clear the bush. Respondents mentioned that it was hard work done with their hands, but they stuck it out. At a later stage members contributed small amounts (less than a dollar) to hire a tractor to further clear the ground and divide it into plots. Again, here we see a further sacrifice where poor community members contributed money towards the project.

16. Of significance in this community is that the idea to start the project was initiated by the community itself. The few members who were involved in the project decided where the project would be based, and they later took a decision to approach the Tribal Authority to apply for more land. The project members had to apply land from the Tribal Authority since the Tribal Authority own the land in the area. The project members then used their own resources in financing the project. Further contributions were made to buy seedlings.

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82 Interview with a committee member, Mongoaneng Development Forum, 22 July 2004.
83 Interview with committee members, Mongoaneng Development Forum, 22 July 2004.
17. For a period of about two years the project supported the project from their own proceedings. The project (in 1998) had received a fence, a generator as well as a borehole for water. Allocation for these were through RAP-85, a project implemented by the National Department of Public Works.

Targeting

18. Targeting remains a challenging issue in community projects. Although most programmes outline mechanisms of identifying the target group, in reality the target group may be people without a voice and who end up not participating in the project. CDD literature on targeting shows that community involvement in selecting the beneficiaries of programs has become increasingly common\(^\text{84}\). For example, Conning and Kevane’s (2002) recent review of community-based targeting highlights a potential trade-off. They find that while community groups are likely to have better information on who the poor are, only communities that have relatively egalitarian preferences, relatively open and transparent systems of decision making or clear rules for determining who is poor will be more effective than outside agencies in targeting programmes to the poor within those communities\(^\text{85}\).

19. In order to understand targeting mechanisms utilised in this community we asked respondents to tell us what arrangements had been made to target the poor in the community. We were told that to attract members of the community to the project, the then committee had arranged with a local shopkeeper to organise food parcels. The respondents mentioned that through this arrangement they were targeting the poorest amongst their community. To the committee those who came to get the food parcels were considered the most needy in the community. Their targeting mechanism was that those who came to collect food parcels should be considered to be from poor and needy households.

20. We probed to find out if any efforts were made to ensure that women and young people formed part of the project. We were told that other than organising the food parcels and allowing the most poor and needy to self-select themselves, no other efforts were utilised in targeting women and the youth. In this case, in other words, the target was poor households.

Resource Contribution

21. Interviews conducted with both members of the steering committee and project members indicated that the project was started with no external capital. Project members contributed money from their own pockets to support the project. We learned that when the project started project members had contributed about fifty rand each toward the buying of seed (this is no small sacrifice considering the poor backgrounds of participants). There was no training prior to the project so we could argue that community also contributed its local knowledge towards the project. The project members then further decided to contribute towards buying barbed wire and poles so that they could fence the land and protect the garden from grazing livestock.

22. The project members later opened an account. When interviewing the co-ordinator we learned that the project had applied for funding at the National Development Agency (NDA). They


were given funding amounting to R75 000 in 2001.86 The funds were deposited in two tranches. At the end of each tranche the project submitted reports to NDA. We gathered from the co-ordinator that this funding was largely used to purchase seed and fertilizer for the project.

23. Interviews revealed that the community had no capital when they initiated the project. The project was basically financed from their own pockets. With small contributions they were able to open a bank account. It is important to note that where communities contributed financially towards the project, the project seemed more likely to be sustainable.

Project Structure

24. Initially, the total number of people who participated in the clearing of the grounds was seventy-nine. We learned that the number of project members has changed over the years. Currently there are thirty-nine members in the project including committee members. Of the thirty-nine members, four are male and the rest are female. As indicated, the project has a co-ordinator who is a principal at the local high school.

25. There is a steering committee which includes the co-ordinator. Members of the committee are responsible for ensuring that the project functions optimally. The co-ordinator is only available at the project site on weekends. The steering committee includes the project co-ordinator, the chairperson, the secretary and the assistant secretary. We learned that members of the committee are elected on an annual basis.

26. A number of reasons were given to explain why members dropped off the project. Respondents mentioned that some project members had passed away whilst others had dropped off primarily because “they are lazy”. Respondents further mentioned that working on the project was not easy and required quite a lot of discipline and hard work.

27. Project members report to the project daily. Respondents mentioned that if you owned a plot you needed to pull your weight, for example, come to the garden and tend your plot frequently. Sometimes this requires being on the project site every day. There is no task scheduled for men or women. It is, however, largely left to individual members to report to the project although they were encouraged to report daily.

Project Management

28. As we indicated above, the project is made up of thirty-nine members and there is a steering committee made up of the co-ordinator, the chairperson, the secretary and the assistant secretary.

29. We found that the current arrangement at the vegetable garden is that members of the project come to the project each day to tend their gardens. There are no fast and strict rules that members should be present at the project on a daily basis. But the steering committee encourages those with seedlings to come to the project daily. At the time of our visit planted vegetables were spinach, beetroot, carrots and onions, as well as groundnuts. Each member of the project plants the same type of vegetables.

86 At the time of writing, R1 = US$ 0.16c.
30. We learned that if a project member decided that they did not want to be part of the project anymore, they were required to inform the project in writing that they were leaving the project. The respondents further mentioned that once you have notified the project in writing your plot is then taken over by the project for three years. If a member wanted to return to the project they were again required to write to the project informing them.

31. We learned that the current arrangement is that if project members make any sales, the project secretary then records these in a register. The project has a bank account and members of the project are encouraged to contribute to maintain the account. The co-ordinator mentioned that project members contribute R10.00 for harvest which is deposited into the project’s bank account. Project members also contribute a smaller amount to pay for electricity.

32. We asked respondents to tell us how regularly meetings were held. We were told that the project holds meetings once a month; if there are problems they may meet twice or thrice a month. The meetings discuss issues related to project progress and any other matters that relate to the project. We probed to find out how decisions were taken. The arrangement is that the steering committee will discuss a matter first and then consult with other project members. We were told that usually decisions were taken jointly with project members by consensus.

33. Of significance is that there is a management structure which is in charge of the project. From our interview we gathered that there was not much project management or supervision that happens particularly on a daily basis. Project members come to the project daily to work on their plots. It was up to each individual project member to work hard so that they benefit from the project. Added advantage to the project is that it is operated on very low administrative costs. The project does not have a physical office and therefore does not have to pay things like telephone or fax lines. There are no salaries paid to any of the project members.

**Partnerships**

34. We asked respondents to tell us whether as a project they had formed any partnership with structures such as the District Municipality or Local Municipality. Respondents mentioned that as far as they knew no relationships had been formed, but that we should clear that up with the co-ordinator. When following up with the co-ordinator he mentioned that no formal partnerships had been formed with the local municipality. He described the relationship with the local municipality as pleasant.

35. The only partnership that had been formed was with the University of the North. Project members mentioned that they had visited the University of the North twice to attend workshops and get training. At these workshops project members were offered training on micro-organism substances. The project by the University was called Aqua culture but had since been done away with because of the restructuring at the University.

36. Although we did not formally interview members of the local Department of Agriculture, we had informal chats with them to find out if any partnership had been pursued with the project. As indicated no formal partnerships were formed with the project. For example, the Department had no information on how the project was started, how many members it has or
how the project was funded and so on. Officials mentioned that they had tried to visit the project and were barred by the steering committee members as well as the co-ordinator.

37. Although we probed, we could not get a clear response or reason on why officials from the local department had been barred from the project. When we followed up with the co-ordinator, he mentioned that he had no problems with officials visiting the project. The co-ordinator said they had a cordial relationship with the local department. The relationship between local officials and project members seems to be strained. It is important to note that during the RAP-85 study relations between the local Agriculture Department and the project were recorded to be fine. For example, the RAP-85 report indicates that ‘agricultural extension officers from the Provincial Department of Agriculture offer technical advice to the forum87. One of the things raised by the co-ordinator, however, was that some of the projects which were supported by the Local Department of Agriculture had closed down. We can only speculate that this could be one of the reasons why they are reluctant to form relationships with them.

38. As indicated, no partnerships with government structures have been formed. Of major concern is that opportunities to create relationships with the local Department of Agriculture have been presented to the project. On the other hand the co-ordinator told us there have been no problems. Officials from the Department had indicated that they have extension workers who visit projects. The extension workers’ responsibility is to identify the project’s needs and further link them with community based organisations and other relevant government departments.

39. CDD literature indicates that local governments can be critical to the success and sustainability of CDD. For example, local governments are often well positioned to facilitate coordination across communities and allocate resources88. Since local governments are closer to communities it is easier to coordinate projects and where possible provide support for such projects.

40. CDD literature also indicates that in many cases local government is needed to support operation and maintenance of services, and for continuing funding of community groups89. Although officials from the Department indicated that they do not provide direct funding they did mention that they assist and advise projects with maintenance. Because they have transport they also support rural projects through collecting money and buying them seeds in town for example. This could be another benefit for a project such as the Mongoaneng project.

41. One of the things raised in CDD literature is that CDD involves more than strengthening CBOs and funding their projects90. It also requires active measures to establish an appropriate enabling environment. If appropriate systems are in place then it is easy for CDD to thrive. The advantage to forming partnerships is that the project benefits. For example,

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89 Dongier, P. et al.: Community Driven-Development, Chapter 9, page 321.
90 Dongier, P. et al.: Community Driven-Development, Chapter 9, page 320.
external institutions may see the potential of the project and assist them in areas such as training, technical advice and so on.

42. An important point to stress is that it is the responsibility of the local Department of Agriculture to look for such small-scale projects and create partnerships with them.

Sustainability

43. Sustainability is a concern in development or poverty alleviation projects such as Mongoaneng. In most instances such projects close because project members drop off, lack funding or cannot attract any funds from outside institutions. There are two commendable points about this project. The first point is that the project was started by the community using their own funds. The second point is that although the project has not been able to attract any steady funding it is still operational, and registered as a Non-Profit Organisation (NPO) in 2003, which may allow access to new funding streams.

