

Rural synthesis report

Second evaluation of DSD services and projects

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Views presented in this paper are those of the authors and do not represent positions of the South African Department of Social Development.

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GLOSSARY

AIDS	Acquired Immunodeficiency Syndrome
CBO	Community-based organisation
CDP	Community development practitioner
CLO	Community liaison officer
CSO	Civil society organisation
DAC	Department of Arts and Culture
DHSS	Department of Health and Social Security
DISS	Development Implementation Support Services
DM	District municipality
DoA	Department of Agriculture
DoH	Department of Health
DoL	Department of Labour
DSD	Department of Social Development
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
ECD	Early childhood development
GBV	Gender-based violence
HBC	Home-based care
HIV	Human Immunodeficiency Virus
IDP	Integrated Development Plan
IDT	Independent Development Trust
ISRDP	Integrated Sustainable Rural Development Programme
LED	Local economic development
M&E	Monitoring and evaluation
NDA	National Development Agency
NGO	Non-government organisation
NPO	Non-profit organisation
OVC	Orphans and vulnerable children
PGDS	Provincial Growth and Development Strategy
PRP	Poverty Relief Programme
SEDA	Small Enterprise Development Agency
SASSA	South African Social Security Agency
URP	Urban Renewal Programme

EXECUTIVE SUMMARY

The Integrated Sustainable Rural Development Programme (ISRDP) was launched in 2001 to focus attention on 13 rural nodes identified as areas facing extreme poverty. These nodes were selected because of the deep poverty in which many of their citizens live. In 2006, the Department of Social Development (DSD) commissioned quantitative and qualitative studies to evaluate the department's performance in the URP nodes and in the eight related Urban Renewal Programme (URP) nodes. An evaluation of DSD services and projects in the nodes was carried out in 2006. This report provides a synthesis of findings from a follow-up evaluation held in early 2008.

Despite being the whole point of the ISRDP, **lack of co-ordination and integration** was top of the list of key issues from the first evaluation carried out in 2006. **Lack of staff and resources**, problems with **business plans** and the need for an **expansion of DSD interventions** also featured strongly. All these issues reappeared strongly in the second evaluation in 2008.

The objectives of the second evaluation were to update information on the functioning of DSD-supported projects, and to identify whether and how issues that were raised during the first baseline research were dealt with. The evaluation also sought to identify changes to DSD services in the node since the first evaluation.

Forty-one projects from 13 nodes were evaluated in the second round. Twenty-eight of these (68%), were income generating projects i.e. they existed to sell a product or service at a profit to generate an income for the project members. Thirteen (32%) existed to provide a free service to the community such as caring for orphans and vulnerable children (OVC).

Project members reported the following **positive changes** since the first evaluation, roughly in order of how often they were mentioned: financial improvements at project level; additional inputs for projects; training and skills development; improved access to markets; improved support and interaction with others; improved staffing situation; access to sites to house their projects; and increased confidence, happiness and motivation.

Project members reported the following **negative changes** or ongoing problems since the first evaluation: theft; lack of water (crop production and crèches); loss of crops and poultry through disease; inadequate machinery or machinery in need of repair; loss of members; internal conflict and poor management (including financial management). Some successful service projects were reaching the end of their funding and did not have the skills to seek alternative funding and so were at risk of closing. A key issue here is the waste if there is no long term plan to support successful service projects after they have worked hard to become established and received the funding to do so.

Despite these challenges, project members reported **positive impacts** in both **material terms** and **social, psychological and spiritual terms**. In the former, specific impacts included learning new skills; improved incomes or receipt of stipends; savings; and improved nutrition. For the latter, specific impacts included a sense of pride, status and respect in the community; deepening relationships with others; members kept active, focused and productive; and greater awareness of community issues.

Benefits to the wider community centred on the products and services the projects offered to the community such as cheap, locally available farm produce, baked products, school jerseys, tracksuits, banking services and a local photocopying facility. Other benefits were employment opportunities created by the project when they needed to employ drivers, caretakers or casual labour.

