S S A C I SWISS-SOUTH AFRICAN COOPERATION INITIATIVE

External Evaluation, March - April 2005



Report

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Executive summary

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Interviews with various stakeholders (SSACI staff, corporate sponsors, government and other representatives); document study and analysis.

Major findings

The Swiss South African Cooperation Initiative (SSACI) has to be considered a very successful new approach of a development project. It has not only built up smoothly running operations of identifying, assessing, agreeing on and monitoring projects with local NGOs that seek to open new pathways to employment for South African youths. It has also delivered impressive concrete results: 2,895 unemployed youths (many from rural areas and all from previously disadvantaged communities) have been reached through SSACI funded projects. Out of this total number:

- 1,672 (94%) youths have or are scheduled to graduate from training; 1,260 (75%) are generating regular income through wage- or self-employment;
- Up to 217 micro enterprises have been established, while 85 pre-existing enterprises are receiving business development services and 490 entirely new jobs have been created.¹

SSACI's performance goes beyond the number of enterprises established. The networks and alliances created at project level (between and among government institutions, private sector and NGOs) are a feature that will enhance and influence partnerships in regional, provincial and national programmes.

SSACI is a development initiative representing a new form of financing development: it is a social investment fund supported by the Swiss Agency for Development and Cooperation (SDC) and ten Swiss companies from the South African private sector. While thus being clearly a partnership formed out of public and private finances, SSACI is not a typical PPP. SDC is the biggest single donor providing alone 50% of the funds; and the corporate sponsors' core business is not linked at all with SSACI's work. This leads to specific implications in the daily business with regard to distribution of roles and communication mechanisms.

The evaluation team has found that the area of activities SSACI has chosen remains highly valid and relevant, as the overall

¹ Source: Programme Manager's quarterly report to the Board of Trustees, Jan-Mar 2005, p.1.

unemployment situation in the country has hardly improved over the last five years. SSACI has pioneered an approach adapted to the needs of youths by not only providing occupational and business training but adding life skills training and after-training-support to make sure the trainees are in a job when the project is over. In many cases it could partner with the state learnership programme thus creating the potential for systemic impact. In addition to that, SSACI has managed to keep its own operational costs at a very low level and instead ensured that available funds are used for creating employment.

All these successes notwithstanding, the evaluators have found that SSACI has reached a critical moment in its development. They therefore suggest that SSACI:

- Gives itself a strategy for sustainable development focusing on a comprehensive service concept as an implementing agency in its chosen area of activity
- Becomes a fully-fledged partner to those who are ready to support but operationally not able to realise corporate social investment (CSI) themselves
- Professionalizes its learnership model into its core competence and integrates it with the state learnership model where feasible
- 4. Makes communication with sponsors a strategic tool
- 5. Aligns operations to the strategic decisions, in particular in terms of securing personnel resources and fine-tuning its project management process
- 6. Strengthens its financial management to ensure sustainable development at both SSACI and projects' level.

As a whole, the SSACI model seems replicable at provincial and national level; so too at regional level (SADC). The programme focus itself is critical to the success of the whole process. However, replicating the model will require an understanding of provincial enabling environment before introducing it. At regional level, the model could be replicated in countries where vocational and educational training is already operational, as this would provide the basis for the introduction of the programme.

The challenge will be to realise such changes without compromising on the strengths SSACI has created - of being a highly efficient, flexible and accessible project partner for social investment initiatives.

Lessons learnt

The following lessons can be summarized (they are presented in detail in chapter IV-6):

- Small is beautiful but also dangerous
- SSACI has to balance genuine marketing interests of sponsors with own objectives
- Mid-term evaluations are an indispensable review instrument
- Be most careful with elaboration of fundamental project documents
- Consider the risks of single person expertise within a knowledge economy
- Balance carefully the involvement of sponsor organisations as opposed to individual representatives
- Establishing PPPs is difficult and affects delivery at grassroots level
- SSACI's sustainability is critical to the whole programme.

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Acronyms

BEE Black Economic Empowerment
BSDC Business Skills Development Centre
CECD Centre for Early Childhood Development

CEO Chief Executive Officer

CETA Construction Education and Training Authority

CHF Swiss Franc

C.I.E. Centre for Innovation and Entrepreneurship

CSI Corporate Social Investment
CSO Civil Society Organisation
CSR Corporate Social Responsibility

CV Curriculum Vitae

ETDP Education Training and Development Practice

FET Further Education and Training

GTZ Gesellschaft für Technische Zusammenarbeit

HRSC Human Resources Science Council IDT Independent Development Trust

KZN KwaZulu-Natal Province

KZNPI KwaZulu-Natal Poultry Institute

LFS Labour Force Survey

NBI National Business Initiatives
NDA National Development Agency
NGO Non-governmental Organisation
NQF National Qualifications Framework
NSDS National Skills Development Strategy

OBE Output-based Education
OD Organisational Development

P&L Profit and Loss

PIU Project Implementation Unit (= SSACI management)

PM Programme Manager
PPP Public-private Partnership

PO Partner Organisation or Programme officer

REAP Rural Education Access Programme RPSA Regional Programme Southern Africa

SA South Africa

SADC Southern Africa Development Community SAQA South African Qualifications Authority

SBC Swiss Business Council

SC Swisscontact

SDC Swiss Agency for Development and Cooperation

SETA Sector Education and Training Authority

SETASA Secondary Agriculture Sector and Training Authority

SLOT School Leavers Opportunities Training SME Small and Medium Sized Enterprise SPSA Special Programme South Africa

SSACI Swiss South-African Cooperation Initiative

THETA Tourism, Hospital & Sport Education and Training Authority

TOR Terms of Reference

TVET Technical and Vocational Education and Training

YDN Youth Development Network

ZAR South African Rand

I INTRODUCTION

1 BACKGROUND OF THE EVALUATION

This report documents the external evaluation process at SSACI, based on a decision of SSACI's Board of Trustees from 4 May 2001. It is the pre-condition for SDC to decide about its future financing of SSACI beyond the year 2005. SDC itself has made its contribution subject to the continued participation of the corporate sponsors.

On 25 March 2004, SSACI's Board of Trustees resolved that the evaluation to be conducted in two phases, a formative phase in 2004 and a summative phase at the beginning of 2005. The first part was conducted in August-September 2004 in the form of a case study. The expressions "SSACI case study" and "Formative Evaluation" will be used in this report synonymously.

This summative evaluation represents a usual external analysis of the status quo of SSACI, leading to conclusions and recommendations with regard to a possible second phase of the project. It is based on a mission carried out by the two evaluators between 30 March and 8 April 2005 in South Africa.

2 Purpose of the evaluation

The purpose of the evaluation is to inform a decision by current and prospective sponsors on whether and to what extent to fund SSACI after 2005. It shall also inform decisions by SSACI's Board of Trustees on improvements to the existing structures and operating procedures. According to the international standards of an external evaluation, it assesses the relevance, impact, effectiveness, efficiency and sustainability of SSACI, identifies lessons learnt and formulates recommendations for a potential future phase of operations.

Due to the fact that SSACI is an innovative partnership of public and private funds pooled together to contribute to development financing in South Africa, the formative and the summative parts of the evaluation are of particular interest for all SSACI stakeholders and beyond as they represent a formal documentation of the experiences made with this approach during the first five years of existence.

Following SSACI's tradition of annual meetings of its stakeholders in both South Africa and Switzerland, these findings will be presented by the evaluators to SDC and the corporate sponsors in Johannesburg on 26 May 2005 and in Zurich on 2 June 2005.

3 EVALUATION METHODOLOGY

The evaluation team was composed of Ms. Eva Schmidt and Mr. Frank Mlotchwa, both independent consultants. The team proceeded to interviews with SSACI staff, corporate sponsors in South Africa and Switzerland as well as representatives from the state education administration (SETAs), researchers and other related stakeholders.

Both consultants visited a selected number of SSACI funded projects, Ms. Schmidt in the Cape Town area and Mr. Mlotchwa in the KwaZulu-Natal province. They thus had the opportunity to get to know project partners as well as individual representatives of SSACI's target groups, previously disadvantaged South African youths.

In addition to that, the consultants analysed various written and electronic documents provided to them by SSACI, SDC, the sponsors and other interview partners or taken from other sources of interest.

In the course of the evaluation, the consultants first spent three days together in Pretoria and Johannesburg before splitting up for the project visits. Upon return to Pretoria they continued with common interviews in the area and spent 1.5 days together in SSACI's office to discuss the main findings and agree on the structure of the report. Between April 15 and 30 during the report writing they exchanged and aligned their findings primarily via email. They both agree on all conclusions and recommendations. This took more time than was foreseen in the consultants' contracts.

II **ENVIRONMENTAL ANALYSIS**

1 **ECONOMIC CONTEXT**

11 **NATIONAL ECONOMIC SITUATION**

The South African Government's efforts in addressing unemployment over the last eleven years can be described as commendable, in the midst of a combination of challenging factors. The ever-rising strong rand, coupled with the international competition due to globalization and local political economic conditions have had negative impact on the overall status. The "Financial Mail" (April 2005) quoting from the latest Labour Force Survey (LFS) indicates that the number of unemployed now stands at 4.4m (or 26.2%) of the total working population (when using the narrow definition). However with a broader definition, the figure rises up to a staggering 8.08m or 41% of the working population.²

Since the early 1990s, retrenchments and job losses have continually increased at an annual rate, especially in the mining and agricultural sectors (153,000 and 195,000 respectively) - and of late, in the manufacturing (textile) sector. The government has introduced a framework that is geared at upgrading both skills and machinery, as well as advocating measures that would protect the textile industry. It is also developing an industrial policy that will attempt to encourage investments in sectors where growth is anticipated. But all these credible efforts are too little and too late to arrest the ever-increasing unemployment trend.

12 YOUTH UNEMPLOYMENT PREDICAMENT

One of the overriding factors that influenced SSACI to venture into youth enterprise development is the high number of school-leavers. It is estimated that more than 1m youths leave school every year to join the labour market (Human Resources Science Council Study 2002). Of these, 185,000 continue with higher education. Of the remaining 826,000, only 37% find employment. It is also estimated that 71% of these young persons are Africans who constitute the highest number of previously disadvantaged individuals.

Since the advent of the Democratic dispensation eleven years ago, the government, through the National Department of Education and Labour, has instituted wide-ranging changes in an attempt to redress youth unemployment. Most of these changes are being made through Acts of Parliament and are geared at not only narrowing the quantitative skills gap between the number of school leavers and the number of new jobs, but also at improving a qualitative skills gap between supply and demand (artisans, craftsmen and women, middle managers etc).3

Two of the new educational introductions include Outcomes Based Education (OBE) in schools and the establishment of Further Education and Training (FET) colleges, among others. OBE, which is entering Grade 12 next year is supposed to prepare young learners with relevant skills in different job sectors so that they could be easily absorbed into tertiary education and in the job market. However, the introduction and facilitation of the whole framework has been mired in controversy and frustrations from educators and administrators. Critics are divided on how the more than 460,000 Grade 12 (High School matriculation level) school leavers will fit into the existing educational and labour environment.

State learnership model and Sector Education and Traning Authorities (SETAs)

The "Learnerships Drive", which is an in-service (within companies) vocational training programme (administered by the SETAs) and financed from a 1% levy on all company payrolls, are one-year initiatives catering for a cross section of sectoral disadvantaged persons (predominantly employees). Unfortunately, the SETAs have their own challenges. They are still in their infancy, are bogged down in bureaucratic logiams with management inadequacies, have demonstrated very slow pace of delivery and most of their training has been branded as narrow, shallow and short to have holistic impact on the learners (HRSC). Above all, the learnership programme is seen as not necessarily creating employment opportunities due to its nature of targeting company and organizational employers.

² The Broader definition includes those people who have given up looking for work (know as discouraged work seekers). Source: The Financial Mail, Vol 181 No1, April 8, 2005, Johannesburg, RSA.

³ Formative Evaluation pp.3-4. In fact, it has been noted that the biggest challenge is the inability of the current education

system to produce the "right skills".

FET colleges

The FET colleges form part of the public secondary education programme meant to provide preservice training to mainly young persons coming out of secondary and high school. The FET system is an adaptation of the German TVET Model. The government has effected a merger of universities and technikons aimed at improving and upgrading teachers' qualifications, science and mathematics teaching as well as overall management of tertiary institutions. The introduction of the new model is criticized for contributing to the shortfall of about 20,000 artisans over the last years. It is estimated to be training just 10,000 apprentices as opposed to 20,000 ten years ago. The current decline in apprentice enrolment therefore is seen as a direct response from employers who complain of high costs of administering vocational training.⁴ Besides, FET Colleges are criticized as being racially and vocationally stigmatized (that their graduates are of inferior quality and are therefore not likely to be snapped-up for jobs).

Black Economic Empowerment (BEE) strategy

On the other hand, the corporate sector seems to have shown reluctance in responding overwhelmingly to the BEE strategy. The BEE requirements are only beginning to take effect where private companies are involved in contributing qualitatively to Corporate Social Investment in learnerships, apprentices and social responsibility, mainly due to the introduction of the scorecard. Unfortunately, the operationalisation of the scorecard framework is still in early stages and there are no monitoring tools and systems in place to enforce compliance. While all these institutional endeavours are currently in place, there are no concerted efforts (government – Labour & Education Departments and the SETAs) to coordinate, let alone, synchronize their programmes to ensure that the youths (18 to 35 years) are strategically targeted in an attempt to prepare them for effective skills development leading to self- and/ or employment opportunities.

13 SDC'S ROLE IN ECONOMIC DEVELOPMENT

The Swiss Agency for Development and Corporation (SDC) has been operational in South Africa for more than 20 years. During this period, the SDC's role has shifted from implementing development programmes to overseeing such initiatives through SSACI's funding framework and strategies. Despite being a small cog in the overall country national programme development sector, SSACI has already reached more than 2400 unemployed youths, with more than 1600 completing the training, over 280 micro-enterprises assisted in establishment. This, in itself, is a commendable contribution to increasing youth employment opportunities. As is noted in chapter II below, SSACI's approach to Public-Private Partnerships (PPP) has mainly been facilitated at programme implementation level where government department (provincial) and parastatals have been engaged to work with SSACI's project partners. Even if the PPP strategy being piloted in the South African context is not necessarily based on the Swiss concept, the consequent results and long-term partnerships will have long-term impact on development programming.