44. There are however problems. The project was provided with an irrigation scheme and a fence through RAP-85 as earlier indicated. One of the reasons the project was identified through RAP-85 was that it had existing capacity to absorb and utilize the RAP-85 funds. The RAP-85 report also showed that the project had good maintenance arrangements. During our visit we noted that the pump was leaking water and project members indicated that this has been going on for some time. It may be that the project is not as well maintained as it was before or because the project has been having other problems, maintenance issues have been neglected.

45. The second problem is that of water, which was raised by both steering committee members and project members. Eskom (the national electricity supplier) had cut off the electrically powered irrigation system because the project had failed to make any payments. This meant that the project had to stop operating for a period of about eight months. One of the issues raised during the interviews (by the co-ordinator) is that the project had not paid Eskom because they were under the impression that the Department of Water Affairs and Forestry (DWAF) was paying because both the project generator and community generator were connected to a single grid.

46. It is not really clear why project members thought they did not have to pay for electricity. One of the points raised by the official from the Provincial Department of Agriculture is that when line departments hand over projects they do not clearly explain to communities who should take responsibility, for example, in ensuring that the power is paid for, how to do it and so on. The official also mentioned that it is seldom that responsible departments are brought on board. This appears to have been the case in this project.

47. At the time of our fieldwork the vegetables were just beginning to grow. A number of project members were working hard tending their plots. The committee members mentioned that if they had not experienced water problems the garden would be flourishing by now. Normally by this time of the year their crops would have grown and they would have had people coming to buy from the project. They mentioned that when the project is doing well the

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community buys from them as well as people from other surrounding villages. They also mentioned that they had schools which they supply with vegetables.

48. The shortage of water has obviously impacted negatively on the project. The project had to stop operating for a number of months because there was no water supply. This meant that the project had to stop trading which meant that there was virtually no income from the project. Again we stress the point that the project bounced back rather than close down, this shows great potential.

49. One of the points raised around sustainability is that communities need not only have ownership to projects but they also need to be ‘provided with knowledge, control, and authority over decisions and resources throughout all phases’. It is essential that if projects are provided with infrastructure they are informed on how to take responsibility and so on.

50. Of note in this project is that maintenance seems to have fallen away. Relationships with the local Department of Agriculture also seem to be poor. In order for the project to be sustainable it cannot operate in isolation. One of things they may need to do is to engage the Local Department of Agriculture in order to benefit from programmes implemented by the department. The local Department of Agriculture has to be pro-active and engage with such projects especially because they are in deep rural areas and lack resources.

Conclusion

51. The project has been in existence for eleven years. It looks as if the manner of operating has not changed since project inception. A number of project members have dropped out of the project and thirty-nine members (including steering committee members) are left.

52. The project shows signs of both strength and weaknesses. There is no doubt that a lot of work went into starting the project. This was also evident when we conducted the interviews with the women. One sensed their pride and commitment to the project. For example, the women mentioned that their project had received a number of certificates for being one of the best vegetable projects. The project members felt that they had benefited the whole community in that they did not have to travel far to buy vegetables. For those families that have plots in the project, their quality of life has improved in that they are able to eat better as well as support their families from their profits.

53. From the above points we can conclude that the project has components of CDD. The community initiated the project and contributed money from its own pocket, and continues doing so in order to sustain the project, despite being a very poor community.

54. There are however some less positive (or potentially worrying) observations that we noted during our visit. The co-ordinator in this project has played a critical role from design to implementation. He also has been instrumental in initiating partnerships with the University of the North for training and so forth. The negative side is that the project seems to be entirely dependent on him. Very little seems to be initiated by the other project members, the majority being women. This could be the downfall of the project. There could be valid reasons for this.

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92 Dongier, P. et.al.: Community Driven-Development, Chapter 9, page 323.
such as low education background, resources, lack of confidence and so on. In order for CDD to be successful it is essential that everyone on the project be empowered.

55. Another feature of CDD is that it is essential to create participatory mechanisms, for example, ‘inclusive community groups with knowledge, control, and authority over decisions and resources throughout all project phases.’ A challenge to such projects is capacitating project members so that they all feel confident in managing the project and decision-making.

56. Another feature of CDD in this project is the ability to finance the project from its own contributions. CDD literature shows that ‘community co-financing has been shown to be an important factor in building ownership and in helping to ensure that appropriate choices are made and investments are sustainable.’ In all the case studies conducted in this research, where the communities have contributed towards the project they have been more likely to sustain the project.

57. Another observation is that such small-scale projects need to create a balance between viewing the project purely from being single-item and communal, to creating new initiatives and perhaps diversifying.

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93 Dongier, P. et.al.: Community Driven-Development, Chapter 9, page 323.
94 Ibid.
Appendix 2: Morapalala Water Project

Moagi Ntsime

Background

1. Morapalala water project serves the community of Morapalala village. The village is situated approximately 50 KM south east of Tzaneen in Limpopo province. Before the 1994 general elections, Morapalala was serviced by the then Lebowa Government and there were no community water supply initiatives and/or irrigation schemes in the area.

2. As will be reported below, the community of Morapalala did not have access to clean water. Through a number of community initiatives, there was mobilisation of local and outside funding assistance to enable the community to start among others water projects, electrification, and infrastructure projects.

Methodology

3. In carrying out this study we conducted in-depth interviews with members of the Project Steering Committee (PSC), a community representative, and an operator at the reservoir. Also, we phoned a representative of Mvula Trust in Limpopo seeking clarity on some of the issues. The data was collected through face-to-face interviews with key stakeholders. The report is based on data analysis gathered using a semi-structured instrument.

Limitations

4. The interviews provided impressions from persons who were involved in this project. These were community members expecting to benefit out of the project in one way or another. As a result, we moved from the premise that they were sincere in their reporting while sharing with us their frustrations, challenges and experiences.

5. However, moving from the same premise we are conscious of the possibility by some participants to misrepresent the facts, try to impress interviewers and/or not fully remember events in detail because the study was conducted eight years after the project was handed over to the community.

Project development

6. We were informed that before the water project was started and pipes installed, the community of Morapalala used to draw water from wells situated between 3 and 4 km away from the village. During our field visit we were taken through a brief tour of the village and also shown where the community used to draw water from.

7. Having experienced problems regarding access to clean water, the local community with the support from the local chief (who at the time when the project was started was working in Johannesburg)95, the community established a structure responsible for finding a solution to the problem of clean water.

95 Interview with the Treasurer: Morapalala Water Project
8. We were informed that the community structure was established in 1993. During that time the community used to write applications requesting funding assistance from the then Lebowa government.

9. According to members of the PSC at the time little progress was made. However, after the new democratic government was in place in 1994 fortunes changed for the better. Through the assistance of the Bolobedu Project Committee (a Community Based Organisation (CBO) in the area), a number of initiatives were embarked upon.

10. The Bolobedu Project Committee assisted the Morapalala Water Committee to write proposals. Also, they gave the Morapalala Water Committee letters of support to accompany their proposals for funding from donor agencies. For example, a request was submitted to the World Bank.

11. We learnt that the World Bank became interested, wanted to render technical assistance to the local community to overcome their lack of access to clean water. It was as a result of this interaction that the World Bank assisted the community to start this project.

Institutional support

12. After further discussions with the World Bank, the local community received two pump machines; one reservoir was constructed; and five water stand pipes were installed next to the reservoir. According to members of the PSC all these pipes were functioning when they were given to them. However, the community was then expected to seek further financial support to ensure that they could repair them in case there was such a need.

13. We were informed that the Morapalala Water Project then entered into a contract with the World Bank in order to ensure that roles and responsibilities were clearly written down and understood by all. But, to carry out all the requisite technical installation the World Bank enlisted the services of Rubicon Construction company (an engineering firm in the area), to assist the community.

14. As one member of the PSC put it: “we were really appreciative of the assistance given to us. Lack of access to clean water used to be a serious problem”. Before people (mostly women and children), used to travel between 3km and 4km to fetch water, we were told. This sentiment was further corroborated by the Chairperson of the PSC when he stressed; “that was a great help indeed, the community had nothing, there was no water in our area”.

15. Upon completion by Rubicon Construction, all relevant documentation was signed and the project was handed over to the PSC on behalf of the community. However, what immediately became apparent was the fact that the number of pipes provided was not enough and their capacity to service the whole community was less than the needs of the community of Morapalala.

16. As a result, the PSC started writing proposals for further funding. For example, one such proposal was submitted to the Kagiso Trust for consideration. We were not able to establish

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96 Interview with the Chairperson: Morapalala Water Project
whether this proposal was successful or not. Another proposal was submitted to the Mvula Trust (a large NGO contracted by the Department of Water Affairs and Forestry). After a number of presentations, negotiations and approaches to Mvula Trust the Morapalala community was given funding to the tune of R580 000.00 to expand the project and procure additional water pipes.

17. The money was deposited directly into the community account and was managed by the PSC. The PSC then enlisted the services of a financial company (DeBeers and White) to assist in managing the account, disbursing funds and paying suppliers. The services of this company were paid for from the same funding/budget. The PSC then accounted directly to Mvula Trust. During our visit to the project we were told that the PSC managed the funds appropriately and there were no complaints or accounting discrepancies.

18. The community was asked by Mvula Trust to identify their preferred consulting firm (other than Rubicon Consulting if they wished to) to assist in expanding the project. In other words, the community was given the option of either approaching Robin Consulting or getting someone they thought would be better to work with. This was just to make sure that in case the PSC had difficulties working with Robin Consulting previously they were free to seek the services of another company. Fortunately, the relationship between the PSC and the consulting firm had been healthy and they contracted them again to carry out the next phase of the project.

19. It was encouraging to note that while the community was in need of service, and received funding, there were no restrictive conditions set. The funding agency enabled the community to be actors and initiators of processes instead of just being passive participants and recipients of service. In other words, the community had space to choose, they had space to select what they thought worked well and so on. This is important in that service providers were not imposed on them rather, they were free to identify their own.