Half the **projects** evaluated **rated themselves** as 'green' i.e. functioning well, about 40% rated themselves 'orange' (some problems) and the remaining 10% rated themselves 'red' or no longer functioning. It must be said that the researchers set out to visit projects that were functioning at different levels. Even projects which rated themselves green showed considerable vulnerabilities. Although not all the projects received a rating in the first evaluation, of those that did, the rating of

31% went down, and the rating of 25% went up. Forty-four percent stayed as they were, although, of these, all of them, but one, were already rated green. Overall this gives a fairly positive picture from participants although, given the generalised problems and challenges highlighted elsewhere in this report, it is quite possible that project members are indicating their appreciation for support received more than considering the projects to be well-functioning and sustainable.

Participants highlighted the following as key areas where **improvements** had occurred since the first evaluation: improved production and/or income; receipt of inputs and training; institutional improvements (including registering the project, employing a project manager, paying stipends to caregivers and a faster requisition process as a result of decentralisation); improved discipline and commitment of members; and better networking.

Participants highlighted the following as things that **did not work** since the first evaluation: poor management skills and mismanagement of resources; lack of money and necessary inputs (such as electricity, appropriate workspace); loss of markets; poor planning (including crop planning and marketing); inappropriate or difficult training; theft; and internal conflict. Only one of the nine projects that reported water problems reported progress with solving their problems in the period between the two evaluations. Overall, a high proportion of issues were not resolved in the period between the two evaluations.

The relationship between **service providers** and projects remained weak. Half of the projects evaluated received support from at least one organisation other than DSD. Projects were almost evenly divided on whether DSD was making a positive contribution or not. Reasons for dissatisfaction included lack of assistance, lack of communication and responsiveness, not being informed when the CDP leaves, losing the CDP and having to adapt to a new one, the CDP being too dominant, having business plans imposed on them which do not work, having training imposed on them which they had not requested and having decisions imposed on them.

Only three of the projects mentioned recent support from their local **municipality** which indicates a very low involvement. The information from the evaluation suggests that projects are not receiving adequate support overall. In particular, the role of the municipality in driving integrated development planning and guiding implementation and co-ordination is inadequate. The inability of municipalities to play the role required from them is a key weakness in the development system at present.

Policy shifts at higher levels drove the **key changes at nodal level** in the period between the two evaluations. Most significantly, DSD's emphasis on social development rather than welfare and the associated separation of the South African Social Security Agency (SASSA) marked the start of a re-orientation of activities at nodal level. A number of nodes reported improvements in services, although others had cuts in services or challenges in delivering services as required. There were at least a few cases of improvements in integration and internal systems. Decentralisation of control over some decisions and finances to nodal level also opened up the possibility of more efficient delivery of services. There was a shift in DSD's emphasis in some nodes. Staff conditions and satisfaction remained a challenge in some nodes, but there were improvements over the previous year, especially once the transition to SASSA worked its way out of the system.

Vacancy rates were high and the percentage of **vacant posts** in districts varied between 20% (Central Karoo) and 83% (Alfred Nzo) and averaged 45%. Many social worker posts and administrative clerk posts were vacant. This had a negative impact on service delivery. In some places, there was an improvement in staffing levels. However, there was also a sense that the number of posts is inadequate for the scale of the job. Many more people are required for DSD to carry out its mandate of social development. Staff shortages meant that existing staff were overworked, leading to undue pressure and stress. High staff turnover is both a cause of and a consequence of the work environment, and makes it difficult to carry processes forward, resulting in loss of morale. Key skills and institutional memory are also lost as a result.

Key project-level issues included lack of financial and project management skills; lack of understanding of business and marketing, weak internal systems; a need for more appropriate and tailored capacity development and training; major problems with the business plan approach; general underfunding of development; challenges around entitlement and dependency on government; and lack of appropriate hands-on support, with implications for clarity as to the role and responsibilities of community development practitioners (CDPs).

Key issues relating DSD's services included poor internal co-ordination and communication, especially between spheres; lack of integrated service delivery in the nodes in general; poor working conditions and lack of resources for staff to do their jobs properly; continuing confusion about the relationship between welfare and development; very weak monitoring and evaluation (M&E) and reflection systems to allow for learning from practice; and the uneven and often poor quality of services and facilities being offered to the public.