14 SSACI PARTNER ORGANISATIONS

Civil society organisations in South Africa have been going through a process of metamorphosis over the last ten years or so. The emergence of the democratic government has brought new challenges to NGOs, where they have had to shift emphasis from being politically-tuned in engaging the apartheid government to working with the new dispensation in development programming. This has been a completely new terrain for thousands of NGOs, which has since pre-occupied their strategic thinking and institutional re-orientation. Those that have moved out of this dispensation have only been able to begin managing successful programmes during the last five years.

As such they have been going through a set of other related challenges including: issues of governance, transparency and accountability; responding to the new changes in funding

⁴ Findings are outlined in "Towards a Funding Strategy" from SSACI – A paper prepared by SSACI as part of developing funding guidelines.

policies and proposal writing requirements, engaging government as partners and not adversaries, having appropriate institutional capacity to manage programmes/ projects etc.

2 THE SSACI MODEL

21 SDC

211 SDC in South Africa

SDC's programme in South Africa dates back to the 1980s. Initially, assistance was given only to NGOs in the fields of human rights, democratisation, education, and reintegration of refugees and returnees. After the first democratic elections in April 1994, the Swiss government decided to expand its assistance to South Africa in order to support the democratisation process. A memorandum of understanding on development cooperation for five years, with a total budget of CHF 60m, was signed between the two Governments in 1994. As it became clear that the transformation process would take longer than originally anticipated, this Special Programme South Africa (SPSA) was extended for another five years (2000-2004) with a further budget of CHF 50m.

SPSA focused on three domains:

- Governance, democracy and human rights, especially the strengthening of democratic structures, building a pluralistic civil society, and promoting a human rights culture.
- Land affairs, notably promotion of land tenure reform and of more equitable access to land
- Education, with an emphasis on improving the quality of provision of primary education through school district reforms and more effective distance-education.

In 2001, foreseeing its eventual exit from direct assistance to South Africa, SDC launched SSACI in order to strengthen its programme in terms of vocational training and job creation for disadvantaged young South Africans. SDC's financial commitment to SSACI of CHF 1m p.a. for five years was carried within its SPSA budget of CHF 10m p.a.

In 2004 SDC approved a transition from its SPSA to a Regional Programme Southern Africa (RPSA), commencing in 2005. The major domains of RPSA are

- Governance
- o HIV/AIDS
- o Natural resources management
- Arts & culture

Skills training will continue as an additional domain for South Africa only, and SDC has identified SSACI as the instrument through which skills training will be addressed.

The regional programme as a whole is still being developed and includes research and pilot projects. SDC has provisionally allocated a total of CHF 8-10m p.a. to its RPSA, of which about 50% will be spent in South Africa. SDC's future support for SSACI will come out of this allocation.

SDC's motivation to embark on SSACI and the way it is anchored in SDC policies is well documented in the formative evaluation and will not be repeated here.⁵

While the evaluation team has no doubt that SDC's commitment to engage in SSACI also in the future is there, it depends on the future commitment of the private partners. In this context it is important to see that this new form of cooperation as represented by the SSACI project is a special form of a PPP, why some additional information shall be given in the next chapter.

212 SDC in a PPP set-up

SSACI represents a new form of collaboration between SDC and the private sector. It is considered by SDC an innovation that could serve as a catalyst for further public-private partnerships in development. At the same time, this new form leads to certain implications for the implementation of the partnership, some of which are highlighted below. Without being exhaustive, these comments may be useful for SDC when conceiving similar initiatives in the future.

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⁵ Formative Evaluation, pp. 9-10.

SSACI versus usual PPPs	Implications for implementation
So far, PPPs are to be found predominantly in the infrastructure sector, especially in urban areas. This is not the case for SSACI, which does not fall under the commonly known definition as used e.g. by World Bank, the UN Global Compact, or the German Agency GTZ.	SSACI is a partnership between a public donor and various private companies, whose core business has nothing to do with the core business of SSACI - although they are all concerned by the problems SSACI seeks to address. This situation shows a high degree of social responsibility, while it may also be the reason for the fact that the companies' exposure within the partnership has been limited so far on their financial contributions.
Usually there is only <i>one</i> private company involved in a PPP – not so at SSACI.	At SSACI, the participation of 10 private companies leads to a special distribution of power and requires effective communication between the parties, with increased efforts from all stakeholders. At the same time, the success potential and role model of an initiative such as SSACI is huge when supported by so many different players.
With regard to the forms currently practised by SDC with the private sector, SSACI is rather a social investment initiative than a so-called public private development partnership (PPDP).6	At SSACI, the relationship between SDC and the private companies is not laid down in a contract fixing all details of the cooperation. It is rather subject to a flexible, operational handling of affairs, in practice leaving the most important role to the SSACI management team as well as to SDC. SDC's support to SSACI during the first five years has been crucial to its success.
The <i>minimum</i> investment of the private sector is usually 50% with increasing contributions over time. This rule did not apply to SSACI.	The ownership for SSACI is clearly not yet with the private sector, a situation that after five years still potentially endangers SSACI's chances for sustainability.
The special social context in South Africa promotes projects like SSACI.	This is not necessarily the case in other countries, where it is still much easier for the different stakeholders to avoid taking over responsibility for their societies' development.

Figure 1: SSACI versus traditional PPPs

Source: Compilation by Eva Schmidt

22 CORPORATE SPONSORS

221 Role played in SSACI so far

As mentioned in the previous chapter, SSACI's ten corporate sponsors represent a unique composition within a project funded by public and private money. At the same time, it should be said that their reasons for participating in SSACI, which have been described comprehensively in the SSACI case study⁷, vary significantly: whereas some sponsors seem to provide funding because of their companies' role during the apartheid era, others consider their participation to be fully independent of the history or current situation in South Africa but view a support of SSACI rather as an inherent part of their company culture.

Interviews the evaluators had with some of the corporate sponsors were very fruitful. Five years down the line, corporate sponsors are highly satisfied with the achievements of the agency. They throughout highly appreciate SSACI's capability to ensure that the funding gets implemented and the transparency of operations. Whereas one part of them favours the fact that SSACI's work is not linked to their core business, others see this as a disadvantage. The

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⁶ Compare SDC's position paper "Cooperation with the private sector", chapter 4, where typical forms of cooperation are presented.

⁷ Formative Evaluation, pp. 7-8.

most critical contribution the corporate sponsors have played to date has been to ensure that SSACI adheres to the articles and policy guidelines of the "Deed of Trust" (their practical role was focused on the work done by two representatives at board level in the function of trustees as well as on some individual visits to selected projects). This has since meant that the "Learnerships programme" has become the core framework, strategy and product for SSACI. The board has been meeting periodically to receive feedback on progress and provide policy and strategic direction for the agency. The programme Director has, on several occasions visited each corporate sponsor to brief them (at an individual level) on key aspects of the programme. A quarterly newsletter (SSACI News) has been instrumental in keeping corporate sponsors abreast of developments. Especially useful were annual meetings with sponsors and SDC in both countries.

In essence, the partnership with SDC has created a unique approach to facilitating programme development in South Africa (where the PPP concept is being advocated at project level and where the emphasis is on training, internship eventually leading to job placement). In this manner, SSACI is managing a social responsibility activity (projects) on behalf of corporate sponsors.⁹

At the same time, the evaluation team adheres to the finding of the case study that "There is no free lunch" i.e. that the win-win situation for both partners must be proven again every year. The diversity of this partnership is evident and posed in practice special requirements to the SSACI management team. In particular, the way corporate sponsors view the circumstances justifying support of SSACI – independently of where the final decision on funds is taken – seems to have changed over the last years. Some of these emerging changes will be discussed in the next paragraph.

222 Emerging changes in the sponsors' approach to CSI

While corporate sponsors unanimously agree in highlighting the successes of SSACI, several of them indicate that certain elements need to be considered and acted upon in Phase II of the programme. A common factor is that the communication link between SSACI and them is still weak – and therefore needs to be improved. While the decision to establish and fund SSACI had been made in Switzerland (by corporate head offices & SDC), it is imperative to revisit this arrangement in light of emerging CSI trends in South Africa. At the same time, some corporate sponsors strongly feel that the SDC should encourage more Swiss (in particular Nestlé) and other companies to join the partnership.

The BEE Concept, which has been gaining momentum in the last four years, is obligating the private sector to practically get involved in employment equity and CSI project interventions. The scorecard system has since been introduced within the BEE framework. As such, the priorities of local Swiss Corporates are shifting to addressing the new requirements. It is being suggested that – even if their commitment to SSACI is still strong – it is imperative that SSACI begins to systematically market itself during the next phase (i.e. SSACI should be dedicating substantial energies towards alternative means - such as engaging individual companies to manage their projects, or partnering Business Trust in working out common projects funded by the Trust - of raising funds for its growth, consolidation and sustainability).

23 SSACI

SSACI is a project that seeks to pioneer new pathways to employment. At the same time, its set-up is in itself a new pathway to financing for development, whose cornerstones will be described below in short to provide the background for interested readers.¹¹

⁸ Consequently, SSACI has concentrated on working with project partners within the enterprise and educational sectors, which have in the process created job opportunities. The type of jobs is clearly noted in projects such as the KwaZulu Natal Poultry Institute (KZNPI), School Leavers Opportunities Trust (SLOT) or Athlone School for the Blind.

⁹ A similar partnership approach is being implemented by the National Business Initiatives (in conjunction with provincial and national government) but with quite different governance, structural and operational parameters.

¹⁰ Ibid. page 11, last take-away.

¹¹ For more detailed information see the Formative Evaluation, pp. 12-16.

231 The conceptual framework

SSACI has been legally set up as a trust fund according to South African law, founded by SDC in 2001. So far, SSACI has managed to receive donations from ten Swiss companies operating in South Africa. SDC's financial commitment to SSACI has been the equivalent to the amount given by the corporate sponsors. In the future, SDC plans to support SSACI with the same amount as before under the condition that at least the same volume of private funds can be secured.

SSACI's two governing bodies are the Board of Trustees, responsible for all strategic issues, meeting quarterly, and the management team for the daily operations, with 1.5 core and 0.5 administrative staff; i.e. a very lean operational structure.

In addition to that, annual consultative meetings are held both in Johannesburg and in Zurich, to which all sponsors are invited. All sponsors except one committed themselves in writing to a 5-year period of support for SSACI. The different contributions are based on written agreements between the sponsors and SSACI.

232 The partnership between SDC and the corporate sponsors

SDC as SSACI's founder has provided 50% of the funds at SSACI's disposal during the first five years. This may explain its overarching role. SDC has also provided crucial support by hosting SSACI's physical office, primarily because of the fact that the small SSACI team was embedded in a working environment where it could exchange experiences and share knowledge on an ongoing basis. The evaluation team feels that this must be attributed first of all to the deep personal commitment of SDC's current coordinator Dr Geri Pfister, who has been on the Board of Trustees from the very beginning. The positive effects from providing a young, innovative project with this kind of trustful environment cannot be overestimated.

The corporate sponsors have played a different role from what the evaluators could see. Their involvement was limited to active participation at board level in the function of two trustees. Some of their representatives had the opportunity to get in touch with individual projects, something that was highly appreciated by them. Apart from that, the majority of sponsors so far preferred to let SSACI's management do its job. There was no unnecessary interference from their side but also no particular active support beyond the one mentioned.

233 Implementation unit

The key person at SSACI was its project manager. He is a professional with significant expertise in both project management and the area of vocational and technical education. Being a South African, his deep knowledge of the country's particular situation in general and SSACI's area of involvement in particular must be considered to be the main asset at SSACI. It must also be mentioned that practically all the expertise gathered within SSACI resides so far in the head of the project manager, representing a potentially vulnerable point for the project.

The project manager and his team have managed to mobilise over the years hundreds of stakeholders in the education, training and business promotion field (partner organisations and their staff, SETAs and their staff, evaluators, companies, mentors, coaches, researchers, government officials, etc.). They have thus created significant positive dynamics within this extremely important area of youth unemployment in South Africa.

With regard to the funds that have been allocated it is worth emphasizing that by far not all projects financed with international donor funds manage to avoid that funds get stuck in the pipeline due to long planning cycles and implementation bureaucracies. Investing around ZAR 50m (CHF 10m) in five years is an impressive result. At the same time it seems evident that SSACI tended to challenge its operational limits. The number of financed projects is about 40 and therefore quite high. The institutional analysis will look more in detail into the pros and cons of this situation.

3 Conclusions

An analysis of SSACI's environment has noted a series of issues which are summarized below in the form of conclusions:

Ongoing alarming unemployment

Over the last five years, SSACI has been operating in an ever-changing economic environment – where the unemployment situation has been constantly and consistently increasing at an alarming rate. The outflow of school leavers compared to the intake into higher education (including learnerships & apprenticeships) is too high.

SSACI and BEE are not yet linked to the full possible extent

The BEE concept being implemented and managed by companies is still in its infancy. Lack of proper government guidelines, time-frames, monitoring tools and systems is affecting the implementation of SSACI programme. In the process, this is stifling corporate sponsors' medium and long-term commitments and strategies to SSACI. The challenge is how SSACI fits into BEE needs of its corporates in such a loosely defined environment.

SSACI's approach wins out against the state learnership concept

The state "Learnership Concept" is also going through its own teething problems (in existence for almost five years as well). The SETAs, which are mandated to manage the programme, are themselves bogged down in bureaucratic and merger challenges. SSACI's conceptual approach of "Learnerships" is holistic as opposed to the government model.

SSACI has experienced a full project life cycle

It is impressive to note that the SSACI model has gone through a full project life cycle (5 years), which has made this external evaluation opportune and very informative. The lessons learnt (as captured under section IV-7 below) will enhance the institutional and strategic development of the agency for the next phase.

SDC is committed to continue with SSACI as a new form of financing for development While SSACI represents a special public-private partnership with important implications at implementation level, the experience made so far by SDC has created a clear-cut willingness to continue in such an innovative development programme set-up – SDC wants "the thing to fly" (Dr Pfister). At the same time, SSACI may have to contend with SDC's new commitments (considering that SDC has gone regional in Southern Africa).