20. The community of Morapalala had total control of their project; the ownership of the project could not be confused with that of the funding agency. In terms of community driven development this in our view was real community participation and empowerment.

Resource contribution by the community

21. During the initial or start-up phase of the project the community could only afford to contribute their time towards planning, managing, facilitating and being part of the management process. They were not asked to make any financial contribution towards the project.

22. However, when they received their second set of funding (they were firstly funded by the World Bank) from Mvula Trust towards the next phase of the project, it became clear that they would need further funds in order to complete the whole project. They were asked to secure further funding and this was not successful. The community was then asked by Mvula Trust to make a financial contribution per household.

23. According to the Chairperson of the PSC, the community was asked to contribute a fifth of the total funding they received from Mvula Trust. In other words, they were asked to
contribute an amount of R116 000.00. They were then asked to decide as to how much each household could contribute towards this shortfall.

24. Most people in Morapalala are unemployed. Therefore they could not raise funds. The PSC then negotiated with Mvula Trust that instead of financial contribution to rather contribute free labour towards the project. The logic was that the whole community was going to benefit at the end. As such, this was their only means of contribution and appreciation to what they now had at their disposal in the form of clean water. After negotiations it was then agreed that instead of a financial contribution as initially thought, the community should contribute free labour towards the project.

Project hand-over

25. Upon completion of the second phase of the project, with assistance from Mvula Trust, a function was organised in order to hand over the project to the community. Subsequently, the project was launched and handed over to the PSC on behalf of the community of Morapalala on the 20th of January 1995. Also, we were informed that they (PSC) had invited the Minister of Water Affairs (at the time Professor Kader Asmal).

26. It was encouraging that while the project was started by the community, the Minister of Water Affairs attended the launch. However, this created the impression that there could be further assistance available from government to enable the community to complete the remaining phases of the project. Unfortunately, as will be shown in the next section assistance from the Department was according to the PSC very small.\footnote{Interview with members of the Project Steering Committee}

Government assistance

27. After completing the second phase of the project the committee needed to expand the capacity and outputs of the project. According to estimates they received from Rubicon Construction, they needed R1m (one million rand) in order to complete the remaining phase.

28. In trying to secure the funding the committee approached the Department of Water Affairs and Forestry (DWAF) for assistance. One motivation for their approach to the Department was the fact that in their view the Department had shown interest in the project. The community was surprised when their request was turned down. At the time of our interviews with members of the PSC we were told that one of the reasons advanced by the Department was that the project was a community project, not an initiative of government, and could therefore not be supported.

29. Some of the questions is this instance then become, what is a community initiative? How different is a community driven development from that driven by government? What then becomes the role of government in ensuring that all communities have access to services (e.g. clean water), as outlined in the constitution?

30. We are posing these questions in order to note some of the key challenges and contradictions poor communities are confronted with. It is unfortunate that the less organised communities become the most vulnerable. Therefore, the challenge is the extent to which CBOs and NGOs
are organised, empowered, given resources and partnerships are strengthened amongst these in order to enable them to assist such communities.

31. When the community could not get assistance from government, they then approached banks for funding. We were informed that banks wanted security from the PSC. The PSC then thought they could put up installed pipes as a form of security.

32. Unfortunately, they were informed by banks that that was not possible because neither the PSC nor the community could prove that these pipes were owned by them, a further technical hurdle confronting an initiative of a community. As a result, the R1m loan requested was unsuccessful.

**Targeted beneficiaries**

33. The project aimed to service the entire village of Morapalala.

**Project Structure**

34. As indicated in the previous section, the project was managed on behalf of the community by the PSC. The PSC is comprised of the project chairperson; treasurer; one member of the community and an additional member.

35. The PSC is responsible for the overall management of the project, convenes community meetings, ensures that there is on-going maintenance of the project, undertakes fund raising when required, and sees to all the needs and requests of the community regarding access to clean water.

**Management**

36. There are water taps installed throughout the village. Each tap services five households. In order to ensure that there is on-going maintenance at tap level, and there is efficient functioning of each tap, the PSC in consultation with the community agreed to establish what became known as Water Committees (WCs).

37. Basically, taps serving a number of households are obliged to have functioning Water Committees that meet regularly. During our visit to the project we were told that Water Committees are mostly comprised of eleven (11) members.

38. We were informed that women are the majority members who are mostly available (in instances were men are maybe working away from home), they ensure that Water Committees have more women represented than their male counterparts. For example, we were informed that each committee is supposed to have six (6) females and five (5) males.

**Partnerships**

39. While there have been challenges facing the community since the inception of the project, we noted a number of attempts to foster partnerships amongst a range of stakeholders as an attempt to secure assistance and advice. For example, we were told by the committee that the

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98 Interview with the Chairperson of the PSC
assistance and technical support the PSC received from the World Bank enabled them to enlist the support of Mvula Trust.

40. Similarly, there had been interaction with national and local government albeit to a less degree in assisting the community to start the project. There have however been a number of lessons during the process in this regard. For example, trying to foster partnership at local government with councillors and the local community was not successful. Some of these lessons will be discussed below.

Local government

41. Interaction with local councillors was one of the weakest areas. There was no regular interaction between the community and local councillors. Ironically, one would have expected this level of government to be closer to the community where projects were being initiated and thus with high potential for partnerships or collaboration.

42. As a result, when the committee realised that it seemed to be difficult to negotiate at this level they thought it better to deal directly with those they thought could assist. As the chairperson summed it: “from the beginning, we learnt it the hard way that when there was a problem and you needed assistance it was better to negotiate with those who matter.” In other words, it was better for the local community representatives to negotiate directly with local municipality instead of expecting local politicians in the form of councillors to be the go-between or facilitators.

43. On the one hand there seemed to be inadequate interaction between the community and local councillors, we however found an interesting area of linkage or collaboration between local government as a sphere of government and the local community. While there seemed to be less interaction with local political representatives, the PSC took the initiative and enlisted support from local government. For example, two areas of the project where there was a high need for permanent technical support were the reservoir and the main water pump room. There was a need to have a permanent person operating these. After negotiations with local government, the community was given a person on the payroll of local government to manage, maintain and ensure that the pump is switched on and off at appropriate times. This person is located near the pump at the reservoir on full time basis.

Relationship with traditional leadership

44. Not surprising as Morapalala is predominantly rural, we were informed that there was very close working relationship with the local chief. It was equally encouraging to note that one member of the PSC representing the community was in essence a representative from the local traditional leadership.

45. Also, we were told that when households do not make their monthly contributions (see section under sustainability below), the PSC would at times use the local chief to call community meetings where issues relating to water supply would be discussed. Members of the PSC informed us that often when meetings are called by them most community members do not attend. But when meetings are called by the local chief most community members would attend. The purpose of such meetings is at times to stress and explain to community members the importance of making their monthly contributions.
46. Furthermore, we were told that in collecting outstanding monthly water contributions, the PSC would submit a list of those people who did not make their contribution to the local chief. As one member summed it: “during meetings the chief would call people who did not make contributions by names at a public gathering and interestingly, it is surprising how they would immediately make their payments”.

Role of women

47. While we got a sense from our interviews about the role women were playing in this project we directly enquired about the exact role that women played. This was influenced by our experience in similar projects elsewhere where the role of women was often that of only carrying water for their male counterparts instead of meaningful participation.  

48. However looking at the PSC, we found that there was one woman in the committee. Interestingly, the woman was not an office bearer but merely the additional committee member on the PSC. It could be argued that there is no significance in a title (designation), on the one hand it could be argued that the fact that she is only there as an additional member (as she recorded her position on the attendance register), this demonstrates that there are still challenges in so far as meaningful participation of women in the management of such projects.

49. On the other hand, when we looked at the Water Committees (those responsible for what is happening daily at tap level and amongst those households sharing taps), we found that women, (a) constituted a higher representation than that of their male counterparts, and (b) they seemed to be the most active at that level.

Sustainability

50. Firstly, when looking at challenges of sustainability it is important to note that the Morapalala water project is about access to basic needs (clean water). When technical expertise is accessible and there are resources to maintain water pipes there is higher potential to be certain about the capacity to sustain the infrastructure. Therefore, sustainability seemed to hinge on the availability of funds.

51. There are practical realities linked to the on-going operation of pumps and pipes. While the community could be accessing clean water at this point, it is another challenge if the community does not have resources to ensure that these water project, pipe, taps and pumps are in working condition.

52. In addressing the question of on-going maintenance and sustainability, the community has put in place some practical arrangements. These were strategies to ensure that there is on-going maintenance of taps. For example, as indicated in the previous section, there are WCs established amongst households allocated pumps and serviced by them. WCs are to ensure that there is on-going functioning of taps, broken taps are repaired and money for repairs is available.

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53. Also, a monthly contribution per household has been agreed. We were informed during our visit that after an affordability assessment was carried out by the PSC in close collaboration with the community, it was agreed that each household should contribute R5.00 per month.

54. The committee has opened a bank account and people make their contribution to the project treasurer who issues payment receipts to household members. There is a standing arrangement for members to come on or before the 11th of each month to make their contributions. We were told at the time of our field visit that the account had a balance of R4 000.00.

55. Directly related to this problem is the issue of high unemployment in the community. During our visit we were informed that most people in Morapalala are unemployed. Most households are said to depend on old people’s monthly pension grants and others were reported to rely on child support grant for food100.

56. Observing arrangements within this community one could argue that involving communities in decision making, revenue raising and allocation is an important first step in their empowerment, development of local democracy and their sense of accountability. Also, studies and experiences with similar projects elsewhere demonstrated that making communities aware of their responsibilities and interests enhances their willingness to maintain that infrastructure101.

Concluding comments

57. Having described the process the community of Morapalala went through in initiating their community water project, some observations need to be made.

58. We have observed how less organised communities are often the most vulnerable when it comes to asking for support from institutions of government and funding agencies. The fact that the community of Morapalala continued to draw water from wells yet, there were government institutions in place to ensure such services are available could be argued that there are communities that still lack access to basic services. This remains a key challenge facing government, NGOs, CBOs, funding and development agencies.