A key issue that emerged was the conflation of two very different types of projects: **income-generating projects** and **service organisations**. Service organisations extend DSD's reach into the community and care for the traditional clients of DSD. They perform an essential service and are not profit-making organisations. On the other hand, members of income-generating projects are assisted to set up their own micro business and should be able to pay themselves out of their profits. Strategies for these have to be different, but they are treated the same, and income-generating projects are encouraged to establish themselves as not-for-profit organisations, a contradiction.

Recommendations are that **DSD should stop seeing itself as the driver of income-generating projects where it has limited competence, and at the same time massively increase its support for the creation and maintenance of community-based service organisations in social welfare and social development.** The second evaluation can do no more than reiterate the importance of DSD shifting from trying to run income-generating projects to making a broader intervention across government to ensure positive social impacts of government interventions.

In this approach, DSD's **core functions** would be twofold:

- i) assess development activities, and develop and support interventions that ensure **positive social impacts**, together with partners in civil society and other government departments;
- ii) support the **massification of DSD services** through building and providing ongoing support to community-based organisations that implement DSD's services. This would have a major impact on livelihoods, both through increased service provision, but also potentially through more widespread stipends if a community-based model is used as in home and community-based care (HCBC).

This in turn suggests a different role for DSD staff, a role that emphasises **process facilitation**, not project management. They would help to facilitate communities planning and taking forward their own development, and could become key facilitators partnering with municipalities in community-based planning, a system being promoted by dplg.

The home-based care model provides a **practical model of government-civil society co-operation** that has potential for far wider replication across the development sector. The model provides for the direct participation of communities in their own development, while retaining a clear role for government. The massification of the delivery system and the centrality of partnerships in the model are critical to improved service delivery.

DSD's involvement in income-generating projects should be reduced to **identifying and making interventions related to the social impacts of the projects**, working hand-in-hand with other departments that lead each project intervention. DSD staff would not perform these tasks on their own, but would work with project members, others in the community and service providers both to carry out the tasks and to develop capacity at project and community level to continue with this after a clearly defined period. This does also highlight a problem – that **there is a lack of community level**

structures to support income-generating projects. Models of farmer extensionists and community animal health workers have been seen to work in countries such as Lesotho and Kenya, where existing farmers are trained to support other farmers, as in the HCBC model. However there is as yet no such model for community-based business advisors – and the Small Enterprise Development Agency (SEDA) does not reach to communities. This is a service gap which needs to be explored if there is to be massification of income generation, but DSD is not the right organisation to lead this for the reasons outlined above. DSD however can play a role in championing in government that such a service needs to be provided if the dependency on social grants for income is to be overcome.

The role of the **CDPs** in relation to both core functions of DSD (social impact assessment and support to community-based social service organisations) needs to be clarified. CDPs will require training in process facilitation, as well as the opportunities to practice these skills, e.g. in community-based planning.

Integration and co-ordination of service delivery remains very weak. The municipality is the key structure in integration and co-ordination at local level yet is not playing this role. DSD can provide support by developing capacity in the municipalities around the social impacts of development interventions.

Policy making should take into account the **perspective of all levels of government**. Local offices should be obliged to develop partnerships with civil society, other government departments and other relevant actors to develop plans.

Management structures need to encourage a culture of **reflection, learning**, analysis and action planning on all levels and should commit to regular structured reflection sessions.

Community organisation is key to building community-driven development processes, and DSD should root itself in community structures. To scale up the roll-out of community-based services and build capacity of community structures to take forward their own development will need **widespread capacity-building and organisational development of civil society organisations (CSOs)**, such as HCBC groups, ward committees, farmer groups, youth groups and faith-based organisations. **The mandate of DSD's non-profit section has been extended to include capacity-building and not just registration and a suitable model for massification of capacity building is needed.**

1 INTRODUCTION

1.1 Background to the Integrated Sustainable Rural Development Programme nodes

The Integrated Sustainable Rural Development Programme (ISRDP) was launched in 2001 to focus attention on 13 rural nodes identified as areas facing extreme poverty¹. These nodes were selected because of the deep poverty in which many of their citizens live. In 2006 the Department of Social Development (DSD) commissioned quantitative and qualitative studies to evaluate the department's performance in the URP nodes and in the eight related Urban Renewal Programme (URP) nodes.