Corporate sponsors have gone through a change regarding their CSI considerations

Corporate sponsors have gone through their own experiences in the last five years and are now increasingly defining specific needs for their CSI funds. Keeping them on board in the next phase may be guaranteed, but the funding may not necessarily be increased, let alone, compare with previous ones.

SSACI's conceptual framework proved to be a reliable set-up

The form of a trust fund that has been created to locate the partnership between SDC and the private companies has proven itself a good platform for realising SSACI's mission. Appropriate governance mechanisms are in place and operational. SDC has played a critical role in providing not only physical space but also a thematic and social working environment that contributed significantly to trust building and solid development of the young and innovative project.

Increasing role of corporate sponsors at SSACI

Weights within the partnership may be moving towards corporate sponsors taking over more of the decision-making role about how the funds should be spent. This augurs well with CSI requirements and could make SSACI a strategic partner with provincial stakeholders and other NGOs (e.g. National Development Agency, Umsobomvu Youth Fund); it requires, at the same time, a new communication strategy with sponsors.

III **INSTITUTIONAL ANALYSIS**

1 STRATEGIC REVIEW

PROGRAMMATIC FOCUS

The core issues of youth employment, equity, poverty reduction and sustainable livelihoods (as prioritised in the South African government's policy documents) are clearly covered in SSACI's Deed of Trust, where its principle objective is "to identify, select, finance and monitor projects that promote, foster and advance educational and job opportunities for disadvantaged young South Africans, in order to enable them to obtain employment".12 This has become the trademark of SSACI in spending the funding on "vocational training and job creation for out-ofschool youths in the 16-26 age brackets". Its strategic framework revolves around the provision of life-skills training (as an entry point), leading to a post-training support programme. For first-time employees, SSACI insists on a period for on-the-job mentoring. 13 A distinct feature of SSACI funded projects is the emphasis on measurable outcomes (the endproduct should be the number of youth getting into gainful and sustainable employment). SSACI ensures that learners either graduate to become wage-earners (getting employment in their respective specialities) or pursue the self-employment route (and become entrepreneurs in their fields). The majority of SSACI graduates move into the wage employment category. The indicators of success are exemplified in the outputs of SSACI's project partners. The evaluators visited 11 projects (sample) in KwaZulu-Natal and Western Cape Provinces. 14 SSACI should be commended for having achieved most of its intended objectives (although its strategy has been seen as being draconian by some project partners).

Emerging Project Trends

As part of its overall strategy, SSACI has built in a component of linking learnerships to SETAs for technical support, funding and creating sustainable linkages with government and parastatal institutions. Some project partners are having problems in establishing such partnerships due to several factors: about five SETAs are currently merging with others which is creating its own bureaucratic nightmares for service providers; the high turnover of senior and executive personnel in the SETAs does not provide a basis for continuity; and the two key ministries (Labour and Education) have not finalised critical and strategic modalities of accreditation, qualifications and operational parameters.

In light of these emerging trends, the evaluators are of the view that SSACI should increase and strengthen its facilitation of partnerships with core SETAs such as THETA for SLOT and SETASA for KZNPI. It is imperative that SSACI continues to play a pivotal role in establishing and consolidating these partnerships. In this case, therefore, SSACI may have to extend its relationships with such project partners beyond the current agreements.

12 **TARGET GROUPS**

The focus of SSACI's targeting is that of young South Africans of the age group 16-26 years, with an equitable gender balance. The beneficiaries should have secondary school qualifications, with an entrepreneurial background (in other instances - with work experience). In essence, these guiding principles and operational requirements are being followed by most project partners - when requesting for funding, but especially, during project implementation. However, KZNPI indicated that their profession would prefer to recruit youths in the age bracket of 22-30, these that would have a more mature approach to the industry. The Athlone project has had to conform to the age group of the youth, after strict conditions had been applied by SSACI.

 12 The SDC and the ten participating Swiss Corporate Sponsors advocated, in the Deed of Trust, that the programme activities of SSACI should lead disadvantaged Youth in RSA to a sustainable livelihood in order to contribute to economic growth & less inequality within the Society, thus alleviating poverty & achieving a higher development potential.

13 SSACI – A Case of Rethinking Skills Development, A paper summarizing its strategy and achievements. SSACI's unique

approach is the emphasis on job placement (wage-employment) and/or self – employment (entrepreneurship). ¹⁴ Details of projects are covered in the Annexure.

13 PARTNER ORGANISATIONS AND SETAS

The diversity in project selection by SSACI is evident in the sampled NGOs. It ranges from the bursary scheme for Mosvold Hospital, Wits Rural Health Initiative, through a host of entrepreneurial and technical support projects; including government-oriented learnerships in early childhood development (CECD); right up to a project on establishing franchised microbusinesses. The "Call Centre" concept is becoming more popular within the private sector; and SSACI is proactively championing a unique project that involves partnership with the Athlone Association for Blind. The project is training up to 280 youths (many visually-impaired) who are graduating as call-centre agents.

The evaluators noted that several of the project partners are already fundraising from sources, other than SSACI. SLOT is already linked to the National Development Agency (NDA) as well as to THETA; while KZNPI is currently being funded by the Independent Development Trust (IDT), Kellogg's Foundation and SETASA. In the case of Mosvold Hospital, bursary students, the Trust has already engaged Anglo-Gold and Anglo-American for support to more rural health students. The Mosvold Trust has emergency funds of around ZAR 0.5m, which is being kept for continuation of the project in case funding dries-up quickly. Gateway's current governance structure does not indicate a strategic funding pattern for its projects, as several projects seem to be benefiting from a common pool.

While these NGOs have so far managed to raise substantial amounts for their respective projects, they still need to define concrete strategies and plans of how they will engage provincial and national governments to become strategic partners for both funding and sustainability. Besides, the SETAs are fast becoming funding spinners where NGOs should tap in but they have the challenge to break into their respective SETAs. The evaluators' view is that some of the projects are getting quickly frustrated and giving up on partnerships with SETAs. It would be essential if SSACI were holding periodic networking and review workshops where experiences and success factors of project partners could be discussed (for lessons learnt and for instituting practical strategies).

SSACI has noted in its Activity Report¹⁵ that up to seven project partners have been assisted in engaging SETAs for partnership. But the challenge has been to gain full partnership as most of these SETAs are going through their own teething problems. Besides, not all of the partner organizations are strong enough to create linkages with SETAs and government institutions without external support. In normal circumstances, SSACI should be providing such kind of support; unfortunately this is not part of SSACI's core business. Consequently, an alternative mechanism needs to be put in place to assist partner organizations become fully empowered.

14 THE SSACI APPROACH

SSACI's mission is to pioneer new pathways to employment. It differentiates itself from other projects and programmes in its clear-cut outcome orientation, i.e. that its key success measure is the number of successfully employed youths through wage- or self-employment – as opposed to the usually found indicator of number of trained persons. SSACI has developed an approach to be followed by every single project that applies for funding. Both programmatic directions, preparation for wage-employment as well as for self-employment, must include life skills training and post-training-support including support for final job placement or enterprise establishment. The figure below illustrates the inherent elements of this approach which represent themselves a value chain.

The formal training consists of technical/ occupational training content in the first case and business subjects for the self-employment preparation respectively. In addition, an internship is standard at SSACI to expose the learner to a real work situation. Not only is this rarely the case in other, more commonly offered training programmes but theoretical training is often the only training element provided. At SSACI, other important elements have been added that respond directly to the particular needs of untrained youths in South Africa:

¹⁵ Excerpts from the 2003–04 Activity Report–SSACI: Seven of SSACI supported projects have engaged their respective SETAs. Four of these have become joint funders of learnerships. Unfortunately, the National Skills Development Strategy is very sophisticated which requires high degree of administrative competence to implement. The networking workshops would aim to address such challenges.

- Life skills training: This means giving the youths the opportunity to train the right personal and social competences enabling them to keep a job after they have found one. They are of extraordinary importance in today's South Africa as most young previously disadvantaged people cannot take the development of such skills for granted when growing up. Also, the education system is in the middle of a huge transformation and neither schools nor homes necessarily provide opportunities for acquiring these competencies.
- Post-training-support: This is another crucial element in SSACI's value chain which opens an avenue for the trainee to get as close as possible to the final objective of employment by providing assistance in finding a job and dealing with non-technical issues.¹⁷
- Job-placement/ self-employment: SSACI-funded projects focus systematically on making sure that as many trainees as possible are in a job when the project is finished.

The SSACI value chain **Preparation for wage-employment** Core training After-training-support Life skills training Coaching for Job placement Formal training for iob placement wage-employment Preparation for self-employment Core training After-training-support Life skills training Entrepreneurship Self-employment Formal training for coaching/ mentoring self-employment

Figure 2: The SSACI value chain

Source: Eva Schmidt

15 SUSTAINABILITY

Sustainability, according to SDC, is "the continuation of benefits and effects generated by a programme/ project after its termination." Obviously, in all the cases such a continuation depends first of all on available finances being the engine to any project or planned activity. In addition to that, the degree of institutional strength of a given programme or project

¹⁶ Examples for life skills are: skills of employability (including the work ethic, job-hunting, preparing for interviews and being interviewed), skills of self-management (including goal setting, decision-making, problem-solving, personal finances and personal accountability), skills of personal health and safety (including nutrition and HIV/AIDS awareness), skills of interpersonal relations (including communication, understanding diversity and managing conflict), and civic responsibility (including human rights and tolerance).
¹⁷ Examples: Preparation of CVs and job applications, getting access to newspapers, telephones and faxes, all kinds of job-

¹⁷ Examples: Preparation of CVs and job applications, getting access to newspapers, telephones and faxes, all kinds of jobrelated problems such as not getting along with the new employer, etc.; also the opportunity to practice newly acquired technical skills in the project facilities.

¹⁸ Compare the glossary on Evaluation and Controlling at http://www.sdc.admin.ch/ressources/deza_product_e_9.PDF.

determines its chances for sustainable development, depending itself on various factors such as the personnel, the relevance of the topics chosen, the management systems and other.

The following paragraphs will discuss sustainability first with regard to SSACI as a whole and then from the perspective of an individual project.

151 At SSACI level

SSACI is financed by 11 parties: SDC providing public funds and ten companies contributing private money. So far, the financing, while underlying an annual renewal procedure, has been secure and did not lead to any problems between the two sides or among the private sponsors. This notwithstanding, there is at present no guarantee that this situation will continue. SDC, while being principally committed, has made its future contribution subject to the continued participation of the corporate sponsors, with the objective to secure the provision of funds other than those from foreign governments such as itself. As to the corporate sponsors, the situation is less straightforward: although the vast majority is very satisfied by SSACI's work, the internal and external circumstances for decision-making are different today from those five years ago. ¹⁹ While SSACI as a whole cannot rely today on secured financing for the next years, it is currently in this same process, which this external evaluation is a part of.

With regard to institutional sustainability, SSACI with its extremely lean operational structure depends today to a significant extent on its project manager. As described above, the major expertise lies with him.

152 At projects level

Paragraph 6.4.3. of SSACI's rules and regulations states: "Projects have to be financially viable and self-sustainable within 3 years at most."

Three years is not a very long time, taking into consideration that SSACI has given itself the mission of finding "new pathways to employment" – in a highly difficult labour and educational environment. It is funding quite a variety of projects, thus trying to discover unexpected niches for work (e.g. Athlone, the call-centre for blind and visually-impaired youths) and at the same time reflecting the need to hook on every reasonable chance for creating work possibilities, preferably with low-skills entry levels (e.g. training of basic business skills to start an informal enterprise). This means, on the other hand, especially high risks and requires particular focus on a partner organisation's institutional capabilities. In view of the fact that SSACI has consistently and successfully pursued the objective of putting its funds at work while keeping administrative costs low, it may (have) be(en) very ambitious to expect projects to become self-sustainable after only three years. It is also obvious that many projects have experienced deep learning curves without having had the chance to capitalise on their lessons learnt within such a comparatively short time frame.

The evaluation team has therefore found that such a straightforward condition seems overambitious, considering the various factors that influence the realisation and implementation of the different projects funded by SSACI. While there is a big amount of service providers to be found in South Africa, many of them are far from being strong institutions. In addition, the SSACI approach as described previously also represents significant challenges to potential partner organisations.

Most of the projects visited by the evaluators (11 out of 40) take the topic of sustainability very seriously. At the same time it becomes clear that not always are mechanisms and tools in place to ensure this objective is pursued, especially under the strict time constraint as determined in the rules and regulations.

2 OPERATIONAL REVIEW

21 SSACI PROJECT MANAGEMENT

SSACI's approach to project management consists of four major steps: identification of potential projects, negotiating and signing a contractual agreement with a partner organization, monitoring the implementation and subcontracting external service providers to carry out

 $^{^{19}}$ Compare chapter 222 about emerging trends in the sponsors' CSI approach.

independent evaluations of the project. Project implementation is fully in the responsibility of the PO. The figure below illustrates the process:

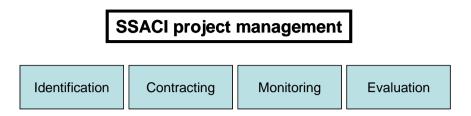


Figure 3: Project management at SSACI

Source: Eva Schmidt

Identification:

Active search through screening and networking as well as passive invitation via the SSACI website are points of entry for potential partnerships.²⁰ Funding conditions and selection criteria are put in written, transparent and related information for the applicant is comprehensive. After a successful first positive appraisal an on situ visit by the PM or the programme officer is obligatory. This constitutes a critical component of determining the viability and/or feasibility of the project. The PM is then in charge of presenting the project proposal to SSACI's board in a condensed way. During this process, SSACI keeps the applicant informed in a due way. As a whole, the identification step is very efficient and effective.

Contracting:

SSACI fixes its partnership with a PO in two basic documents: a standard contract laying down rights and obligations of the partners and a project description providing details on the respective project. The PM's assistance in editing and formatting proposals to align them with project management principles and practices ensures conformity, while at the same time orienting project staff in the interpretation of the concept (a need that is critically lacking in more than 80% of CSOs in the country). This project description is held comparatively short; there are e.g. only marginal or no details on how the PO will reach sustainability after 3 years. The financial part consists often in a general overview on the budget positions. The contracts contain always agreed upon objectives, planned activities and expected results including success indicators to be measured. Audits and external evaluations are foreseen in the standard contract at SSACI, whereas several national and local corporate funding agencies have just begun budgeting for audits and evaluations.