59. Another issue that needs serious consideration is the extent to which the local sphere of government interacts with communities. One would assume that the fact that there are local politicians in the form of ward councillors in the case of local government structures and institutions this would be easier. While there are successful cases elsewhere in the country regarding the extent to which local politicians are able to champion the needs of their constituencies, what was explained during our field visit by the community of Morapalala has ingredients of being labelled disturbing. This is because it seemed that local councillors where not in close interaction with the community.

60. Having commented on the negative, it was nonetheless encouraging to note throughout the processes the extent to which the community of Morapalala were active participants and in

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100 Interviews with members of the PSC
control of most of the project. The community did not only participate in initiating the project but actively controlled, managed and maintained the project.
Appendix 3: Motherwell Youth Development Forum

Nobayethi Dube

Background

1. The Motherwell Youth Development Forum (MYDF) is situated in Motherwell Township, about 25km from the city of Port Elizabeth in the Eastern Cape. Motherwell was identified as one of the townships to benefit from government’s Urban Renewal Programme (URP), a major investment initiative of government. Some of the URP’s objectives are to invest in the economic and social infrastructure, human resource development, enterprise development and the enhancement of the development capacity of local government\textsuperscript{102}. The MYDF project was formed in 2002 by youth structures from Motherwell. The project operates from the offices of the Department of Social Development.

2. There are a number of reasons why MYDF was formed. We were told that the MYDF was formed because youth in the area were ‘ignorant’ and ‘uninformed about developments’ around them. Secondly we were told that MYDF was formed to “mobilize the youth and empower them economically”\textsuperscript{103}.

3. MYDF is receiving funding from the National Department of Social Development. As in another of our case studies (Tswelo Pele Women’s co-operative), MYDF’s funding is being disbursed by the Independent Development Trust (IDT).

4. The MYDF receives funding from Social Development and this funding will be disbursed over a period of three years. The IDT’s programme manager in the Eastern Cape identified MYDF as an unsuccessful project. There are varying opinions, regarding the performance of the project. Members of the executive that we spoke to indicated that they did not regard the project as unsuccessful; rather, they were experiencing challenges which slowed down progress.

Methodology

5. We conducted interviews with key members of the forum\textsuperscript{104}. There are three clusters in the MYDF, the administration cluster, the skills and economic development cluster, and the social needs cluster. In total there are ten executive members who form part of the project.

6. Members of the executive that we spoke to were the chairperson, the secretary, the social cluster head as well as the skills and economic development cluster head. The interviews were recorded with the permission of the respondents. Other interviews were conducted with the Chief Community Liaison Officer (CCLO) from Social Development. The CCLO has been attached to the project since March 2004. The original arrangement was that the IDT assign a project officer to the MYDF but we learned that two project officers

\textsuperscript{103} Interview with cluster heads, Motherwell, 22 October 2004.
\textsuperscript{104} For the purpose of this report we refer to MYDF as the forum.
had resigned. The CCLO performs the same duties as that of a project officer from IDT. We also conducted interviews with the Programme Manager from the IDT in the Eastern Cape, (conducted telephonically).

Project development

7. As indicated above, the MYDF was initiated because of the need to engage youth around development in the area as well as to empower them economically. Respondents that we spoke to mentioned that there are a number of opportunities for young people, however, because they are not aware of opportunities available to them they are not taking them up.

8. Respondents mentioned that it was a long process to start the project. The chairperson mentioned that it took about two years before they established themselves as MYDF. First they had to engage existing structures in a process of consultation and meetings. The civic organisation in Motherwell played a crucial role in getting the process off the ground. The civic was actively involved in engaging a number of structures in the process.

9. We were told that the civic engaged Ward Committees105 which in turn identified structures that deal with youth in Motherwell. Once the youth structures had been identified, a series of meetings were held to try and engage youth and inform them about opportunities. This resulted in a business plan submitted to the Provincial Department of Social Development in the Eastern Cape. We were told that the entire process took about two years and the project was finally established in 2002. To achieve representivity, the civic had engaged almost 50 Ward Committee members who are the link between the broader youth in Motherwell and the MYDF executive.

10. In this project we see components of community driven development in that different sectors of the community played a major role in organising themselves and engaging in discussions. These different sectors included structures such as the civic and youth structures. Members of the forum did not contribute financially towards establishing the project106 but participated in broader discussions which is usually time-consuming (i.e. they contributed in-kind)

Targeting

11. The main target comprise youth between the ages of 18-35 years who are out-of-school and unemployed. Respondents stressed that these criteria (out of school and unemployed) excluded youth who are who are furthering their education. The project was aiming to reach five hundred youth but at the time of our interview they had not reached a quarter of their target. At the time of our visit we were told that sixty-five members had been trained including the executive members.

12. We probed to find out what process was involved in ensuring that only the targeted youth benefited from the programme. Respondents mentioned that the forum had developed a screening questionnaire, which young people complete. In this questionnaire youth provide biographical data as well as specify their training needs. It was however not clear on what basis the youth are chosen for training.

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105 Legally created structures linking communities to local government structures.
106 See resource contribution.
13. The project submitted a business plan and was identified by the Department of Social Development to receive funding. In total, the forum is earmarked to receive R1.5 million over a period of three years. The forum has received about R1 million so far. The funds are deposited into the forum’s bank account and are controlled directly by the forum’s executive members.

14. The forum has a treasurer who is responsible for finances. Of the total amount ten percent is allocated towards administrative costs. The rest of the funds are for skills development for the youth (about R9000.00). As mentioned above, sixty-five youth have been trained. During our interview with the executive members we could not establish how much had been spent or how much was still in the project bank account.

15. We asked respondents to tell us whether there were any mechanisms in place for financial management. We were told that financial reports are monitored by the District department of Social Development. The District department has been assigned the task of overseeing and assisting the project. Respondents, however, mentioned that the department had indicated that the project needs a qualified bookkeeper to assist them with managing the books. At the time of our interview the forum was in the process of finding a qualified person to handle their books.

16. As mentioned, the youth that have been trained include forum members. The forum members were trained in empowerment, leadership and NGO capacity building. About twenty youth were trained in bricklaying and plastering. At the time of the interview we were told that five youth were currently attending an events management course at Damelin College.

Project Structure

17. The forum is managed by ten executive committee members. There are forty-eight youth Ward Committee members who are the link between the executive and the broader youth in the community. As mentioned the forum is divided into three clusters, administration, skills and economic development and the social needs cluster. Each cluster has a head and two project managers. From the interview with the CCLO we gathered that the MYDF was responsible for reporting progress to other youth structures.

18. Currently there is a CCLO from the Department assigned to the project since March 2004. We were told that prior to this arrangement, IDT had assigned three different project officers but they had resigned. The project manager mentioned that the project officers had moved to greener pastures. She further mentioned that not everyone was devoted to development work. Members of the executive did not mention the fact that there had been resignations, presumably implying they had no effect on their progress.

Project Management

19. The forum operates from the offices of Social Development in Motherwell. The forum only started operating from the offices of Social Development in 2003. For the previous
two years the forum had no office. Respondents mentioned that the fact that they had no physical office to operate from also meant delays and so on for the project.

20. The different clusters meet to discuss implementation plans fortnightly and once a month with the CCLO from the District office of Social Development. Meetings are held quarterly with the Ward Committees and youth structures from the community to inform them about progress.

21. The forum is required to submit a report to the District department of Social Development and IDT on a monthly basis. Respondents mentioned that project management was high on the list as a challenge in this project. Forum members mentioned that they lacked the necessary skills to manage the project, which had earlier been compounded by lack of office space. “For example, we would meet then take resolutions and go our separate ways. When we next meet the same issues would be on the agenda”107 This happened despite the fact that they had attended training on NGO capacity building.

22. In a follow-up interview with the Programme Manager from the IDT, we learned that the idea of having separate clusters was a result of a workshop with forum members held in May 2004. It was decided that separate clusters could assist the forum better manage and run the project: The Programme Manager indicated that even with this new structure the forum had failed to produce the desired results. The Programme Manager mentioned that she knew that the forum had challenges but still those challenges were not enough to justify slow progress.

23. The above points indicate attempts by the Project Manager and the CCLO to provide the forum with practical steps to address the problems within the forum. Despite this, however, the forum is still experiencing difficulties in implementing the programme. It is important that the Department of Social Development step in and provide direction.

Partnerships

24. We asked respondents to tell us whether they had formed any partnerships with structures like the district municipality, local municipality, NGOs or the private sector. Respondents mentioned that they have entered into negotiations with a number of structures although in some instances nothing concrete has happened.

25. For example, as a renewal node Motherwell forms part of the Nelson Mandela Metropolitan Council and as such MYDF was part of the structure attending meetings at the District Municipality. Although they were attending meetings, respondents mentioned that it was not clear what their role was. Members indicated that they had since stopped going to these meetings because their participation was meaningless. There were no clear guidelines as to what their role is, and until that is resolved their participation was pointless.

26. Respondents mentioned that they had also established links with a number of NGOs in the area. For example of note, there were two organisations (Iliso and Isandla), with which they have had discussions. Both these organisations deal with issues of HIV and AIDS.

107 Interview with forum members, Motherwell 22 October 2004.
The forum wanted to establish a partnership with these organisations on youth related issues.

Respondents told us they have established linkages with the Eastern Cape Youth Commission. The Eastern Cape Youth Commission lobbies for youth within the provincial legislature and the respondents mentioned that “from time to time we link with them”\(^\text{108}\). They also mentioned that they had established linkages with Umsobomvu Youth Fund and were interacting with them on how best they can empower the youth economically in Motherwell.

Respondents also said they had established links with ABSA bank to form a programme called ‘youth indaba’. This programme would be established to monitor whether MYDF is still in line with its mandate. Another private sector organisation that they had established links with is Conchor\(^\text{109}\) and the discussions have been around starting an agriculture garden project. When speaking to the CCLO she mentioned that they had entered into agreements with Conchor but were still struggling to get land.