High rates of unemployment characterise the ISRDP nodes². The average rate of unemployment³ in the nodes stood at 74% in 2008, down from 79% in 2006. Two-thirds of these people were out of work for four or more years, indicating a structural problem of unemployment. Fifty-seven percent of households were headed by a female in 2008. Forty-eight percent of households had children in them who were not children of the head of the household. Nine percent of households were looking after orphans. Nearly two-thirds (65%) of households in the rural nodes accessed child support grants in 2008. Government grants (including pensions) were by far the most important source of income for households in the nodes, followed by income from work.

Respondents indicated a decline in service quality for water, electricity, affordable housing, roads, education, water-borne sewage and refuse removal. Slight improvements were indicated for security and health care. A high proportion of rural residents had no access to some services at all, in particular water-borne sewage, refuse removal and affordable housing. Unhappiness with water quality appeared to be growing. There was a sharp increase in the percentage of people saying they found it difficult to pay for their food needs (from 61% in 2006 to 71% in 2008). Knowledge about the food parcel programme dropped from 20% to 7% over the same period. Fourteen percent of respondents felt that no sphere of government was doing anything to improve their quality of life. HIV and AIDS and alcohol abuse remained the top health concerns for residents of the rural nodes. Although home-based care (HBC) is very important, just 3% of households were accessing it in 2008, and 3% were able to provide HBC to others (combined with URP result).

Churches and burial societies remained the most important organisational forms in the rural nodes. Crime, unemployment and HIV and AIDS were the primary concerns for rural residents in 2008. A significant minority of people saw a job as the first solution to poverty. Of all the rural nodes, Umzinyathi and Zululand appeared to be doing worst across a range of poverty-related indices, and Central Karoo the best.

1.2 Key issues from the first evaluation

Table 1 below highlights key issues that came from the first evaluation in 2006. Of concern is that lack of co-ordination and integration was top of the list, being mentioned in 8 of the rural nodes as a priority issue, despite being the whole point of the ISRDP. Lack of staff and resources, problems with business plans and the need for an expansion of DSD interventions also featured strongly. All of these concerns reappeared in the second evaluation, as this report later indicates.

¹ The nodes are Alfred Nzo, Chris Hani, OR Tambo and Ukhahlamba (all Eastern Cape), Bohlabela (subsequently split into Maruleng in Limpopo and Bohlabela in Mpumalanga), Sekhukhune (Limpopo), Central Karoo (Western Cape), Kgalagadi (Northern Cape, formerly North West), Maluti-a-Phofung (Free State), Ugu, Umkhanyakude, Umzinyathi and Zululand (all KwaZulu-Natal).

² Information in the following paragraphs in this section was obtained from Strategy and Tactics 2008 'ISRDP/URP 2006 baseline/2008 measurement survey', Strategy and Tactics, Johannesburg. This report was part of the quantitative survey accompaniment to the qualitative research carried out by Khanya-aicdd comparing data from the 2006 baseline and a follow-up survey in 2008. The surveys were both statistically sound and are a reliable indicator of conditions across the nodes.

³ Unemployment as a proportion of the economically active population, excluding pensioners, full-time students, those on disability grants and other similar categories