Monitoring:

There is a general format for narrative and financial reporting. SSACI is maintaining a continuous dialogue with its partners and aims for quarterly visits to the projects. Guiding questions are available for those visits. However, detailed guidelines of addressing non-compliance are not in place yet. Such remedial mechanisms have not been fully documented to assist the PM – while seeming critical for NGOs that are handling around ZAR 1m per funding cycle.

Evaluation:

SSACI is subcontracting local specialists to provide external evaluations that are compulsory for every funded project. The focus lies clearly on the content and no cost-benefit review is $\frac{21}{2}$

²⁰ At present, the method of public calls is not recommendable due to SSACI's operational limits.

²¹ Four major questions are guiding the external evaluation: Did the implementing partner do what it said it was going to do? Did it do it well? Have those inputs led to the desired outputs? What can a) SSACI, b) the partner organisation, c) other stakeholders (e.g. the SETA) learn from this experience?

22 CAPACITY OF SSACI

SSACI's grant making portfolio of around ZAR 10m per year may seem minimal compared to other funding agencies in the country (but in comparison with other international development projects in this area it is rather big). But dealing with up to forty partners in Phase I (with eighteen completed between 2003 and 2004), makes the portfolio large by any standards. To find that only one and half person power have been responsible for administering, monitoring and mentoring, is incredible in itself. Credit should be given to the choice of and commitment of project partners who have contributed effectively and efficiently to the success of the programme. Project personnel (across the board) spoke highly of the programme manager (Ken Duncan) & the programme officer (Jayash Bhana) for the tremendous support they have been receiving.

However, the lean structure has also come with its own challenges. 15% non compliance could partly be attributed to overstretching responsibilities of the PIU. Secondly, due to the increasing demand on monitoring and mentoring project personnel, the programme manager has spent up to 80% of his time on these operational chores. As such, fundamental aspects of strategy and marketing have been overlooked. Thirdly, the PMU has also been inundated with more requests on linkages with SETAs and provincial institutions. This has diverted some of the programme manager's attention to issues that should be NGOs' responsibilities.

Replication of the Model

The "SSACI Model" as described above is a solid package that, with a few modifications, could easily be replicated in all provinces in South Africa. The internship, life skills and post-training support and especially, job-placement, are critical to the model. Unique projects like the Mosvold Hospital Trust, KZNPI, SLOT, Swisscontact SA, CECD are typical opportunities to replicate (especially in rural areas – Limpopo, Mpumalanga, KZN, Eastern Cape and the North – West). The identification of competent FET institutions should also be a formal requirement to ensure the training and internships are more structured and results-oriented. Observable elements that could be augmented in the replication process would include the partnerships with respective organisations and SETAs, and government departments (e.g. Mosvold with KZN Department of Health). Another typical example for sustainable programming could be strengthened with KZNPI: where the university provides accredited qualifications (NQF levels 3 & 4), the Department of Agriculture for training and management support, Department of Labour for Skills Acquisition; the poultry industry for internship & placement and donors such as SSACI for project funding. Creating and strengthening partnerships is one of the key elements leading to sustainability.

Since the SDC is going regional (within Southern Africa), the SSACI Model could be piloted in countries where TVET apprenticeship is operational (like Zimbabwe, Zambia, Malawi, Botswana). The challenge would be engaging such institutions, government departments and above all, identifying willing companies so that a comprehensive and holistic model is marketed.

23 COMMUNICATION WITH SPONSORS AND PROJECTS

231 Sponsors

SSACI has two main instruments for its communication with the corporate sponsors: through the two trustees on its board and via the annual consultative meetings, held in both South Africa and Switzerland for company representatives. There have also been selected events of a sponsor meeting with a project on an individual basis to get closer to the ground and gather some personal impressions about what SSACI is exactly supporting. Apart from that, all the sponsors automatically receive SSACI's quarterly newsletter containing a broad range of information about the funded projects on the one hand as well as other related issues on the other (e.g. on the situation in the South African education system).

It has already been mentioned in the case study that the communication to corporate sponsors can be extended and focused more clearly.²² The evaluation team has also understood that at present it is difficult for SSACI to devote enough time for this activity, as the project manager

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²² Formative Evaluation p.15.

himself is mainly involved in the operational work with the projects. According to him, less than 10% of his time available goes into the communication with the sponsors, something he considers himself to be insufficient. At the same time it became clear from the interviews conducted with sponsors that the need for a different and probably more intensive way of exchanging with them is also rooted in the sponsors' changed relationship towards their sponsorship.²³ As a matter of fact, the expectations from their side in this respect vary quite a lot: while some are favouring a partnership-based approach with SSACI including clearly formulated rules of interaction, others are satisfied with the current situation and leave all the details to SSACI. Some do not want to be involved much, but in general the interest in SSACI is given everywhere.

It should be mentioned that because the decisions for financial support are not always taken in South Africa but from head offices in Switzerland, it is not easy for SSACI to anticipate the variety of possible communication needs.

232 Projects

Regarding SSACI's communication with projects, the situation is very positive. All the projects visited by the evaluators have highlighted their excellent relationship and exchange with SSACI. They consider the way SSACI is communicating with them as outstanding, with SSACI showing "real interest" for the common project. Last but not least the project manager's professionalism in the subject of education and skills development was a major point of satisfaction. This assessment shows that the time the project manager has been devoting to the communication with the projects has been well invested in order to create trust and establish serious relationships.

With regard to the potential for networking, the evaluators agree with the findings of the case study – which is also in line with the project manager's own view - that this has not been developed enough. 24

3 FINANCIAL REVIEW

31 AT PROJECT LEVEL

SSACI has managed to allocate an enormous amount of funds within a short period of time. It has enabled the realization of many initiatives undertaken to create new employment opportunities. An overview of the individual project budget is standard in all agreements concluded by SSACI with POs. However, the financial section in the project description is the smallest one. The budgets are presenting all major financing positions without going into details and they are not directly linked to the content positions (objectives, expected results etc.). Also, they represent calculations independent of the remaining business the PO is involved in and do not follow any particular scheme (e.g. a P&L or cash flow table). It is therefore not always clear which is the general financial situation of the partner and which influence the SSACI funding may have in this context.²⁵

The financial controlling at project level is done through a regular audit. This means that the comprehensiveness and correctness of financial transactions is properly controlled. Auditors, however, do not look at the relationship between finances invested and results achieved neither do external evaluators. SSACI does undertake comparisons of training costs in relation to similar expenditures found within South Africa showing its overall very good results. ²⁶ But, considering the huge variety of projects SSACI is financing, there is currently no systematic mechanism available for cost-effectiveness analyses.

A critical issue is the fact that the objective of long-term project sustainability is only partly covered in the agreements. As mentioned above, there is so far no linkage to the overall financial situation of the PO.

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²³ Compare chapter II-222 about emerging trends.

²⁴ Formative Evaluation p. 15.

²⁵ E.g. in the case of C.I.E. more than 75% of the funds provided go into a loan fund. However, C.I.E.'s institutional capability to manage that fund and how it is anchored in the organisation is not pointed out. Another example is BSDC, where the contribution of SSACI had to cover in 2004 a part of non-realised income to bridge a liquidity gap.

 $^{^{26}}$ Formative Evaluation, p. 18, grey box and chapter IV-4 on SSACI efficiency.

32 AT SSACI LEVEL

321 Development of project expenses

SSACI's main criteria for selecting partner organisations have been influenced by the requirements in the model (wage-and self-employment opportunities). As such, the funding size has revolved around the product of the particular project, much more than anything else. For example, the Mosvold Hospital Trust project was meant to train and produce health sciences graduates (at around ZAR 15,000 per student per year). But in the second funding, this had to increase to cater for medical degree students, whose college fees are much higher than the former. Besides, Mosvold students have to be accommodated in college residence, which almost doubles the cost per student; hence, the budget of ZAR 1,899 million for 38 trainees over a four year period. In comparison, Gateway, which deals with the training of youth to become entrepreneurs (micro-enterprise) only, required ZAR 354,000 for a year's budget. The bulk of this funding was for mentoring of potential entrepreneurs.

At least five other projects had received more than ZAR 1m funding each for periods ranging from one to four years. These include Athlone (ZAR 2.26m), BSDC (ZAR 2.3m), KZNPI (ZAR 2m), REAP (ZAR 1.07m), Amsai Primary School (ZAR 2.4m). SSACI's funding policy guidelines indicate that an organisation may receive up to ZAR 800 000 funding per project per year for a maximum of three years. This funding is for the project and not for the organisations per se. A typical unique example is the grant to the Mosvold Hospital Trust which is facilitated by the Trust itself without any institutional organisation managing the funds. With the increased number of students under training, coupled with the ever-increasing funding, there is more project issues that should be addressed by the Trust (with more than 35 students). The challenge is for Mosvold to formally establish an operational structure which would become a de facto organisation.

Of the completed projects (eighteen) a total amount of ZAR 38,359,000 had been spent, while the balance is catering for the remaining projects. A simple breakdown of projects in wage-and self-employment categories shows that SSACI spent ZAR 23,765,000 for wage-employment and another ZAR 14,594,000 for self employment. Again, this was influenced more by the nature of the product than by the volume or size of the organisation or project in question. In Phase II, SSACI could define at least three main parameters of selecting project. One of them could emphasize the rural perspective, while the other would look at the potential of such a project being supported by a provincial government department and consequent linkage to a SETA.

322 Development of administrative expenses

SSACI's breakdown of its financial situation has been very much in line with its intended objectives of keeping the costs below 10%. The overall administrative budget totals ZAR 3.2m against an overall budget of ZAR 35.4m. The average administrative costs have been 9%. Its budget for marketing, advertising and communication has remained around 0.9 %. The staff remuneration budget has remained around 5% during the period. The one for consultants has been averaging 8% over the period.

This breakdown would likely increase if SSACI's staff compliment were to increase during the next phase. As is being suggested, if the number of personnel would be upped to four (PM, 2 POs, and an admin person), one would get the annual bill going slightly over ZAR 1.1m. However, the increased project support budget would not necessarily be quadrupled, as some key factors will have to be taken into account. First, the increase in personnel will only be aligned to the increase if the situation calls for that. Thus, the grant will not necessarily double, but the increase in staff will reflect the key portfolio areas that will require critical attention (like in monitoring and related programme operations). Secondly, the recruitment would also take into consideration part-time staff that would add value to the implementation of phase two interventions. It is therefore anticipated that the increase in budget expenditures would be in the areas of communication (as has been noted) and of course in marketing strategies that will shift SSACI's emphasis on creating growth and sustainable mechanisms during the next phase.

4 Conclusions

41 STRATEGIC LEVEL

Operational challenges versus strategic development

SSACI has built up very strong operations in its first phase. Working processes to identify, assess, agree on and monitor projects implemented by partner organisations are in place. Auditing and evaluation are established as standard controlling functions. SSACI has also built up very strong networks with many players in the field of education and training, in particular with SETAs. The project is being governed and managed in a professional and systematic way. Last but not least SSACI has delivered impressive working results at project level.

At the same time, SSACI as a whole is still rather a loose network of innovative project initiatives than a consolidated programme entailing a range of CSI services that would represent the core competence of an institution called SSACI. There has been no time so far to embark on strategic organisational development; the structure has obliged the programme manager to dedicate up to 80% of his time on operational activities.

Programmatic focus is well-chosen but not all partners are strong

SSACI's programmatic framework remains intact and very relevant to the current South African requirements (aimed at value-adding to SME projects – especially where mentoring and job placements become an integral part of training youth). It is highly likely that other institutions like Business Trust and the NBI would adapt some of these elements into their respective programmes.

Both directions in the learnership model (that of wage- and self-employment support and training) are still valid and relevant. SSACI has strategically focused on these and in the process, obliged its project partners to achieve intended results. Regarding the age limitations it has been noted by some partners that such limitations are a bit rigid (as in the case of KZNPI); also the time framework for entrepreneurial promotion of youth projects is too little (e.g. SC/ FreeCom). Given the challenging environment that the youth have to operate in, it would be prudent to extend some of the timeframes, as some of SSACI's partners seem to be institutionally weak and are struggling to cope.

The SSACI Model has the potential for more

The SSACI approach has been tested in practice in a big variety of projects. There is a good chance that through linkage with the state learnership model it will have some systemic impact. However, the problems with the state learnerships are known (wrong target groups, drop-out ratio, etc.) – and the SSACI approach offers more. It has played a fundamental role in contextualising the learnership programme, i.e. by taking into consideration what comes before and what comes after the training. Its strengths lie in the additional inherent elements of life skills training and after-training support.²⁷ Also, the SSACI model probably allows for serving as a stairway into more diverse types of activities including a comparatively low level of skills. Practically, many potential jobs can be discovered with the help of the SSACI approach.

But so far it has neither been systematically formulated nor marketed (communicated) as a model pathway to new employment and thus as SSACI's core competence and core product.

Sustainable development remains a challenge

SSACI today is itself not sustainable but systematically working to ensure its next phase of existence (hopefully not less than another five years). It has built up close relationships with various corporate sponsors, has gained important experience in this comparatively new way of financing for development and established useful links into the corporate world in general (e.g. SBC).

With regard to SSACI funded projects, it is currently very difficult for project partners to make sure they pursue sustainability of project activities in a systematic way. NGOs don't necessarily have a strategy for long-term financial management and often lack the appropriate know-how. While both sides, SSACI and POs, are aware of the need to ensure the projects' continuation beyond SSACI support, aspects concerning this endeavour have mostly not been captured comprehensively in written in the corresponding agreements. Experience, however, shows that

 $^{^{27}}$ Even if is out of SSACI's reach to guarantee long-term employment, the mere fact that the respective trainee HAS GOT a job can make a tremendous difference to this trainee's self-confidence so s/he would be able afterwards to manage the access to a next job alone.

this is by far not enough to ensure that a PO stays on track regarding sustainable development, i.e. undertakes all necessary efforts to avoid financial dependency from SSACI.