From the above, we note that MYDF has been actively engaged with a number of organisations and local structures. At the time of our interview though none of these negotiations had resulted into tangible projects. It was not clear why most of the efforts have not produced tangible results.

Sustainability

30. We asked respondents to tell us whether there were any mechanisms in place to ensure that the project was sustainable. Respondents mentioned that they were aware that they had to sustain the project and they were going to approach other government departments with a view to receiving further funding. There were, however, a number of issues that were raised by the respondents regarding sustaining this project.

31. The first challenge was the issue of management. This was mentioned as one of the biggest challenges that the project is facing. The forum felt they lacked project management skills and this has resulted in very little being achieved. Another point mentioned was that the forum members are able to work as a collective however could do very little as individuals. Both the CCLO and Programme Manager confirmed that progress has been very slow on the project.

32. A second challenge that was raised was that of leadership. Forum members mentioned that because they come from different youth committees they found it difficult to work together as a unit. This hindered their progress. Members of the executive also admitted that they were finding it difficult to manage the project, despite having attended capacity building training.

33. Respondents mentioned that although their mandate was to develop the skills of young people they were struggling to place these young people in jobs. They mentioned that the youth that had been trained in bricklaying and plastering had not been placed in work.

\(^{108}\) Interview with cluster heads, Motherwell, 22 October 2004.

\(^{109}\) Conchor is one of the companies contracted for the Coega development project, a major investment in the area.
34. There are a number of areas where the forum needs to improve. As indicated, the CCLO mentioned that the project could benefit if they had a qualified project manager. She also mentioned that the forum needs to look at having an influential board that could assist them with advice and so on. The board could also play a role in negotiating with structures such as the Metropolitan Council.

35. It is important that the forum resolve the issue of leadership and project management issues. The forum also needs to find a way of resolving their differences and working together as a unit.

36. The Programme Manager from the IDT in the Eastern Cape was critical of this project. She mentioned that it was quite worrying that the forum had received so much funding and yet little has been achieved. She further mentioned that she was aware that these kinds of projects operated under difficult circumstances. Her view was that the whole thing needs to be re-engineered and organised.

37. A workshop was held in May 2004 with MYDF members, the CCLO and the IDT’s programme manager. The workshop was aimed at identifying challenges and weaknesses of the forum. The output of the workshop was agreement to establish different clusters.

38. In order for the project to reach its objective it is important that a leader be appointed as soon as possible. It is commendable that those involved in the project have raised the issue of a qualified project manager. This person can be tasked with the responsibility with ensuring that other members follow-up on their responsibilities.

Impact

39. As indicated, prior to the interview, respondents indicated that they did not want their project to be classified as unsuccessful. They mentioned that they have had a number of challenges, which have resulted in slow progress. The IDT programme manager mentioned that comparing the objectives of the project with what the project has been able to achieve thus far, in her opinion the project qualified as unsuccessful.

40. These are varying opinions with regards to how people view the project. It is indeed alarming that whilst the project has been operating for two years, less than a quarter of youth targeted have been reached by the project. This is a concern considering the amount of funding that went into the project.

41. One of the issues mentioned by forum members was that they found it difficult to work with one another. The Programme Manager mentioned that in any institution respect and maturity is required for colleagues to get along well in their work. “Even in a situation where there’s board members, there is a chairperson and other members listen to the chairperson”110. Her opinion was that if members felt they lacked the skills they need to be more pro-active in addressing those issues. An important issue that comes up here is that of how much support and guidance the forum is receiving.

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110 Interview with Programme Manager from IDT Eastern Cape, 23 November 2004.
42. It is important that the forum create a culture that will define how they work as a unit. An article on ‘Leading and Managing in Developing Countries’ shows that lack of understanding the area of managing cultural differences causes conflict between managers and staff who originate from different cultures. Creating a culture for MYDF would assist them to work towards common goals.

Conclusion

43. At the end of five years the MYDF should have received R1.5 million from Social Development. So far, the project has managed to train about sixty-five people including forum members, despite having spent about half a million so far.

44. Components of CDD are clear in this project. As mentioned earlier, the members were part of the structures that organised themselves and brainstormed the idea of the youth project. However, there are flaws in the manner in which the project was designed. The project members lack the necessary management skills and experience to implement. One of the issues that the case study has brought out is the issue of adequate support. Persons with little experience mostly manage these projects. Skills gaps are clearly not restricted to rural areas.

45. During interviews both the CCLO and the Programme Manager mentioned that perhaps it would be best if the forum were assigned a qualified project manager who would take things forward and transfer skills to the rest of the members. The Programme Manager further mentioned that this person would have to be given a timeline on turning things around, with clearly defined responsibilities. A qualified Programme Manager will however need to be paid. Currently the arrangement at MYDF is that even the executive members benefit only through access to training. If the project is assigned a project manager it needs to be clear from the onset on where funding for their salary will be drawn from so as not to create divisions.

46. A further option is to go back to the drawing board and redesign the entire project; or at least to reduce the size of the executive. The Department will have to identify individuals in the forum who will be able to continue with implementation especially after support to the project is withdrawn.

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111 Leading and Managing in Developing Countries: Challenge, Growth and Opportunities for Twenty-First Century Organisations, Gomez Michael Ba Babunutu, Volume 9 Number 4 2002, pages 29-41.
Appendix 4: Tembisa Self Help Association of the Disabled (T-SHAD) from advocacy to income-generating projects

Nobayethi Dube

Background

1. The Tembisa Self Help Association of the Disabled (T-SHAD) is an organisation advocating for the rights of people living with disabilities as well as operating different income-generating projects. This project has been operating for the past fourteen years. This community organisation operates from Tembisa, an urban township about 10km from Johannesburg International Airport.

2. T-SHAD had its beginnings in the late 1980s, operating as an advocacy organisation for the blind. The founder as well as chief executive officer (CEO)112 lost his eyesight through glaucoma. He mentioned that he had approached the council to find out if there was any assistance they could provide for him. He was told that he could get a disability grant ‘which is something that I did not want’113. He then joined an organisation which catered for the disabled in Parkview (a suburb in Johannesburg). The CEO mentioned that at this organisation they accused him of stealing money. Again, he felt that his interests were not adequately met and he decided to start this organisation.

3. At first, the project advocated for blind people only, but later changed its focus to also include all types of disabilities. The CEO mentioned that the advantage of including all types of disabilities was that “if I am blind another one who has an amputated arm and one on a wheelchair can be of assistance to me”114. Although the project has about ninety percent of disabled persons there are also non-disabled people who form part of the project. The CEO described the project as a community based development programme that focuses on advocacy and is also income-generating.

Methodology

4. As with other case studies we used the questionnaire to facilitate the interview. In this project we spoke to the Chief Executive Officer (CEO); the administrative manager was also part of the interview. The interview was recorded with the permission of the respondents.

5. We also conducted observations of what was taking place in the income-generating projects. This included talking to supervisors who were on site.

Project development

6. The organisation started operating from the founder’s home, and at the time it was just an advocacy organisation catering for blind persons. In order to get support the project asked the Tembisa Residents Association, a civic structure, to help them collect donations and raise

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112 For the purpose of this report we will refer to the respondent as the CEO.
113 Interview with T-SHAD founder and CEO, Tembisa, 24 August 2004.
114 Interview with T-SHAD founder and CEO, Tembisa, 24 August 2004.
funds. At the same time the CEO mentioned that they started writing proposals to various organisations and companies requesting funding.

7. A number of the proposals had been turned down because at the time they were not regarded as a legally constituted organisation. This prompted them to apply for land from the local council. The CEO mentioned that the council took time to respond and they decided to put pressure on the council by picketing. The CEO mentioned that the council got the police to get them off land and this made them more determined.

8. The CEO mentioned that when the police came to remove them, the community was outraged and joined them in picketing. This made the Tembisa Self-Help Association very unpopular with authorities but the council relented and gave them 2.4 hectares of land in 1991. We were told that a number of people intervened including the mayor. The CEO mentioned that there were stringent conditions attached to them getting this land. For example, they were told that if they did not develop the land within twelve months, the council would take it back.

9. A private company called Parker Harrison approved a proposal they had submitted and they bought a zozo (a one roomed structure made of asbestos) that they used as their office. Later the Canadian Embassy gave them funding to fence the land. Again they approached the council for services such as water and electricity. They further approached the council to submit plans for building offices.

10. Unlike other projects that we identified as case studies, the project started as an advocacy project. As in other projects, project members at the beginning contributed a lot of their time and energy to ensure that the project got off the ground, in essence contributing to the design of the project. In this case this was not easy for this disability group and they had to use direct methods to be noticed.

11. We asked the CEO to tell us who the target of the project was. We were told that initially the project was targeting blind people. The CEO mentioned that this changed over time and they included all types of disabilities and they also extended their services to include non-disabled people.

12. We probed to find out whether any mechanisms were put in place to include women and youth. The CEO mentioned that they (as an organisation) were “very sensitive when it comes to women and youth empowerment”115. As a result they had four youth who are women occupying management positions.

13. The project also extends their membership to the general public and members pay an annual fee of R10-00. Services offered to the public include referrals and assisting the elderly with accessing grants.

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Resource contribution

14. As indicated, the project had submitted a number of proposals to organisations for funding. The Canadian Embassy provided funding for fencing the land. A private sector company had given them funds to buy a zozo.

15. The CEO indicated that after the council approved their building plans they had approached local builders to start building offices. The structure attracted a number of people to the site and a number of companies started donating material. Contributions had been in kind (e.g. building materials).

16. The CEO specifically mentioned Johnson Pharmaceuticals who sent a representative to find out what was being built since they noticed the structure when passing through to Kempton Park. Johnson then donated window frames and doorframes to the project. They later donated a photocopier machine. The CEO mentioned that what also attracted people was that they were placed at a strategic place near a busy road en route to Kempton Park.