Table 1: Key issues from the first evaluation

Group	Issue	Mentioned in node
Co-ordination and integration	Working in silos and lack of co-ordination, integration and communication (within DSD, between departments, with local government and with service providers)	Alfred Nzo, Central Karoo, Maluti, OR Tambo, Ugu, Umkhanyakude, Umzinyathi, Zululand
DSD services	Lack of strategic direction	Maluti
	Lack of staff and resources	Kgalagadi, Maluti, OR Tambo, Sekhukhune, Umzinyathi, Zululand
	More social development interventions needed	Bohlabela, Central Karoo, Umzinyathi, Zululand
	Lack of M&E and learning systems	Alfred Nzo, Central Karoo, Kgalagadi
	Community development practitioners (CDPs) being held responsible but lacking authority	Sekhukhune, Ukhahlamba
	Lack of technical support and skills development	Kgalagadi, OR Tambo
Approach to projects	Business plans (lack of participation, inappropriate approach)	Chris Hani, Sekhukhune, Ukhahlamba, Umkhanyakude
	Problems with project selection criteria	OR Tambo, Sekhukhune
	Lack of sense of ownership by members	Bohlabela, Central Karoo
	Project management issues (training, poor organisational and financial management, guidelines needed)	Alfred Nzo, Bohlabela, Ukhahlamba
	Mistrust between project members and DSD	Chris Hani
	Need for exit strategies	Alfred Nzo, Ukhahlamba
	Problems with service providers	Kgalagadi, Ukhahlamba
	Project networks	Alfred Nzo
Strengthening support for economic projects	More work needed on markets and market research	Alfred Nzo, Kgalagadi, Ukhahlamba
	Low production, limited or no benefits	Bohlabela, Kgalagadi
General	High dependency on grants	Central Karoo, Umkhanyakude

1.3 Background to the second evaluation

In 2006, qualitative baseline research into DSD's services and activities was held in each of the ISRDP and URP nodes. The baseline provided a description of the livelihood profiles of residents in the nodes and information about DSD services and projects and it identified service delivery gaps. A focus on DSD poverty relief programme (PRP) projects provided information from the point of view of project beneficiaries and nodal DSD staff.

Following the baseline research, researchers facilitated a process with nodal DSD officials to prioritise the issues emerging from the baseline, and to develop an action plan to respond to these priorities. The researchers then facilitated a support process to carry out the action plan based on the identified priorities. This process continued throughout 2007 with five visits by the researcher/facilitator in this period.

1.4 Objectives and methodology

The objectives of the second evaluation were to update information on the functioning of DSD-supported projects, and to identify whether and how issues that were raised during the first baseline research were dealt with: what has changed since the first evaluation; what impacts were there on project beneficiaries; what had worked and hadn't worked; had issues that arose in the first evaluation been dealt with and were there new issues? The evaluation also sought to identify changes to DSD services in the node since the first evaluation: what changes were there in services and projects; what changes in staffing levels; and what were the reasons for the changes and their impacts? Finally, the second evaluation sought to identify emerging issues and to assist in planning a way forward for the node based on these issues.

Researchers worked with DSD nodal staff to identify three projects in each node for the second evaluation. The projects were selected from a list of those that were previously evaluated and the aim was to select projects of varying success to enable some indication of the criteria for success or failure of projects. Researchers did some methodology training in January 2008 and carried out fieldwork for two weeks between February and May (the latter in places where there were some difficulties in finding appropriate times to do the evaluations). DSD nodal staff provided updated information on projects and services based on information from the first evaluation prior to the individual project evaluations. Where required, researchers carried out preparatory interviews and made logistical arrangements with the DSD nodal manager or another appropriate staff member. In most cases a community liaison officer (CLO) /community development practitioner (CDP) accompanied the researchers to the projects and assisted with the evaluations. Key themes were consolidated and presented to a workshop of DSD nodal staff, to which DSD provincial staff members were also invited. Other relevant stakeholders, including other government departments and service providers, where applicable, were invited to these workshops.

2 UPDATE ON PROJECTS

2.1 Types of projects visited

Forty-one projects from the 13 nodes were evaluated in the second round and the full list of these is in Table 3. Twenty-eight of these (68%), were income generating projects i.e. they existed to sell a product or service at a profit to generate an income for the project members. Thirteen (32%) existed to provide a free service to the community such as caring for orphans and vulnerable children (OVC). Table 2 shows the types of activities the projects were engaged in, with the income generation projects listed in the left column and the community service projects listed on the right. Almost all projects were involved in more than one type of activity so are recorded more than once. The most common activity was farming with **half of all projects involved in some form of farming enterprise** as a primary or secondary activity.