42 OPERATIONAL LEVEL

Project management is well-established - with room for fine-tuning

The process as a whole is well established and it is smoothly running. While the identification and evaluation steps are strong, the contracting and monitoring steps are the weaker parts in the process. Especially the monitoring may have run short due to a very lean management structure at SSACI. This does not mean that there are serious problems but the evaluators assume that in some cases a closer accompaniment of the project seems reasonable and useful.²⁸ The oral exchange that takes place between SSACI and the POs regarding sustainability of the funded project is not reflected in written in the agreement. The budget presentation is short in view of the relatively high amounts of funding, which may prevent closer monitoring.

SSACI's capacity has been commented on from different angles

The phrase "small is beautiful" has been repeated several times to emphasize how SSACI has managed to implement this programme with only one-and-half person power. While delivery has been commended across the board, it has been noted that the lean structure has its own capacity limitations, especially where monitoring of partner organisations is concerned. At the same time, the programme manager has been instrumental in the success of the whole programme, although it has been noted that he has spent far more time on operational issues than concentrating on strategic and marketing elements of the agency.

Replicating the model will call for modifications

The model seems replicable at provincial and national level; so too at regional level (SADC). The programme focus itself is critical to the success of the whole process. However, replicating the model will require an understanding of provincial enabling environment before introducing it. At regional level, the model could be replicated in countries where TVET is already operational, as this would provide the basis for the introduction of the programme.

Communication with projects was strong but weak with sponsors

SSACI was extremely busy during its first five years with getting projects down the road through efficient disbursement of available funds. Understandably, it has devoted its limited operational resources first of all to the individual communication with the projects and did here an excellent job. Yet, in view of the upcoming increasing dependence of SSACI on private money the current communication culture with corporate sponsors is not satisfactory.

43 FINANCIAL LEVEL

SSACI has put in place basic financial budgeting and accounting requirements for its partners. With most partner organisations complying with the overall contractual requirements, SSACI could be praised for its consistently high achievement rates. However, the following conclusions concerning the financial project management may be considered for the next phase:

Budgeting and budget monitoring not yet fully developed

Budgets tend to be quite general in view of the amounts of money invested. Budgeting does not conform sufficiently to project management principles and practices. This can make monitoring in general and for cost-effectiveness in particular more cumbersome.

SLOT has shown that project partners could be utilising expenses on different or more costly activities than budgeted for; BSDC suffered an unexpected liquidity gap with SSACI closing it. It is imperative that the experiences in this regard are captured as lessons learnt and used to put in place more elaborate proactive guidelines to address such anticipated challenges.

²⁸ Examples are: SC/ Freecom is considered a less successful project in terms of input-output ratio – although it is even located in a very growth oriented sector (IT). An earlier or more frequent monitoring may have improved this situation. Also, the BSDC is a relatively weak NGO that may need more attention from SSACI during project implementation.

Lack of standard financial reporting systems

Similarly, SSACI does not have standard financial reporting systems and procedures, which would simplify preparation and monitoring of quarterly reports from project partners. At the same time, the standard guidelines would enhance reporting capabilities of struggling NGOs.

Financial monitoring only on quarterly basis

Partner organisations submit quarterly financial and narrative reports to SSACI as part their contractual compliance requirements. This is realistic for institutionally sound partners, but in cases where partners are struggling, compliance becomes a challenge. In the absence of physical visits to partner organisations, such problems are only identified after the submission of such reports and not necessarily earlier on. It would be helpful if standard guidelines provided are monitored at project level in between quarterly reports.

Cost-benefit-analyses

At present, SSACI has no comprehensive mechanism in place to judge upon the relation between benefits generated and costs occurred, neither at monitoring nor at evaluation level. It is clear that such a judgment is not easy to make due to the lack of an objectively measurable logic in such projects. But even more so it is very difficult to make any comparison between funding alternatives or to try to hold the effects of one project against the other with the objective of even better investing the available funds in the future.

SSACI is however doing ongoing comparisons of its own training costs versus the training costs of other national training providers, but does currently not have the operational capacity to develop these analyses further into systematic analyses of costs versus benefits.

Financial dependencies versus financial sustainability

In certain instances, project partners tend to rely on SSACI funding as main source of financial support or of most important single source of financing (e.g. KZNPI, Athlone, BSDC). The lack of integration with the overall financial situation of the PO seems a weakness as SSACI may be creating dependencies without wanting it.

Also, sustainability is not sufficiently operationalised in the contracts, i.e. that the way of how the PO will secure the continuation of the supported initiative is only marginally elaborated. There are no particular incentives established to enhance the PO's long-term approach to the SSACI-funded project within its organisation (e.g.: C.I.E.).

5 Cross-cutting issues

While SSACI's overall policy is centred on enterprise promotion/ development for youth, there are certain developmental "cross-cutting" issues that cannot be overlooked in the context in which these young persons live. The issues of gender balance and especially HIV/AIDS have become too critical in the development field that SSACI has, over the period, decided to gradually integrate them into its programme content. An HIV/AIDS assessment done by the programme officer (Jayash Bhana) has confirmed the relevance of integrating this into partner programming. A paper has been developed (with guidelines on how this could be achieved) and is being circulated to partner organisations. Follow-up workshops at provincial level will be facilitated in the next phase.

The emphasis of the strategy is based on the "Toolkit" developed by Johns Hopkins University (USA) and adopted by the Youth Development Network, SSACI is influencing its partners to try out this toolkit in their own training project activities. Already, some of SSACI-supported projects are using the toolkit. The fact that SSACI has taken the initiative shows how serious the programme views the welfare of youth and the negative impact this will have on those currently being trained now. (A percentage of those being trained now may not be around in the next five years - possibly up to 25% if latest data on HIV infection rates amongst young South Africa are accurate.)

IV GENERAL CONCLUSIONS

1 OVERALL ASSESSMENT

The evaluators' view is that SSACI has achieved more than one could have anticipated in such an ever-changing South African environment. The piloting of its "Learnership Conceptual Framework" (SSACI Model) has shown that this can successfully be implemented at local, regional and even provincial level. The emphasis on training and internship leading to wage-employment and entrepreneurship has shown to have been critical to the success of the whole programme. The challenge is still committing employers to absorbing these interns into their companies once they have graduated.

While it is commendable to operate with such a lean structure (small is beautiful), SSACI should increase its staff compliment to ensure monitoring and mentoring becomes an integral part of capacity building of its partners. Even if the impact may initially be felt at local level, it is important to note that such impact (Mosvold Hospital, Athlone, Swisscontact SA etc.) would become far-reaching results from the trained youths who, to say the least, are already becoming role models to their generation.

What SSACI has managed to achieve is keeping focussed on the requirements as defined in the Deed of Trust and operational guidelines. Project partners have largely conformed to targeting of youths in the defined age-bracket, to facilitating the learnership programme leading to either wage- or self-employment, to spending the funds within the contracted grant allocations and above all, to providing quarterly financial and narrative reports to SSACI. Where compliance has not been fully achieved, SSACI had made concerted follow-up to ensure the anomalies are addressed. At the same time, SSACI has kept its communication channels open between corporate sponsors and itself both in South Africa and Switzerland through quarterly reports, newsletter and trustee meetings.

Some of the specific assessment elements are noted below.

2 RELEVANCE

The relevance of the programme is exemplified in its "take-aways" as noted in the SSACI case study and as evidenced by the evaluators. The case study highlights several opportunities that SSACI has taken advantage of: that the "Learnership system is a promising approach in bridging the gap between skills development and job placement, South Africa has a historically strong NGO sector with many dedicated organizations and individuals". SSACI has achieved in bringing the corporates into a partnership with projects at grassroots level where:

- KZNPI has the following: University of KZN, the Provincial Department of Agriculture, and the Poultry Industry as partners;
- Mosvold Hospital Trust is already in partnership with the Universities of KZN, Witwatersrand; the KZN Department of Health, while Anglo-Gold and Anglo-America are contributing towards the training of several more rural youth and consequent placement into hospitals and clinics in Northern KwaZulu-Natal;
- The CECD programme in Cape Town has become the vanguard of training of early childhood development practitioners in a partnership between CECD, the Department of Education, Department of Social Development and the ETDP SETA.

Other examples have already been noted in the earlier sections (SLOT, Athlone, Swisscontact, SA, and KZNPI). Another take-away agrees that the SDC/ Swiss Corporate sponsors partnership not only works, but also strengthens both the visibility and innovative projects that are highly appreciated in South Africa.³⁰ The CECD is such an innovative initiative.

The evaluators concur with the Trustees, project partners and some target groups, who all agree that the SSACI programme is relevant to the dire needs of the youth in South Africa. The fact that KZNPI is the only reputable poultry-training institute in Southern Africa, accredited by a University and fully supported by the poultry industry in South Africa, is by itself an innovative project in partnership with SSACI. Previously KZNPI was involved in training clients for a ten-month course in poultry without concrete commitments to job placement, SSACI's contribution has been the targeting of youths and the engagement of the poultry

Formative Evaluation p. 11.

²⁹ Formative Evaluation p. 6. The case study advocates for all partners to be involved in the learnership programme (government, private sector and civil society).

industry and a strategic partner in not only absorbing these youths, but also in getting them as interns during their training period. Replicating this into other provinces and into Southern Africa would have far-reaching spin-offs for both the institute and the country itself.

3 Імраст

The fact that SETAs have become strategic partners with SSACI's project partners is an indication of the impact on the ground. The SETAs have shown that the SSACI model is achievable and adds value to job creation endeavours by the government. Besides, the suggestion by some corporate sponsors that SSACI could become their partners in implementing their CSI activities is yet another sign of confidence in their own creation. The involvement of government departments (CECD & Department of Education, Mosvold Hospital & the KZN Department of Health) could be the beginning of some sustainable elements of project partners (through SSACI initiatives).

SSACI's impact should be seen in context of its PPP approach, the size of its funding portfolio and the anticipated outputs. Whereas the Swiss corporate sponsors have limited influence on the programme support preferences, the trustees commend the achievements SSACI is making. Its credibility is not only seen in the number of interns being trained, but also in those that are becoming employable and consequently, those that are finally placed in employment and entrepreneurial opportunities. SSACI funded projects create not only immediate employment, but also long-term employability because trainees acquire specific occupational skills and life skills before being placed in jobs where they can acquire work experience.

The main important aspect is that these graduates "gel into the system". Some tangible results show that to date, SSACI has committed a total of ZAR 43,490,800 (USD 7,014,650) to forty-one youth development projects, of which nineteen have already been completed.

SSACI's impact goes beyond that. The networks and alliances created at project level (between and among government institutions, private sector and NGOs) are a feature that will enhance and influence partnerships in regional, provincial and national programmes (KZNPI, CECD, Mosvold Hospital). As noted earlier, SSACI's model has the potential to be up-scaled and replicated beyond provincial and national boundaries.³² Both the National Business Initiatives and Business Trust could learn from the model at a smaller but practical level.

4 EFFICIENCY AND EFFECTIVENESS

On the whole, SSACI has demonstrated that the ZAR 50m granted to its partners has been funds well spent. The average cost of the vocational training project is around ZAR 20,000 per youth trained and placed in employment, while that of the enterprise –development projects is about ZAR 17,000 per job created.³³ This means that just over 50% of the funds have been spent on the first category where close to 1,700 have since graduated and of these 75% are already generating regular incomes. The average cost of SETA-sponsored learnership training is about four-times this figure and worse still, there is no guarantee of job placement at the end of the training. Besides, SSACI's lean structure (small is beautiful) has ensured that it overheads have only remained around 7% of the total grant funding, whereas most funders' overheads are around 20%.

A comparative analysis of project expenses shows some of the following interesting costeffective scenarios between SSACI-sponsored courses and the national programme ventures:

- Training of IT technicians cost the Department of Trade and Industry ZAR 125,000 per trainee, while SSACI only pays ZAR 88,000 per trainee (and this includes additional post-training support).
- Training of mechanical and electrical engineers costs Umsobomvu Youth Fund ZAR 120,000 per trainee, while SSACI's budget is only ZAR 16,000 per trainee (a difference of ZAR 104,000 yet same programme course)

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³¹ SSACI quarterly report, Jan-Mar 2005.

³² Formative Evaluation p. 27.

³³ SSACI quarterly report, Jan-Mar 2005.

 Venture-creation training for young entrepreneurs cost the Department of Labour ZAR 250,000 per trainee with only a 25% success rate. For SSACI, the costs are only ZAR 30,000 per trainee, but with a success rate of 60%.

The funding policy and programme guidelines indicate that SSACI has drawn-up specific procedures to be followed by project partners and itself (all focused on vocational training and job creation for out-of-school youth. The emphasis is on outcomes in terms of employment rather than supply in terms of training. Some of the notable factors indicating efficiency include:

- The rigid timeframes SSACI has drawn-up between first contact with a potential project partner and the disbursement of funds in under six months (the cycle for most funding agencies is between 6 and 9 months);
- SSACI's emphasis and commitment to communicating in writing with its partners ensures that all important decisions are minuted for institutional memory, monitoring and evaluation;
- o In principle, the quarterly reporting and disbursement procedures ensure that both the partners and SSACI are up to date and fulfilling required standards;
- Periodic visits to project partners by the programme manager and the projects administer have instilled a measure of trust and support of each other, but above all, have enhanced the commitment by partners to deliver as per intended targets.

As one of the "take-aways", the case study highlights that in order to improve the service provision and limit the individual project risks with innovative training schemes, measures such as competent follow-up and professional advice are an integral part of the programme.³⁴ In fact, partners like Gateway and KZNPI are fully appreciative of the programme manager's visits. Besides, the fact, that both the formative and summative evaluations (external) have taken place (not to mention partners' annual audits) is indicative of built-in efficiency, effectiveness, transparency and accountability measures.

The success stories of SSACI are based on the effectiveness of the programme itself, especially its focus. Partners like KZNPI, SLOT, Mosvold Hospital, report on average more than 88% completion rate of trainees and, more importantly, having 95% to 100% placement rate of the trainees. This is far more than the government approved "Learnerships Scheme" which does not even emphasize placement into workplace as a condition.

Possibly an illustration captured in the case study describes succinctly the cost-effectiveness of SSACI-funded courses:

Illustrative example

Let's compare two training schemes, a "usual" scheme A with USD 2'000 cost per trainee and an "innovative, SSACI-like" scheme B, including job placement efforts amounting to an additional cost of 20% per trainee. Further we assume that the success ratios of finding a job are 50% for A and 80% for B.