17. The CEO mentioned that it was not easy to get funding because some organisations viewed them as radicals. It was believed that because T-SHAD was a disability organisation they had to be assisted by social workers. However, when T-SHAD preferred to deal directly with the council and other stakeholders it was felt that they were behaving radically. Social workers around the area felt that T-SHAD was encroaching on their territory.

18. Over the years though the project was able to get assistance from the Gauteng Provincial Department of Public Works. We were told that the Department had built them two buildings a recycling building as well as building which they used as a sub-contracting building. The sub-contracting building is used for work that the organisation gets from companies who outsource to T-SHAD. Both building projects were worth R1.5 million. We learned that the Gauteng Provincial Department of Public Works had promised them further funding for completing the buildings.

19. The Provincial Department of Social Development had given them a grant of over one hundred thousand rand. The CEO mentioned that they had used this money to buy a truck for collecting the recycling material as well as office equipment, furniture and computers. Equipment bought by the organisation has assisted them in continuing with their work.

Project Structure

20. T-SHAD has a fully-fledged structure. We learned that T-SHAD has a board of trustees made up of external individuals. The board of trustees is elected annually. T-SHAD thus has a more formal structure than other case studies. They have a CEO who is responsible for reporting to the board and there are functional managers who report directly to the CEO. The CEO is responsible for overseeing the running of all activities. The functional managers are made up of: the administrative manager, finance manager, marketing manager, and social services manager. In total the company has about eighty-five people including management.

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116 At the time of our visit the recycling building had not been completed yet.
21. There are a number of income-generating projects. They are: a chemical detergent manufacturing project, a garden and nursery project, a recycling project, and sub-contracting, tuck-shop and secretarial services projects. Each has a supervisor who is responsible for workers.

22. The chemical detergent manufacturing project has six employees including the supervisor (who is female). This project manufactures and sells its products directly to the public. Products that are manufactured by this project are dishwashers, fabric softener, floor and furniture polish. These detergents are sold to the community at factory prices.

23. The garden and nursery project grows fresh vegetables, flowers, indigenous trees and offers fresh and dried flower arrangements. This project has eight workers including the supervisor. Planted vegetables are spinach, beetroot, cabbage and carrots. We were told that initially the vegetable garden was intended for own consumption. However, community members used to come and ask for vegetables and it was later decided to sell the vegetables considering the labour and time that goes into planting these vegetables.

24. The garden project offers training such as soil preparation, sewing seedlings, transplanting, weeding and harvesting. They also sell indigenous trees from the nursery project. When speaking to the supervisor in this project he indicated that because of high unemployment levels they advise people not to use commercial fertilizers but rather teach them that they can use compost, which is easier to get. The CEO mentioned that mostly organisations send people for training. Training is offered at R500.00 per group and lasts for three months.

25. The recycling project has twenty-five workers including the supervisor. The recycling project collects cans, bottles, paper and so on around the township. These are sorted out at the project and sold to the respective companies. The CEO mentioned that through the recycling project they were able to grow to an extent that they are now a buy-back centre. Members of the community sell material to the buy-back centre.

26. There is a tuck-shop within the premises of T-SHAD. The tuck-shop sells things to both members of the community and project members. The tuck-shop also hires out plastic chairs and tables to the community.

27. The secretarial services project offers secretarial services to the community. These include typing, photocopying and faxing services. We were told that community members especially the youth make use of the centre to type their CVs as well as use the faxing facilities to send CVs to employment agencies and so forth. There are two workers in this project.

28. The sub-contracting project has about twenty youth including a male and female supervisor. This project is sub-contracted by local companies to assemble, label, sort and package things
for them. At the time of our visit the project was contracted to sort bottle tops used for Carling Black Label beer. On average, the projects combined make a profit of R25 000.00.

30. The CEO mentioned that they had had to change the structure because they were experiencing problems. For example, when project members were experiencing problems they reported to the executive who also doubled up as their managers. He mentioned that this was problematic because if there was a grievance amongst members the same managers doubled up as the executive. In 1999 they had then decided to restructure and the board appointed as the CEO. This was done to improve the effectiveness of the project.

Project Management

31. The project is managed by the CEO and the five managers. As indicated above, managers are responsible for daily management decisions in consultation with the CEO. The CEO is responsible for overseeing the projects as well as networking, promoting the project and so on. The CEO mentioned that they consulted with the board on issues that they could not resolve on their own.

32. Managers and supervisors hold monthly meetings. In these meetings they discuss issues pertaining to the performances of project activities. At these meetings the supervisors get an opportunity to report on the challenges within their projects and so forth. Meetings are held with the board on a quarterly basis. The project also tries to hold meetings annually where they invite community-based organisations (CBOs), non-governmental organisations (NGOs) and other interested individuals to participate.

33. We were told that each individual project operates as an income-generating project. When the project started members were earning as little as R15.00 per month. The CEO indicated that currently they were paying a flat salary of R360.00 to each project member per month. The CEO is paid R520.00 per month because of his responsibilities. Each project is however responsible for producing higher targets. For projects that are able to produce more in relation to their activities, they are able to get more money based on what they have sold.

34. Again when comparing this project with the others visited (except for the youth project), we note that there is a difference in the manner of operating. In all the other projects, the members shared the profits equally, for example, as we saw in women’s co-operative. In this project members are paid a salary and they also get a commission depending on how their project has performed.

35. The CEO mentioned that they had improved their administrative systems. For example, during our visit we learned that they had recently networked their computers so that they can have a common drive. This will assist them to access information even if one of the managers is absent. They were also in the process of revising their policies. The CEO mentioned that because they have grown and changed over the years some of their policies had become outdated and they had asked an external person to assist in drafting new policies.

36. The project also has financial systems in place, and a financial manager responsible for daily bookkeeping. The project is audited by a private firm.
Partnerships

37. The CEO mentioned that they had not formed any formal partnerships with any organisations. The Department of Public works has built them buildings worth R1.5 million for the construction of the recycling and sub-contracting activities. The Department has also committed that they were to provide them with further funding. The CEO mentioned that they were represented by their own members at all ward committees in the township.

38. The CEO mentioned that over the years the organisation has received support from private companies such as Pick & Pay, Standard Bank, Old Mutual and the Jomo Cosmos football club.

39. The CEO mentioned that they were also in the process of negotiating with the municipality in Tembisa to enter into a partnership for collecting waste material, which can be recycled. The CEO mentioned that their recycling project was not only to make money but also to keep the township clean.

40. The project has also been negotiating with a local company called Basiza Technical Waste Solutions, a black empowerment company. This company has offered them two percent worth of shares.

Sustainability

41. The CEO mentioned that sustaining the project has been a challenge. Over the years the project has undergone a number of changes. He mentioned that in 2002 the project had been faced with closure and they had to restrategise their manner of operation. That is when they decided that projects earn on what they have produced and sold for the month. The project has received a number of recognition awards including community builder of the decade 1990-2000 award. They, however, have also faced challenges such as being robbed and their equipment taken at gunpoint.

42. The project is in the process of revising its policies. They had networked their computers in order improve their administration systems. One of the areas that they need to improve was on budgeting. The CEO mentioned that they have had problems in terms of budgeting correctly for overheads, especially for things like telephones, stationery, car maintenance and so on. The project was also considering registering with the Receiver of Revenue for benefits like unemployment insurance for their workers in case of closure.

43. The project also wanted to register as a Non-Profit Organisation (NPO). The CEO mentioned that they purchase a lot of things for the project and if they register as an NPO they would be able to claim back value added tax (VAT). Their books are audited annually. They have good financial systems in place.

44. Project activities are monitored through monthly meetings. They have never had any outside organisation come to evaluate their activities which is something they would like to do. The CEO said that as project members they had adequate skills to operate the project, however, he felt that there were areas in which they could improve.
45. From the interview we gathered that there were plans to register some of their activities as businesses to ensure that they sustain the project. They, however, will maintain advocating for the rights of the disabled. Currently the sub-contracting project was said to be making a lot more money than other projects. It was also a custom that the projects subsidised one another, for example if one project has not been able to produce high volumes. The CEO mentioned that they also have seen the need to groom the youth in the project so that they are able to take over leadership positions in the future.

Conclusion

46. There are a number of CDD components in this project. The first is that project members were involved in the design and implementation of the project. This involved contributing a lot of time and knowledge to the project. The second component is that of complete control and management of resources. Although the project has not been able to attract a number of partnerships (financially) those that have been initiated have yielded positive results – for example, Gauteng Department of Public Works building structures worth R1.5 million for T-SHAD.

47. The project has existed for fourteen years. In this period the project has gone through a number of changes. Two positive things come out of this. The first is that the board has had positive influence and assisted the project in restructuring. The second positive thing is that the project has been innovative especially since the different projects operate as income generating.

48. The project has been able to implement a number of systems, for example networking their computers. This has assisted them in running the projects efficiently and effectively. In this we note the difference when comparing other projects that were visited for this research. In T-SHAD those at management level have clear roles and responsibilities whereas in the other projects they have a steering committee which operates more on an equal basis.
Appendix 5: Tswelo Pele Pitso: Women’s Co-operative

Nobayethi Dube

Background

1. Tswelo Pele Pitso Project is located in Potseng location a deep rural area in Ward 28 Umzimvubu Local Municipality. This project is about 91 km from Kokstad, a border town between KwaZulu-Natal and the Eastern Cape. Tswelo Pele literally translated means ‘going forward’.

2. Tswelo Pele Pitso Project was established when a number of small projects came together to form a single co-operative in 2001. Prior to this project, women were functioning separately as different project groups. We were told that there were two reasons the community had started projects in the area. They were motivated by the then President’s call to start to start their own projects. The first reason is that there were a number of young people who had completed matric and were not able to find jobs. The second reason was that the husbands came back from Johannesburg having lost their jobs.

3. Because of the high levels of unemployment the community had decided it was best to start projects, which could provide them with income. The projects were seen as something that the community could depend on.

4. The project is currently receiving funding from the National Department of Social Development. The funds are disbursed through the Independent Development Trust (IDT) an implementing agency. The IDT also provides the project with technical assistance.