For 100 trainees in each scheme we get:

- A costs USD 200'000 for 100 trainees of which 50 find employment.
- B costs USD 240'000 for 100 trainees of which 80 find employment.

Looking at the cost per trainee, the "usual" scheme A would appear to be more cost-efficient, B being 20% more expensive.

Looking at the cost per successfully employed trainee, we find that it amounts to USD 4'000 under A and to USD 3'000 under B. That is, A is actually less cost-effective, by 33%!

Figure 1: SSACI cost-effectiveness

Source: Formative Evaluation, November 2004, p. 18

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³⁴ Formative Evaluation p. 22.

As a matter of fact, SSACI's real cost per trainee sums up to ZAR 15,000 to ZAR 19,000 in the *worst* case, whereas the state learnership's cost per trainee is ZAR 20'000 in the *best* case and does not include job placement measures, why its overall effectiveness is highly questionable. On the other hand, it has been argued that putting a ceiling on the project-funding limit (up to ZAR 800,000 per project) restricts the latitude of some potential innovative projects, but given the current portfolio and the number of projects being funded, SSACI has been able to manage the programme efficiently and effectively. SSACI's most effective achievement (probably) has been on the insistence of its project partners to bridge the gap between what is being learned during the training course and how this is applied (practically) in the work situations; hence, the employability element that makes the trainees easily get into the system. This is what SSACI could sell to government institutions and other like-minded organisations such as NBI and Business Trust. Potentially, it is this component of the SSACI model that should form the basis for replication as well as for establishing sustainable networks and partnerships.

5 SUSTAINABILITY

The dimension of sustainable development for SSACI has been described above³⁵ from both the point of view of SSACI as a whole and of the projects that are being implemented by SSACI's partner organisations, mostly NGOs.

As to the first, it can be concluded that SSACI is undertaking at the same time that this evaluation takes place the necessary steps to ensure that there will be funding for its work also in the future. Obviously, there are certain improvements to be done by SSACI within a next phase regarding the relationship it maintains with its sponsors, such as the elaboration of a well-developed communication mechanism with corporate sponsors (for details see the chapter on recommendations below).

As to the second, the indications are less straightforward. Given the current transition situation of the majority of South African NGOs, in the midst of these developments, it would be unrealistic to expect project partners like KZNPI, Athlone or BSDC to become sustainable within three years. Experience has shown that only enterprise development NGOs (mainly those involved in micro & small credit facility management) become sustainable within five years.

Besides, the institutional status and product nature of some of these NGOs (Mosvold Hospital Trust, CECD, Gateway) does not provide a solid basis for sustainable positioning within the period being advocated. At the same time, SSACI's Learnership Model is very new to most development practitioners in this country; hence to expect the implementation of this model to begin producing results and become sustainable within three years, would be asking for miracles. The SETAs, which so far are the best vehicle for creating sustainable mechanisms for NGOs, are themselves just getting to grips with the learnerships. The government departments (especially Local Government and its Municipalities), which are supposed to provide an enabling environment, while becoming strong partners with these NGOs are also grappling with integration and partnership challenges (NBI and Business Trust examples). To their credit, most international and national donor agencies have only begun supporting concerted capacity building initiatives for NGOs in the last five years.

Therefore, while SSACI has consistently advocated for sustainable mechanisms being introduced by its project partners during phase I, it would be too early to expect this to be the case with most of them. In light of the issues raised above, especially those around institutional capacity of these NGOs and their lack of having strategies in place for sustainability, the process seems to just have started.

Based on these conclusions, the evaluators think that on the one hand expectations regarding the timeframe in which projects can realistically become sustainable, have to be adapted to the environmental conditions as described in this report. On the other hand, some recommendations have been formulated for SSACI to enhance sustainable development at project partners' level more systematically (see chapter on recommendations).

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 $^{^{}m 35}$ Compare chapter III-15 on the strategic discussion of what sustainability means for SSACI.

6 LESSONS LEARNT

Small is beautiful but also dangerous

The SSACI case study has formulated as a key take-away regarding SSACI's set up that "Small is beautiful".³⁶ The advantages described there are more than valid – they are important possibilities for SSACI to be different from potential competitors.

However, the evaluation team has felt that SSACI after almost five years of work is at the brink of being too small. Operational limitations have led to reduced time for communication with sponsors and strategic work was practically not possible. This means that the reasonable objective of keeping administrative costs at a minimum level must go hand in hand with a thorough analysis of which are potential limits for the overall institutional development of a given project or programme.

SSACI to balance genuine marketing interests of sponsors with own objectives

There is an inherent tension between living up the sponsors' interest in using CSI activities for their company marketing and at the same time serving the overall objective of SSACI. The tension arises where the sponsors' interests are now becoming more pronounced and leaning towards their own social responsibility project activities. SSACI is at crossroads to balance the preferences of some corporates with its own overall policy direction and overall objective.

Mid-term evaluations are an indispensable review instrument

A mid-term evaluation not later than three years after project start makes a lot of sense. It can help to capture emerging changes in the project's environment (e.g. regarding the position of SSACI's sponsors on their CSI behaviour), detect project weaknesses (such as SSACI's operational limitations) and reveal important tasks (the need to embark on strategic development of the project would be one of them). Thus, experiences can be captured earlier and allow for critical adaptation on time.

Be most careful with elaboration of fundamental project documents

As mentioned already in the SSACI case study³⁷, SSACI's Deed of Trust has not been clearly separated from its "Rules & Regulations" with regard to the content. The lesson is that the elaboration of such fundamental documents has to be done most carefully and thoroughly under consideration of all possible implications for a project's/ programme's daily functioning. It is probably better to risk being too general if there is only little time available for the elaboration of such key documents than afterwards being bound by the statutes because of their detailed degree of content.

Consider the risks of single person expertise within a knowledge economy

Today, especially in service organizations, information and knowledge are the main sources of added and adding value. The decision of running a project/ programme with only one person during a long period of time, especially if it is as innovative in form and content as SSACI, means that all the experience made and expertise gathered will be concentrated in this person. If the person walks away, all the expertise will be lost. A project should be protected against this risk.

Balance carefully the involvement of sponsor organisations as opposed to individual representatives

As a whole, SSACI has successfully managed to keep a good balance between the acting and involvement of its sponsors (SDC and companies) versus selected individuals into its concrete work. The Board of Trustees, whose members represent exclusively organizations, has mostly concentrated on its strategic work and not disturbed the daily operations. At the same time, SSACI's approach of regularly providing the opportunity for individual representatives to visit projects has ensured that sponsors have a concrete idea of what SSACI is doing.

Establishing PPPs is difficult and affects delivery at grassroots level

The PPP Concept is a slow process-oriented approach, which is frustrating to main parties. While partner organisations are keen to create partnerships with government departments and SETAs, they are frustrated by the bureaucratic delays from these potential partners. In the

³⁶ Formative Evaluation p.15, first take-away.

 $^{^{\}rm 37}$ Formative Evaluation p. 12, Lessons on the Deed of Trust.

process, government participation in most of these projects is still minimal. SSACI is therefore forced to facilitate, in certain cases to intervene to ensure government is on board.

SETAs are the most important channels of achieving learnerships in the country

SETAs are currently the best mechanisms for SSACI's "Learnership Programme", but the unbundling of some of them, coupled with the mergers and bureaucratic logjams, means it will take another two to three years before SSACI can be satisfied with such partnerships. However, efforts by project partners in engaging THETA, ETDP, SETASA etc. should be encouraged and harnessed to become flag bearers for others.

SSACI's sustainability is critical to the whole programme

The sustainability of SSACI will largely depend on the institutional repositioning which will not only increase the capacity of programme personnel, but also create a strong agency that would move beyond the five-year funding cycle and become one of the major grant making and learnership facilitating agencies in the country. The need for such an institution cannot be overemphasized. The most important step forward, therefore, is for enhancing strategic marketing for SSACI to ensure it begins positioning itself for a more proactive role.

V RECOMMENDATIONS

1 SUMMARY

After almost five years of operations SSACI has reached now a critical moment – to evolve in a quantum leap from a project into an institution, while preserving fully its potential of making a difference through its innovative approaches to alleviating youth unemployment.

SSACI has established solid operations and succeeded to deliver on what it had promised in its mission. Further more, it has gathered most valuable expertise in a comparatively new set-up of a development programme and should now build on this. The overall objective would be to multiply the effects from its work to create as much momentum as possible based on reasonable replication (organic or artificial growth).

To summarise the recommendations, the evaluators think that SSACI has to embark on strategic development. This entails setting new priorities such as:

- Giving itself a strategy for sustainable development focusing on a comprehensive service concept as an implementing agency in its chosen area of activity
- Becoming a fully-fledged partner to those who are ready to support but operationally not able to realise CSI themselves
- Professionalizing its learnership model into its core competence and integrating it with the state learnership model where feasible
- Making communication with sponsors a strategic tool
- Aligning operations to the strategic decisions, in particular in terms of securing personnel resources and fine-tuning its project management process
- Strengthening financial management to ensure sustainable development at both SSACI and projects' level.

The challenge will be to realise such changes without compromising on the strengths SSACI has created:

The small size of the SSACI organization induces many benefits for both sponsors and projects. First, it keeps overhead and coordination costs minimal – efficiency makes both SDC and the corporate sponsors happy. Second, this allows for high flexibility and speedy processes, an important comparative advantage against larger organizations. Third, it is highly valued by sponsors and projects to have direct access to a decision-maker and to take advantage of his in-depth knowledge of the targeted intervention area. 38

The following paragraphs present these issues in detail, structured into strategic, operational and financial recommendations. Obviously, there is not always a clear-cut line between the three dimensions (e.g. the decision to have at least two managers on board is both strategic and operational) but organising the different ideas in this way allows a much better overview.

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³⁸ Formative Evaluation p. 15.

2 AT STRATEGIC LEVEL

Elaborate a long-term development strategy in a formalised way

The evaluators recommend SSACI to put all elements of an institutional strategy together into one comprehensive guiding document. Analysing its external environment, the concrete situation on the market it is working (including competitors' analysis), identifying clearly its own "corporate" strengths and opportunities for success and describing strategic development issues, options as well as the necessary operational basis for realizing these options in a reasonable period of time. SSACI should also elaborate a clear service concept that can be communicated to the outside world, in particular to potential corporate sponsors.

Much of this information is available at SSACI but has not been compiled into one institutional strategy. For further strategic development, however, having this will be very useful.

Establish mechanisms to enhance chances for sustainable development

Capitalise on the experience with the corporate world and widen the exit towards additional sponsors, maybe even non-Swiss ones. Concerning the institutional sustainability, make sure that the project manager stays there for a reasonable period of time and broaden the management team to at least two key persons. The evaluators consider of utmost importance to embark on a planned process of systematically transferring the PM's individual into institutional knowledge to anchor the expertise gained by him and his team within SSACI. This should be done through accompaniment of a professional support person with a background in knowledge management and enough time should be allocated for this work (e.g. one month). Prior to that it is recommended that SSACI asks all its project partners for feedback on the lessons they have learnt during the implementation of SSACI funded projects.

Regarding the issue of sustainability at project level, we suggest embarking on a discussion in a planned way from the very beginning of the negotiation of a partnership and put respective content in written into the contractual agreement. Build this strategy around the general situation of the PO, by treating the SSACI funded project as one within the overall portfolio of activities of the PO. This may even be considered as a conditio-sine-qua-non, i.e. building comprehensive relationships with at least the weaker partner organisations may be a precondition to secure to the best possible extent the sustainability of SSACI's initiatives.

The institutional weakness of some partner organisations is affecting delivery at project level. SSACI, being lean itself should choose POs carefully so that it works and relies on strong ones in order to decrease the potential need to give additional OD support (if SSACI opts to remain with a very lean structure).

«Patent» the SSACI model

By "patenting" its approach SSACI could create a validated new stairway into work, optimized to the conditions on the South African labour market. Such a model could also provide a kind of standard for project submission simplifying not only the formulation of projects from the applicants' side but providing a basic tool for comparison in the identification, monitoring and evaluation process. Also, it would open SSACI a way towards more effective and visible marketing of its approach while keeping costs down – without limiting it to the learnership model and the less positive experience that comes with the latter. (Such a model presentation is easy to grasp for outside audiences!)

Develop a comprehensive communication strategy

The evaluation team supports SSACI in its plan to develop an explicit communication strategy. For this, the project manager must be freed from operational obligations, in line with the overall recommendation of devoting enough time in the future to the strategic development of SSACI. Key issues here is marketing of SSACI and lobbying the interests of its target groups at various levels within the country. Particular tools are to be elaborated and implemented for the communication with corporate sponsors.

Potential for innovative replication

The evaluators think that there is good potential for replication of the SSACI approach and model within and outside South Africa. Pre-conditions for implementation are described below in the operational recommendations. SSACI could e.g. select "flagship projects" which it would support in phase II. These would be selected mainly on the basis of their uniqueness in the country, their contribution to national learnership policy and project improvement/

enhancement and their potential to become flagships for sustainable examples five years down the line.³⁹ It will be crucial to make sure that the SSACI comparative advantages are maintained and common standards regarding project management be institutionalised. Therefore the biggest challenge will be to choose the right potential partners organisations for what sufficient time and thorough preparation should be foreseen.

Performance management

SSACI can further develop its mechanisms of performance management. The objective is to comprehensively capture the effects (that are within its control) and the impact (beyond SSACI's control) of individual projects. SSACI is doing a lot of analyses concerning the effectiveness and efficiency as well as impact of its projects. It should upgrade this function, do it more systematically (also by integrating parts of it into the external evaluations), formulate and communicate it clearly as such information is critical when attracting new sponsors in the future.

3 AT OPERATIONAL LEVEL

Making the Learnership model work on a big scale

The repackaged "Learnership Strategic Framework" (or learnership model) has huge potential leverage in South Africa. SSACI should begin discussions with SBC, SETAs, NBI Business Trust, FETs, SAQA, NQF, and other relevant government department, institutions, in an attempt to market the model. This approach could bring in substantial financial gains, while at the same time elevate SSACI's status in the country. Implementing the model through pilot projects in partnership with one or a combination of the above potential parties would be a step in SSACI's consolidating and sustainability direction.

Pre-conditions to replication of the learnership model

Replicating the learnership models would depend on a couple of factors. SSACI could choose two or three of its success factors (such as Athlone, SLOT, CECD) and engage provincial structures (especially in poorest provinces – Limpopo, Mpumalanga, Eastern Cape & Free State) to pilot same as part of up-scaling and/ or replicating. The private sector could buy into this model, as there are practical outcomes from each project.

Replicating the model into Southern Africa would require concrete baseline studies in individual countries to determine available potential partners, resources and above all, operational policies. Botswana, Zambia & Malawi, which have TVET institutions, could be realistic starting points.

Integrating SSACI services with the BEE requirements/ becoming the BEE partner to corporate sponsors

The introduction and, especially the management of BEE's scorecard system in the private sector could be another operational entry-point for SSACI. First steps could be engaging Swiss corporates to identify their current initiatives and, in the process, sell SSACI's approach to managing such initiatives. Corporates like Schindler Lifts are already interested in this partnership.

³⁹ Potential flagships: Inyathelo in Cape Town, where the business development services revolve around supporting "Tourism Enterprises" (with a view to growing such micro enterprises into small businesses); further engaging the "Construction Industry" and supporting emerging young entrepreneurs to become the sub-contractors on the sustainable home construction programme (this would buy into the current PPP between government and NBI on the Expanded Public Works Programme); the "Early Childhood Development Programme" (through CECD) would be a great opportunity to champion the training, development and support of early childhood development practitioners. The pilot project in Cape Town could be up-scaled and replicated in at least five provinces over the next five years. SSACI could play a pivotal role in the replication process. The government's participation would be a money spinner for the partner organisations as well as for SSACI; both SLOT and KZNPI could be replicated in rural provinces like Limpopo, Mpumalanga and the Eastern Cape, where tourism (SLOT) is becoming booming business and where consumption of chickens cannot be underestimated; the "Call Centre" project should be reviewed to see how it could play a continual role in the training and providing support to hundreds of youth country-wide. Funding institutions like Umsobomvu could become strategic partners; the Mosvold Hospital Trust concept is already being extended to Western Cape and Limpopo through the universities. The involvement of national and provincial departments of health would be very critical to the expansion, growth and sustainability of this programme.

Develop complementary CSI services to boost benefits from SSACI promise

SSACI could also begin extending current project operations to take on the community development perspective by engaging individual corporate sponsors. For example, Novartis (as a pharmaceutical company) could be enticed to fund and partner the Mosvold Hospital Trust in introducing a community outreach programme. The initiative would target and use medical and health graduates to manage a "Primary Health Care" programme from Mosvold Hospital to the ten surrounding clinics currently being serviced by the hospital. The impact in the next five years would be phenomenal. At the same time, Xstrata has expressed an interest in partnering SSACI in the management of its bursary scheme for maths and sciences students at higher and tertiary educational levels. At the same time, SSACI could be engaged by Xstrata to manage community projects within the impact areas where the company has it mines (Witbank, Rustenburg, Ermelo Lydenburg etc).

Upgrade contracting and monitoring within project management

Develop a more detailed project description sheet. Make sure that the POs' long-term plans for the funded project are captured in written, including measurable indicators. Upgrade the monitoring function by agreeing on more regular and focused exchange on the project development to provide best support. Maybe outsource the monitoring to an external partner. Include into evaluations a chapter on cost-effectiveness where project expenses are held against achieved results.

Outsource project management where reasonable and feasible

As part of increasing monitoring and mentoring support to project partners, SSACI could empower and engage some project partners at regional or provincial level, which could be outsourced on retainable basis. This approach could assist in bringing in income for the partners, while at the same time, creating a SSACI family of project partners.

Consolidate operations and project management

Even if SSACI increased the number of its programme personnel to four, the recommendation is that the funding portfolio should not be increased (number of projects), except in very innovative attractions. Instead, SSACI should concentrate on current projects, which can be scaled-up, but should continue partnership for longer period (4-5 years or even longer) to ensure these projects also grow, consolidate and become sustainable. In this way, SSACI would have left a long time impact on the youth job creation landscape.

Professionalize communication to sponsors

Communication between SSACI & its corporate partners has been described as weak. SSACI could introduce a more elaborate entry point into Swiss corporates. While Chief executives would remain the key targets for communicating what SSACI is doing, it would be more practical if Human Resource/ CSI Units (or Scorecard departments) became operational partners of SSACI. In this way, each corporate company would have direct/ daily access to SSACI and/ or to specific projects of interest. This unit would therefore be responsible for keeping the CEO and other departments abreast of what is happening.

Enhance networking to capitalise on lessons learnt/ maximise the learning

The SSACI family could be strengthened through periodic workshops and conferences aimed at sharing experiences and tackling critical challenges of sustainability, engagement of SETAs, fundraising from other CSI partners, replicating projects etc. In this case, SSACI would organize, fund and facilitate these initiatives and, wherever necessary, bring in relevant professional specialists to work with these partners. Introduce professional knowledge management techniques also at this level.

The evaluators therefore suggest that SSACI should use some of the resources in phase II to concentrate on facilitating sustainable linkages and activities for its project partners. At periodic networking workshops for project partners critical issues of sustainability could be discussed and strategies developed but this would go a long way in creating a common denominator for those seriously considering doing that. At the same time, SSACI could select a few partners to work with for a period of five years (as pilot cases) so that it could leave an impact within those organisations.

4 AT FINANCIAL LEVEL

The increased funding parameters that SSACI has achieved in the last five years are putting a strain on the monitoring aspects by such a lean structure. With additional funding for the next phase (anticipated ZAR 50m), it is imperative that SSACI:

Professionalize/ upgrade financial management

Professionalize the financial standards by elaborating more detailed and transparent budgets that allow for closer financial monitoring in order to ensure the long-term orientation of each project. Spending as opposed to the sought objectives can then be better put into relation and deviations or problems may be detected earlier. Integrate as much as possible and reasonable with the PO's general budget to make sure no dependencies are created. Elaborate together with the PO during the contracting phase incentives that enhance the efforts of securing a continuation of the projects.

Seriously consider the recruitment of a part-time financial officer who would be responsible for the budgeting, disbursement and accounting of the funds, considering the current programme manager will concentrate on the strategic and sustainable development of the agency. The new person would be in charge of providing mentoring support to project partners and on monitoring proper quarterly financial reporting procedures as well as in between those quarters.

Increase leverage through financing organisational strengthening of project partners Even if the size and institutional capacity of most of SSACI's project partners is of higher standards, it is recommended that a certain percentage of funding should still be dedicated to providing capacity enhancement of those partners that are still struggling. Financial management is one of dire needs of NGOs in the country.

Put financing guidelines in place to prevent potential problems

Some guidelines should be put in place as part of a policy to assist in engaging project partners that are not fully complying with their contractual agreements. As the programme moves into phase two, the number of such partners is likely to increase and without such guidelines, the problems could multiply.

VI ANNEXES

1 TERMS OF REFERENCE

Background

The Swiss-South African Co-operative Initiative Trust was established in 2001 following discussions between SDC and a number of Swiss corporates trading in South Africa. In terms of their agreement, SDC and ten participating companies established a trust fund with equal capital from SDC on one hand and the ten companies on the other. These founding corporate sponsors of the Swiss-South African Co-operation Initiative, as it was called, were Holcim, Ciba Speciality Chemicals, Credit Suisse, Givaudan, Novartis, Schindler Lifts, Sika, Swiss Re, UBS and Xstrata. The objectives of The Deed of Trust was formally signed in February 2001 and registered with the Pretoria High Court in April.

According to its Deed of Trust, SSACI's principal objective is:

"to identify, select, finance and monitor projects that promote, foster and advance educational and job opportunities for disadvantaged, young South Africans in order to enable them to obtain employment... It is envisaged that the activities of the trust shall lead disadvantaged South Africans to a sustainable livelihood and will contribute to economic growth and less inequality within South African society, thus alleviating poverty and achieving a higher development potential."

At their first meeting on 4 May 2001, SSACI's board of trustees adopted a set of operating procedures which specified that:

"After three years of operation, i.e. in January 2004, SDC and the corporate sponsors will mandate a <u>joint external evaluation</u> of the Trust to draw conclusions about the results. Based on this evaluation SDC will decide about the nature of its involvement with the Trust beyond the end of 2005".

At a meeting on 25 March 2004, the board of trustees resolved that the evaluation be conducted in two phases:

- o A formative phase, to be conducted in the second guarter of 2004
- o A summative phase, to be conducted in the first quarter of 2005

This two-phase model would be more comprehensive and accurate than a once-off "snapshot" evaluation because it would show SSACI's programme evolving over time. It would also allow for constructive changes to be made in the light of information gleaned in the first, formative phase and would therefore serve a developmental purpose.

The formative phase of the evaluation was conducted in August-September 2004, in the form of a case study commissioned by SDC's Income and Employment division. The researchers' report was presented to stakeholders in meetings held in Bern and Johannesburg in November 2004. The summative phase is now due.

Objectives and Scope

This phase of the evaluation is summative and largely for the purpose of accountability, The most likely purposes to which the evaluation will be put are:

- $_{\odot}\,$ to inform a decision by current and prospective sponsors on whether and to what extent to fund SSACI after 2005
- to inform decisions by SSACI's Board of Trustees on improvements to the existing structures and operating procedures
- to improve the quality of planning and implementation of SSACI's funding programme
- o to strengthen SSACI's communications strategy by providing objective, external appraisals of our efficiency and effectiveness

In essence, SSACI would like the evaluation to answer <u>four key questions</u>:

- Has SSACI done what it set out to? (Verifying that the various training and other inputs funded by SSACI have taken place)
- Has it been done well? (An appraisal of the quality of SSACI's funding programme, its philosophy, mode of delivery, value, relevance, coherence and practicality)
- What can (a) SDC, (b) corporate sponsors, (c) SSACI trustees, (d) SSACI management staff learn from this experience? (An appraisal of SSACI's strengths and weaknesses or failures, lessons learned that could inform planning and implementation in the future)
- How should SSACI organise its second phase of operations after 2005? (Recommendations for future scope of operations, funding mechanisms and modus operandi)

Approach

The evaluation will comprise four distinct tasks, viz:

- o collection of data
- data analysis
- o judgment of findings
- o leading to a set of conclusions and recommendations.

The evaluators will depend primarily on qualitative data but, where possible, quantitative data will also be gleaned. The methodology will include:

- A review of all relevant SDC and SSACI documents, including Board meeting documents and project reports and evaluations
- o Interviews with Board members and the programme manager
- Visits to project sites and interviews with project partners
- o Interviews with other stakeholders in Switzerland and SA, such as corporate sponsors, SDC staff, DoL and SETA officials
- Feedback from stakeholders on initial findings, conclusions and recommendations that appear in the draft report

In considering this data, the evaluators will place particular emphasis on the following aspects of SSACI's programme:

- Efficiency, effectiveness and adaptability
- o Relevance to and impact on national needs and priorities
- o Alignment with the interests and objectives of SDC and the corporate sponsors
- Attention to crosscutting developmental issues such as gender, the environment, human rights, capacity building and HIV/AIDS

Since SSACI's funding programme consists of financial and technical support to projects implemented by partners from the non-profit sector, emphasis should also be placed on SSACI's relationships with these partners.

Outputs

The deliverables will be a report of about 20-30 pages (excl appendices) by the end of April 2004 and .a PowerPoint presentation summarising the findings for presentation to meetings of sponsors to be held in Switzerland and SA.

The report will comprise:

- Documentation of data in a form comprehensible to third parties unfamiliar with the initiative
- Conclusions and recommendations relevant to the particular interests of SDC, corporate sponsors, the SSACI board of trustees and the programme manager

Time Frame

The **time-frame** is estimated as follows:

Dec 2004: Identify Swiss and SA consultants
 March 2005: Conduct field work and data-gathering
 April 2005: Writing and review of draft report
 May 2005: Writing and presentation of final report

The consultants' time commitments will be:

- 1 day briefing
- 3 days reviewing documents, preparing interview schedules, setting up appointments, etc
- o 2 days interviewing trustees and programme manager
- 5 days visiting projects in Gauteng, W/Cape and KZN
- 2 days interviewing other stakeholders
- 4 days writing draft report
- o 1 day preparing final report
- 1 day presenting findings to sponsors

So we are looking at a maximum of 19 days' work

Expertise Required

The Swiss consultant should:

- o be familiar with SDC's programme priorities and strategies
- have knowledge and experience of working with other donor agencies in developing countries
- have extensive experience of monitoring and evaluation of development initiatives at both program and project level
- have experience of the vocational training, poverty alleviation and employment sectors
- be familiar with issues in public-private partnerships for development

The South African consultant should:

- be familiar with issues of development in South Africa and of national priorities and strategies, particularly in the field of vocational training, employment and youth development
- have experience of working with donors and the NGO sector in South Africa and be familiar with other donors' strategies and programmes
- o have experience of monitoring and evaluating development projects