Limitations

5. The first limitation is that the project is inaccessible and due to time constraints we could not spend as much time to conduct observations on the project site as we would have liked.

6. The second limitation is that all respondents (members of the executive committee and sub-committees) chose to sit together during the interview. This was a limitation because although they were all encouraged to speak it was the chairperson who spoke the most.

Methodology

7. We conducted in-depth interviews with members of the steering committee at the project. We were however asked by the chairperson if we could first address the entire members of the project and inform them about the purpose of our visit. This was to avoid creating tensions amongst project members. Also subcommittees from all projects were invited to take part in the interview.

8. The entire interview was recorded with the respondents’ permission. We used the same questionnaire to facilitate the discussion used in the other case studies. We also separately interviewed the project officer from the Independent Development Trust.
(IDT) is an implementing agency and has been contracted by the National Department of Social Development to disburse funds to the Tswelo Pele project. The project officer is responsible for providing the project with technical support, monitoring as well as advising the project where necessary. The IDT project officer is required to visit the project about twice a month. The project officer reports to the IDT’s programme manager in the Eastern Cape.

Project Development

9. As mentioned above, women in this deep rural village initiated the Tswelo Pele project. The beginning of the project was in 1999 when women heeded the former President’s call for communities to start their own projects. The chairperson of the project mentioned that the motivation behind the small sewing project was the Reconstruction and Development Programme (RDP), which encouraged communities to kick start projects that could provide a small income. The chairperson mentioned that she attended a number of RDP workshops where participants were encouraged to start projects in communities.

10. The chairperson (a female) who had attended a number of workshops in Matatiele then approached the Chief in the village to find out if they could call a village meeting and discuss ideas about projects. At the meeting people discussed different project ideas such as baking, poultry, sewing, vegetable gardening and so on. It is important to note that when the call for projects to be started was made, those who started projects operated as separate groups. For example, the chairperson mentioned that she and other women had started a sewing project.

11. The projects operated on their own contributing from their own pockets. We learned that the sewing project had also managed to get funding (about R12 000) from Social Development. In 2001, a general community meeting was called by Social Development in Matatiele. At the meeting officials from the department explained that their policy on funding had changed. Instead of funding individual projects they were required to now fund combined projects. At this meeting the different project groups were encouraged to combine and form a single entity. The chairperson explained that this was not an easy process because groups were reluctant to be co-opted. Understandably so, because each group had its own identity and had developed its own norms and so forth. Combining as a single project meant that they had to identify a leader, combine resources, devise new ways of working and so on. For some this was an unattractive option and they decided not to be part of Tswelo Pele.

12. It was after the meeting in 2001 that separate groups combined and formed Tswelo Pele Pitso project. Some people though decided not to be part of Tswelo Pele Pitso project. However, they still operated from their own homes. The sewing group seems to have taken the lead in organizing other groups so that they could form Tswelo Pele Pitso Women’s Co-operative.

13. As indicated, respondents mentioned that they started the project because of high unemployment in the area. “We saw that a lot of young people had completed their

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117 Project Officers assist projects with technical and continuing support.
118 Interview with Tswelo Pele chairperson, Potseng Village, Matatiele, 28 October 2004.
schooling and had nothing to do”119. Having a project would help in providing food and some kind of income.

14. In this project we see components of CDD in that members of the community played a crucial role in taking the lead and initiating the project. The chairperson invested her time actively attending workshops arranging through the Chief to inform the broader community about what she had heard and so on.

Targeting

15. We asked respondents to tell us if there was any special mechanism to target the young people and women in the community. We were told that the project idea was not to organize young people and women only; the idea was also to involve men from the village. The chairperson mentioned that they took community meetings as an opportunity to explain to the village the importance of starting such projects. Respondents said, “when our husbands come back with their pension money they must know that it (pension money) will get finished but not the project”120. For these women, when their husbands have used all their pension money the project would still be standing. Young women were also encouraged to join the project. One way of encouraging the community was to tell them that “development cannot come to them they have to start developing”121.

16. Although there was no special targeting mechanism used during community meetings it was stressed to the community that it was important for the community to start such a project because it would provide food and income to the members. In the end it was the majority of women who ended up joining the project. Interestingly project members describe themselves as beneficiaries of this project. This description is interesting because in other projects that we visited project members did not see themselves as beneficiaries of the project, rather they saw themselves as owners of the project.

Resource Contribution

17. As we indicated earlier, when the projects started (in 1999) each project had its own bank account. Contributions were used to buy material for the project. The sewing project contributed towards opening a bank account. The chairperson mentioned that she had contributed about R250.00 towards the opening of the bank account whilst other members contributed R50.00. This is no small contribution for women from a rural area with no source of income.

18. Later the sewing group on its own had received R12 000.00 from the National Department of Social Development in 1999. This money was used to buy material and other things for the project. At this meeting groups were encouraged to combine and form a single project. So, when two years later the groups were encouraged to form a single project, it was the sewing group that organised other groups.

19. As a combined group, Tswelo Pele was able to receive funding from Social Development in 2001. The funding received from the department amounted to R500 000.00 was disbursed over three years. This money was given to IDT to disburse directly to the project. Funding to a project using alternative arrangements is another

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119 Interview with Tswelo Pele chairperson, Potseng Village, Matatiele, 28 October 2004.
120 Interview with Tswelo Pele committee members, Potseng Village, Matatiele, 28 October 2004.
121 Interview with chairperson, Potseng Village, Matatiele, 28 October 2004.
component of CDD. For example, in this project, a central government department has
developed a strategy of channelling funds to the IDT, which in turn is responsible for
disbursing the funds to the project. This arrangement benefits the department in that they
do not have to deal with administering the funds and IDT has the necessary experience
as well as capacity to disburse funding and assist the project technically.

20. Funds contributed to the project are directly administered by project members. The
project has direct control over funding and they decide on how to spend the funds. We
learned that R250 000.00 has been disbursed over the last two years. The project used
that money to purchase machinery, production equipment like ovens, sewing machines
as well as stock. A further R150 000.00 still has to be disbursed by the IDT. The
chairperson indicated that this money should have been disbursed in July 2004 but had
not come through yet.

21. We asked project members to tell us if there were any accountability systems in place.
We were told that there is an executive of five members (who form the broader part of
the committee) who manage financial decisions closely. This executive comprises of the
chairperson, vice-chairperson, secretary, vice secretary and treasurer. The project is also
required to submit financial statements to IDT and to Social Development. We were told
that the meetings are used to discuss financial matters concerning the project as well as
the sharing profits.

22. Project members mentioned that they were quite happy with the processes that have
been put in place to ensure that they administer the money properly. For example, they
mentioned that the last tranche from IDT had not come through yet but they were able to
operate their project utilising their profit. They further mentioned that this had instilled
discipline amongst project members.

Project Structure

23. There are four components to the project - sewing, poultry, vegetable and baking
components. Each project component has a sub-committee made up of three people. In
addition there is an executive committee. We learned that initially there were ninety-six
members who were trained as project members but eventually the number was scaled
down to thirty-nine. We learned that each month subcommittees for each production
component holds a meeting. At these meetings they discuss things that pertain to project
components and may further discuss them with the executive committee.

24. The project operates from two buildings. One is used for the baking and sewing project,
while the other building is used for the poultry project. Both these buildings were
donated by the District Municipality in 2003. We were told that a local councillor had
played a significant role in assisting the community get these buildings.

25. In addition there is the project officer from IDT who assists the project with technical
support as well as monitors the project on a monthly basis. It appears that the project
officer offers advisory support to the project. The project officer visits the project twice a
month. The project officer in turn reports to the programme office at the provincial IDT
office in the Eastern Cape.

26. During the interview, both the treasurer and the chairperson mentioned that they valued
the support that they were receiving from Social Department and the IDT. The members
through IDT’s assistance were gaining valuable experience, which they could use after the IDT left the project.

Project Management

27. As indicated above the project is made up of thirty-nine members. There are four project components and each component has a subcommittee. Each subcommittee is responsible for its respective team. The project has a constitution which governs how it should operate.

28. We learned that project members are required to report to the project daily. There is a register where project members sign the register to indicate that they are present. A work-plan is drawn up on a monthly basis for each project component. This work-plan is drawn up by the IDT project officer together with subcommittees.

29. The project officer mentioned that the work-plan was devised to record milestones for each project component. For example, the baking project knows that they are supposed to bake bread daily but the work-plan also assists in other areas that they have to concentrate on, for example, the project has a target number of how many loaves to bake for school feeding schemes.

30. Here we see order and systems with regards to how the project functions. The project officer mentioned that the constitution needed to be amended in some areas – for example, his concern was that no project members should be absent for over a month at project site.

31. The project is required to submit monthly bank statements to the IDT project officer as well as to Social Development. The project is also required to submit monthly progress reports as well as indicate how much profit they have made. These measures have been put in place to ensure that finances are not mismanaged. We learned that the project has been submitting the reports on as requested by the project.

32. During the interview we probed respondents to find out how the project has benefited the community. Respondents mentioned that the community had benefited a lot in that they did not have to travel about 25km to town to get things like bread, eggs and vegetables. These products are available from the project. The project has also identified poor households within the community where they supply them with some of their produce. We were told that because sometimes their products did not meet the grade, for example bread that may come out of the oven in bad shape is not thrown away rather such products are given to poor households within the community. The project has also identified orphans who have been asked to join the project as members.

33. We learned the bakery component bakes bread for four schools in the area. Through this contract the project receives about R4496.00 per month. The bread is also sold to locals at a reduced price of R3.00 a loaf. On average, the project receives about R2880.00 per month when selling to the local community.

34. The poultry project on average receives about R1750.00 per month. We were told that the sewing project does not have a guaranteed profit since people came only when they needed things. However, the project was currently negotiating with a local primary school to supply them with tracksuits. The same goes for the vegetable project, their
production is seasonal and therefore the project could not provide us with average profits.