2 MISSION PROGRAMME (MARCH - APRIL 2005)

Date	Activities						
Wed 30	 10h00 - Initial briefing meetings: JB & KD 15h00 - Meeting with Geri Pfister (SDC) 						
Thurs 31	 09h30 - Meeting with Terry Hime (CEO Schindler lifts, SSACI trustee & vice-president of Swiss Business Council) 11h30 - meeting with Wayne Lawson-Turnbull (CEO, UBS) 13h00 - Meeting with Christoff Heil, learnerships manager, CETA 15h00 - Meeting with Markus Leitner, Swiss embassy 						
Frid 1	 10h00 - Meeting with Noel Guliwe (CEO, Novartis) & Dennis Ablett (Communications Manager, Novartis) 14h00 - Meeting with Monwabisi Vika (SSACI Trustee) 						
Sat 2	Eva travels to Cape Town)						
Mon 4	 O8h30 - Meeting with Hans Kuhn (Swissconract SA) & on to Digital Workshop 11h00 - Meeting with Brian Notcutt (Athlone Association for Blind) 14h00 - Meeting with Sheila Gastrow & Patric Mellet (Inyathelo) 16h00 - Meeting at hotel with Prof Lawrence Schlemmer (researcher) Frank drives Jhb - Ingwavuma Meeting with Matron Ntsimbini & Mosvold Hospital graduates: - Frans Nxumalo - Sinenhlanhla Gumede - John Mkhumbuza - Dumisane Gumede Drive Ingwavuma - Durban						
Tues 5	 08h30 - Meeting with Eric Atmore (CECD) 11h00 - Meeting with Bob St Leger (TECSAT) 14h00 - Meeting with Celiwe Ngwenya & Cathy Clarke (BSDC) 17h00 - Meeting with Eric Meier-Rüegg 09h00 - Meeting with Dr Andrew Ross (Mosvold) 11h00 - Meeting with Dave Lunderstedt (SLOT) 13h30 - Meeting with Julie Nixon (KZNPI) 15h00 - Meeting with Susan Clulow & Alpheus Zondi (Project Gateway) 						
Wed 6	 O9h00 - Meeting with Tonya Overmeier (CIE) & visit entrepreneurs 11h40-13h50 - Return to Jhb Drive Pmb - Jhb Drive Pmb - Jhb Corporate Devmt Director, Xstrata) 						
Thurs 7	Consultation between evaluators & follow-on meeting with KD						
Frid 8	 10h00 - Meeting with Joshua Bhengu (HR Director, Holcim) 13h00 - Meeting with Alexander Weissleder (Swiss Re) Final meeting with KD & GP 						
Thurs 21	 08h30 - Telephone interview with Ms Rahel Gerber (Swiss Re) 15h30 - Meeting with Mr Bruno Bischoff (Credit Suisse Group) 						
Wed 27	■ 10h00 - Meeting with Mr Bernhard Stettler (UBS)						

3 DESCRIPTION OF PROJECT VISITS

	LEAD AGENCY	PROJECT & INTENDED OBJECTIVES	PERFORMANCE INDICATORS	REMARKS
1	KwaZulu-Natal Poultry Institute in Pietermaritzburg KwaZulu-Natal Province Interviews with: Ms. Julie Nixon Gerald	 Training of a new leadership in Commercial Poultry Farming where 60 youths would graduate and be placed in job opportunities Development of a new learnership programme through SETASA Granting of ZAR 2m over 3 years (March 03 – March 06) 	 15 youths had been trained in 2003 Another 15 had been trained in 2004 And an increased number of 30 is currently under training Of the first two intakes, 80% of the youths graduated have all since been placed in employment The poultry industry is gradually becoming an active partner, especially within the province The University of KwaZulu-Natal is a strategic partner in terms of providing accreditation of the training (NQF Levels 3 and 4), as well as allocating land for the project The Department of Agriculture has been engaged to provide technical and financial support (veterinary) The agency is currently concretizing its leadership concept and engaging SETASA for learnership and for funding Other funders include Kellogg's Foundation and IDT 	 KZNPI has had to adjust the age – group to take-in youths from 23–30 years, who are more mature for the type of course being offered It has been actively engaging SETASA for partnership on the Learnerships programme. Things are becoming more organized as the SETA is getting more committed However, KZNPI needs substantial financial inputs for the nature and size of the project. SSACI could consider a longer term of partnership to ensure the project is able to consequently attract government and other national donor agencies
2	Friends of Mosvold Hospital Trust, in Ingwavuma District (Northern KwaZulu- Natal Provice) Interviews with: Matron Nsimbini	 Identifying training opportunities for 62 youths from rural Ingwavuma district to study approved tertiary-level courses in health sciences Identifying appropriate placements of these 	 To date, more than 45 youths have gone (or are going) through different health science courses at Universities of KZN, Witwatersrand (24 of them under SSACI-funding) The pass rate has been around 85% with the rest dropping-out Graduates like Khumalo 	 Accommodation for graduates is becoming a problem as no original arrangements had been made by the Hospital The provincial government has its own bursary scheme which benefits some of these youths The most important outcome is that these youths come back into the rural areas after graduating to become professionals

	Francis Khumalo John Ndambuzina Dr. Andrew Ross	graduates at Mosvold Hospital, other rural hospitals and the satellite clinics in the District Providing a model for other rural health services Granting of ZAR 1,899m over 4 years (Jan 02 – Dec 05)	 (optometrist), Ndumbazina (Dentist) are already placed at Mosvold Hospital and are currently servicing the ten satellite clinics Six students are currently studying medicine (doctorate) at the two universities (in 4th year) Three other rural hospitals and ten satellite clinics are benefiting from these graduates MESAB (Medical Education for SA Blacks) is co-funding students' fees. Also, Anglo- Gold and Anglo-America contribute bursaries of ZAR 115,000 each per year The Trust has reserves of ZAR 0.5m for continuation of project 	 The challenge is that the graduates may eventually saturate the district as government plans do not materialize as quickly as what Mosvold's training programme is producing The Trust is running the sponsorship without a management structure. The current demands for coordination require the services of a full-time manager An outreach programme would be good and would allow for a more logical and practical utilization and maximization of these newly acquired resources
3	Project Gateway in Pietermaritzburg KwaZulu-Natal Province Interviews with: Suzanne Clulow Listien Mchunu	 Providing training in entrepreneurship for 30 aspiring young entrepreneurs Supporting them through mentorship and assisting them setting up commercially viable microenterprises Ensuring that at least 50 % of them are employing others Granting ZAR 350,000 over a 1 year period (June 03 to June 04) 	 Up to 30 youths trained in business management skills 18 potential youths assisted in accessing financial loans 6 youths assisted in getting formal employment The Retail and Wholesale SETA brought on board to facilitate training and tender business More than 15 youths mentored in pre-business and after-business establishment 8 of the businesses have shown growth and are employing either family members and/ or other persons 	 Mentoring of potential entrepreneurs has been found to be very effective (a concept learnt from SSACI) Lesson Learnt: Intake of 30 youths was too optimistic. Review shows 10-12 youths to be more practical Mentoring needs substantial amounts of funding. To be included in subsequent project proposals There is still lack of support from commercial banks for micro-enterprise lending facilities (infrastructure on the ground) Time to redefine the incubation model to become more proactive and income earning for the project Still struggling to get the SETAs on board
4	School Leavers' Opportunity Training in Pietermaritzburg, KwaZulu-Natal Province	 Providing vocational & employment to 120 unemployed youths (in Gauteng & Western Cape) Incorporating "value-added learnerships" into the SLOT/ 	 To date, 110 youths have been targeted for the hospitality training Part of funding has been accessed from the National Development Agency About 95% of the youths have 	 Slot has enjoyed the benefit of getting bridging funding (from SSACI) while awaiting government grant The "value-added" learnership programme (SLOT/ St Aiden's) provides a holistic and practical training and support system to the

		St Aiden's Training Programme (accredited by THETA at NQF level) Granting of ZAR 1.226m over 3.5 years (Apr 02 to Dec 05)	e-added learnership (four es of training, mentoring, nship in guest houses and s (in Western Cape, Eastern and KZN) ea Hotels (Premier Group) become the main partners for nship and have first option of oying the trained youths ortunities for 90% of the pleted youths have been	youth and ensures that, at the end, these youths are absorbed into the hospitality industry The challenge for SLOT is to raise substantial funds to sustain the programme (annually), Umsobomvu Youth Fund should be a natural partner considering this is one of the most creative youth programmes being implemented Since this is a pilot project, it would be prudent for SSACI to consider continued funding in phase II for consolidation, sustainability and impact
	LEAD AGENCY	PROJECT & INTENDED OBJECTIVES	FORMANCE INDICATORS	REMARKS
5	Swisscontact SA – FreeCom (Cape Town Area) Interviews with: Hans-Heinrich Kuhn (Swisscontact) Rob (CEO FreeCom) 2 trainees	 Training of 10 youths as computer software- and hardware-support technicians Assisting them to establish franchised businesses retailing and servicing desktop computers ZAR 896,000 between Aug 03 and Apr 05 	inees to become franchisees/ e managers; 2 working now as nicians; 2 wanting to continue / com as the training provider earnt a lot itself from this rience but feels that is has not y achieved what it was ding as only a smaller part of rainees has managed to go business • A A A A A A A A A A A A A A A A A A	Age limitation perceived to be too rigid for this type of job preparation (entrepreneurship) Achievement of sought objectives needs more time. Ratio between time spent for training and time spent for after-training-support may be adapted in favour of the second part Selection of trainees is crucial FreeCom and Swisscontact want to continue with a much smaller potential investment from SSACI SSACI cannot make direct agreements with private limited companies such as FreeCom – which in principle is a disadvantage for SSACI
6	Athlone Association for the Blind (Cape Town Area) Interviews with: Brian Notcutt (Athlone	 Development and trialling of a "fast-track" learnership in call-centre operations Train 284 youths including those who are visually- impaired for call-centre agents 	ect is ongoing. Learners are y placed in jobs, partly ing in Athlone's call centre, y in the training phase, partly to be chosen ainees are in officially	The call-centre project as such is very innovative but has had its learning curves: e.g. the objective of becoming a commercially run call-centre could not be realised yet Athlone is therefore now focusing on being a key training provider for the SA call-centre industry

	director) Melanie Bailes (Manager of the call- centre)	 Assist trainees to find jobs within the call-centre industry ZAR 2.26m between Jan 03 and March 06 	•	corresponding SETA is not paying yet Out of 84 trainees from the first phase 70 graduated and out of these 60 were placed in a job	•	Lack of SETA reliability in the set-up creates liquidity problems for Athlone The call-centre and thus project with SSACI represents 70% of Athlone's activities and turn-over leading to a certain dependency on SSACI
7	Inyathelo (Cape Town) Interviews with: Sheila Gastrow Patric Tariq Mellet (both from South African Institute of Advancement)	 Develop the business of 10 black tourism entrepreneurs through management training and the creation of new products Address obstacles to entry by black entrepreneurs into the mainstream tourism industry ZAR 530,000 between June 04 and Dec 05 	•	Project has only recently started Targeted success indicators: at least 8 enterprise have increased their turnover and profits as well as will have taken extra persons on as staff Until the end of 2004, 9 out of 10 enterprises have increased their turnover between 11 and 100% These measures should lead to employment for at least 15 formerly unemployed youths	•	Trainees have quite a lot of pre-experience (5-7 years on average) Black tourism entrepreneurship is extremely small (ZAR 50m turnover versus 2.8bn of total RSA tourism turnover – David versus Goliath!) Idea is very honourable, however, in the future the cost-benefit and impact potential may be re-visited for similar projects
8	Centre for Early Childhood Development (CECD) (Cape Town) Interviews with: Eric Atmore (Founder and director) Jill Naeser (External evaluator for SSACI)	 Development and implementation of a new learnership for training ECD practitioners Train 30 practitioners and place them in jobs in ECD centres in the Western Cape ZAR 650,000 between Jan 03 and Dec 04 	•	30 trainees graduated out of 34 and 25 learners could be placed in ECD jobs HIV/ AIDS is affecting the training (in another – non-SSACI funded - Northern Cape training 5 candidates out of 32 died during the training)	•	The triangle CECD-SSACI-DoE (Department of Education) turnt out to be a very collaborative partnership The responsible ETDP SETA is definitely one of the most advanced SETAs why no problems where experienced with them by CECD CECD is a fairly developed institution with a solid financial anchoring making it a strong partner for SSACI
9	Tecsat (Cape Town) Interviews with: Margaret Elsworth (Member of Board) Debby Chuter (Project manager)	 Provision of scholarships, mentorship and assistance with job-placement for 40 students enrolled at FET colleges ZAR 688,000 between Jan 03 and Dec 04 Second support phase from Jan 05 - May 07: ZAR 1.5m 	•	Targeted success indicators: at least 35 out of 40 (70 out of 80 res.) will graduate and at least 30 (60 res.) will be placed in sustainable employment 28 students out of those who graduated could be placed in jobs	•	Project led to much better understanding by Tecsat of the realities of their students thanks to the mentorship activity Placement support and mentorship was new to Tecsat and it cannot provide these activities in their non-SSACI funded bursaries SSACI support to students is significantly higher than the remainder (ZAR 5000 p.a. as opposed to ZAR 3000 p.a. on average for

10	Business Skills and Development Centre	 for 80 students Training of 175 youths in business administration and 	Targeted success indicators: by Dec 05 at least 80 trainees will be	 other students SSACI contribution is by far the biggest single financial position among Tecsat's income (ZAR 688,000 and ZAR 1.5m against a budget of ZAR 570,000 in 2004) The project is very useful but so far not sustainable BSDC is without any doubts an important NGO targeting most vulnerable parts of the
	(BSDC) (Cape Town) Interviews with: Celiwe Ngwenya Cathy Clarke Other collaborators	entrepreneurial skills including a six-months internship in established companies • Assistance to successful graduates to find permanent employment in companies or establish their own micro- businesses • ZAR 2.3m between October 01 and December 05 (three project phases)	 operating their own enterprises and at least 60 will be in full-time wage employment Up to 75% of the learners from phase I and II graduated and found a job (incl. self-employment; acc. to the CEO many businesses are at survival level 	 unemployed and disadvantaged The project makes a lot of sense and is justifiable but also generates the need for extended support from SSACI or any other service provider, especially in organisational development BSDC belongs to the weaker partners and is in the risk of being dependent on SSACI sponsorship (contribution is approx. 40% of BSDC's annual budget)
11	Centre for Innovation and Entrepreneurship (C.I.E.) (Cape Town) Interviews with: Tonia Overmeyer (programme officer) Vivian Mbolekwa Faatin Ebrahim (Entrepreneurs)	 Identification, selection and development of 20-30 micro-enterprises owned or operated by youths from Cape Town townships Assistance to the enterprises through loan fund of ZAR 620,000 ZAR 1.6m between Jan 03 and Dec 05 	 Project is ongoing Loan performance is good for the majority of the borrowers (no exact data could be given as project manager was not available at moment of project visit) Data is available for 5 out of 10 businesses: they increased there turnover between 2.5 and 7 times (no data on profit increase was given) 	 The visited entrepreneurs made a very good impression They are clearly already more advanced in terms of entrepreneurial experience The sustainability of the project could not be assessed in terms of C.I.E.'s exposure to providing financial services to entrepreneurs The visits to the entrepreneurs were very enlightening but too short to come to an informed decision regarding this type of project (i.e. combining the provision of financial and non-financial business development services)