Partnerships

35. As in other projects, we asked respondents to tell us whether partnerships have been formed with structures like the District Municipality, the Local Municipality, private companies and non-governmental organisations (NGOs). We learned that the project has managed to attract a lot of attention from the district municipality as well as other provincial and local government departments.

36. The District Municipality has assisted in building two structures worth R550 000.00 each. This was during the Integrated Development Planning Process (IDP) where the community was invited to table their needs. This process was called by the Umzimvubu local municipality. The structures were built in 2002 and handed over to the project in 2003. The buildings are about 15mx30m. We probed to find out if the project had made any applications to the District Municipality regarding constructing these buildings. We were told that they did not make an application, rather a councillor in the area had played an important role in negotiating with the District Municipality on their behalf. Prior to building these structures the local municipality conducted investigations to find out whether the project existed and whether they were legitimate.

37. The project was also offered training by the Department of Labour. Training was offered for the department was for baking, poultry, sewing, vegetable gardening and business skills. We were told that in the beginning a total of ninety-six people had been trained by the Department of Labour. Training was provided by Maluti Skills Development and Noandile centre. We learned that both training providers continue to offer support to the project. We learned that the local municipality had been played a major role in assisting the project to receive training.

38. The project has also built a partnership with the Department of Education (DOE). The project has entered into a contract with the Department for a feeding scheme. The project supplies four schools in the area with freshly baked bread on a daily basis. We were told that this is an open contract as long as the project exists.

39. We asked project members to tell us if there were any partnerships formed with private businesses. The chairperson mentioned that they had entered into negotiations with Shoprite (a local supermarket chain) to find out if they could supply them with vegetables but because they have such a high demand from the community they have not been able to conclude anything with Shoprite. She further mentioned that they wanted to approach the Chief and ask for more land (2.5 hectares) so that they could extend their vegetable garden.

40. It is interesting to note that so many stakeholders have taken an interest into the project. There has been so much institutional support even if it has not always been financial. When we asked the project officer what this could be attributed to he mentioned that the project was considered to be performing well hence they were receiving so much attention and support from different government departments.

41. The interesting thing with this project is that government departments (education, labour, district municipality) saw potential with this project and initiated discussions with them. These departments have also provided a lot of support for the project. For
example, service providers that offered training have continually assisted the project with giving them technical advice.

42. In this area of partnership we also see another element of CDD. Participatory mechanisms through the IDP have been established leading to the District Municipality providing the project with infrastructure. The project has also been able to get a feeding scheme contract with the department of education. During the interview we learned that the project has been able to make profit with its proceedings for example. The project has benefited a lot from the partnerships created with all these stakeholders.

43. The project currently has no electricity. We learned from the IDT project officer that the local municipality has indicated that it will facilitate negotiations with relevant stakeholders on behalf of the project. The project officer from IDT mentioned that this however, might not be in the short-term.

Sustainability

44. Tswelo Pele Pitso shows signs of sustainability. The project has been operating since 1999. Prior to combining as a single project, the projects were able to save money and open bank accounts. At a later stage the projects combined to form this women’s co-operative. The project has been able to operate from its profits between July and November 2004. The chairperson mentioned that this has been a major achievement and has instilled discipline amongst project members. Sacrifice is also evident in this because project members have opted to forego sharing their profits so that they can continue with their productions. One of the things mentioned during the interview was that they would like in future to register their project as a business.

45. There are, however, areas of concern that were raised by both the chairperson and the project officer. The project members indicated that they are dependent on IDT and the Department of Social Development. The chairperson mentioned that at this stage they were not able to negotiate with any outsiders since they do not have confidence if the project officer is not there physically to support them. She said “we have this problem where we are not able to trust anyone except for IDT and Social Development”.122 The project officer also raised the same concern. He mentioned that since his involvement with the project he has noted that they always ask for permission to go ahead with activities even if they have come up with good ideas themselves.

46. The project has demonstrated the ability to function on its own and yet the worry is: about what happens when Social Development and IDT pull out? A point raised in CDD literature is that of an exit strategy to the support offered to small-scale projects like these. One of the things mentioned in CDD literature is that institutions offering such support have to invest in an exit strategy. Literature indicates that ”a clear distinction must be made between support services that are recurrent or permanent in nature and those that are temporary”.123

Conclusion

47. There are clear components of CDD in this case study. For example, the community organised itself, was awarded funding and is currently managing and controlling its

122 Interview with Tswelo Pelo chairperson, Potseng Village, 28 October 2004.
123 Community –Driven Development, Chapter 9, page 327. Dongier Philippe, Van Domelen Julie, Ostrom Elinor, Rizvi Andrea, Wakeman Wendy, Bebbington Anthony, Alkire Sabina, Esmail Talib, and Polski Margaret
funding. Considering these factors this project can be classified as successful. This project can be classified as a successful project. It has shown signs of sustainability. Although the project started small it has grown significantly. The project has managed to attract support from a number of government institutions. For three months whilst waiting for funding from IDT they have financed the project using their own profit.

48. As mentioned above, it is advisable that an exit strategy be developed to prepare project members. A good exit strategy will assist the project to put good systems in place. For example, project members indicated their weakness with regards to negotiating with potential funders because of a lack of confidence. This could be a skill that is provided through IDT’s project officer, for example the project officer conducting a workshop on what are the important areas around negotiating. Or the project officer could sit in meetings where they observe. Of importance is the project continuing beyond IDT’s departure.
South Africa

A Brief History and Prospects for Community-Driven Development in South Africa

Background

“Community-driven development” (CDD) encompasses a wide variety of activities in many countries around the world. CDD has been practiced in various forms and under various names for many decades and in many countries. The common denominator of all CDD is that communities are empowered with knowledge and resources to provide, directly or in partnerships, the services and infrastructure that they require to improve their lives.

In common with decentralization, CDD is beneficial due to the allocative efficiencies that result from control of resources by end-users who have the greatest degree of knowledge about their own priorities. Ownership by communities of the outcomes of CDD tends to result in lower costs and a higher level of sustainability of those outcomes. Examples of effective CDD can be found in all human arenas: rural and urban, rich and poor, agricultural and non-agricultural.

South Africa (SA) has a rich history of CDD. With the advent of the democratic era in 1994, Government has pursued an explicit strategy to form public policy, planning and fiscal frameworks that are directly supportive of community empowerment in the following ways.

The structure of governance in democratic SA is constitutionally based upon three overlapping spheres—national, provincial, and local—each of which has clear assignments in supporting community empowerment. Local government jurisdictions cover 100% of SA’s land area and all residents of the country, and the 284 local governments are explicitly tasked with responding to most service and infrastructure demands of communities. Provincial Government is tasked with many of the developmental services such as health, education, and agriculture. And certain national agencies, such as the Department of Land Affairs, also have responsibilities in supporting CDD. The extent to which these demands are met in any local jurisdiction is subject to validation through regular access to free and fair elections.

The planning process of the SA public sector is driven by Integrated Development Plans (IDPs) which are intended to be based on extensive consultation with communities. The country’s medium term planning process plays out in all local government jurisdictions and affords all citizens the opportunity to influence the allocation of public resources to meet community demands.

The intergovernmental fiscal framework supports both the governance structure and the IDP process by making predictable and transparent allocations of both unconditional and conditional grants to local governments to meet community demands. In 2003/4 more than R12 billion in grants were made available to local governments through the Division of...
Revenue Act (DORA). Local government own resources, derived from property taxes, user fees, licenses, etc, multiply DORA funding several times over.

In short, SA has—in just one decade of state transformation—erected a public policy, planning and fiscal environment that has the potential of being as supportive of CDD as any other public environment in the world. Many other countries in Africa and beyond are increasingly interested in the SA model. It is useful, therefore, to summarize the evolution and prospects—challenges and opportunities—of this 10 year old CDD model.

**Objective**

The objective of this TOR is to commission an analysis of CDD in SA since 1991, the year in which the Group Areas Act was rescinded, covering the history, the development of the supporting institutions of decentralization, the degree of community empowerment and capacity development already achieved within that framework, and the obstacles still standing in the way of fully accountable community empowerment and scaling up. The analysis should identify the key policy constraints to improving the implementation of service delivery and development programs across sectors and spheres of government.

**Scope of Work**

Consultants will be engaged to carry out the following tasks:

1. Provide an overview of the evolution of SA’s CDD enabling environment. This task will focus on:
   a. an overview of community empowerment activities in the 91-94 era, including externally and internally funded initiatives (e.g. IDT, corporate social responsibility, community own source);
   b. the 94-04 era including the RDP, the diminution of the NGO sector, and the rise of core fiscal mechanisms including the Consolidated Municipal Infrastructure Grant, the Equitable Share, the land redistribution programs (Settlement and Land Acquisition Grant, Land Redistribution for Agricultural Development) housing subsidies, and sectoral grants recently consolidated into the Municipal Infrastructure Grant; and
   c. summarize the most recent SA policy and Medium-Term Expenditure Framework projections for resources to CDD.
2. Provide a current overview of the ways in which the three governance spheres (national, provincial and local) address CDD. In particular, this task will focus on the ability and actual degree to which the three spheres directly empower communities through:
   a. support to learning by doing and capacity development;
   b. direct and indirect transfer of budgetary resources for CDD; and
   c. any existing procedures and regulations that affect CDD scale-up.
3. Provide a longitudinal overview of about 4 communities that successfully practiced CDD in the pre-94 era, with emphasis upon key factors that have led to continued success.
4. Describe the experience of about 3 communities that successfully practiced CDD in the pre-94 era, and are no longer successful.
5. Describe the experience of about 3 communities that have embarked upon CDD in the post-94 era.

6. Synthesize these case studies and any relevant secondary information to identify key issues and bottlenecks which constrain further community empowerment and scaling up, and suggest key ways in which the SA CDD model can be most successfully supported going forward from 2004.
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<th>Title</th>
<th>Date</th>
<th>Author</th>
</tr>
</thead>
<tbody>
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<td>46</td>
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