Table 2: Project activities

Income generation	No of projects	Social service	No of projects
Food gardening/vegetable growing/ crops/plant nursery	21	Running a creche	5
Poultry	13	Home and community-based care	5
Sewing	8	Caring for orphans and vulnerable children	3
Handicrafts	8	Soup kitchen	2
Bakery	4	Skills training	2
Goats, pigs or sheep	5	Elderly supporting and mentoring young children	1
Stokvel	2	Support for abused women and children	1
Financial services (village bank)	1	Awareness raising re HIV and AIDS	1
Coffin making, funeral services	1		
Furniture making	1		
Block making (for construction)	1		
Photocopying service	1		

Most projects were engaged in **more than one activity** e.g. Tswelopele Pitso community project in Alfred Nzo was involved in pig farming, poultry, vegetable gardening, baking and sewing. The income generation projects had sometimes diversified into other activities in an attempt to find something more profitable or because of coming up against a constraint. For example, Tsolobeng Rainbow Programme in Ukhahlamba tried vegetable growing which suffered as the soil was water-logged clay (though they will try again next season on a new site), pigs which they could not rear profitably, chickens which all died from an unknown cause, and, finally, they tried making Sta-soft fabric softener which they were selling at a good profit. Sometimes projects diversified opportunistically because they were offered resources such as chickens or seeds by the Department of Agriculture (DoA). With the projects providing a community service, sometimes an additional activity was added with the aim of

providing an income to fund the services it provides. Many projects, for instance, started food gardens as a secondary activity.

It was common that projects started with a large number of **members** but then the numbers dropped e.g. Alpha Osborne in Alfred Nzo started with 42 members but the number went down to 15. Khanyisile Bullhoek Programme in Chris Hani started with 50 but declined to 26. The numbers usually reduced to a core membership which remained stable. Reasons commonly recorded for people leaving were:

- no stipends/no income;
- a particular group is dominant and those on the periphery feel excluded and leave;
- feel discouraged by lack of management and lack of progress;
- lack of transparency/suspected mismanagement of money;
- found employment elsewhere.

Sometimes projects drew in new members. In some cases, government put pressure on groups to accept new members to access more funding. New members joining could be beneficial, e.g. Wonkumntu Development Project in OR Tambo reported that younger members joining had brought new ideas for designs and they had even won a design award. New members sometimes also provided more energy and motivation. In other cases, tensions arose between newer and older members, especially if there was a generation gap. Sometimes newer members felt that older members wanted to keep control and keep the newer members on the periphery. In other cases, there was a problem of newer members not having had the training that the original group received (Aganang Support Group in Kgalagadi, YOFA in Maluti-a-Phofung).

There was only one project for people with disabilities, in Sekhukhune. Five of the 41 projects were all women, and the remainder were mixed. Some projects started out with restricted membership e.g. just women or just older women but then the membership broadened. Projects with older women expressed the wish to include younger women as they felt they were better able to carry out project management tasks such as book keeping. Sicambeni HIV and AIDS project (OR Tambo) started out intending to only have people with HIV and AIDS as members but subsequently relaxed this restriction.

In terms of **income** for project members, the Department of Trade and Industry (DTI) were paying salaries to staff members of the Financial Service Co-operative, the village bank in Ugu. The social service projects generally received stipends from DSD or the Department of Health (DoH) of up to R1,000 a month. However, few of the income generation projects had reached a stage where they could afford to pay a reasonable wage to members. Some projects only took income once a year. Where projects did pay stipends, figures were rarely given but where they were, the amounts were small – in the range of R100 to R300 a month. One project in Kgalagadi paid all its members R160 a month. This amounted to a monthly wage bill of R1,920. However, this was more than four times the income generated from the vegetable gardening business, meaning the project was draining its funding from DSD and hence financially unsustainable in those conditions. There was pressure on projects to pay monthly stipends to members and volunteers and lack of stipends or lack of income was the main reason given why members withdrew from projects. Members' comments (summarised in section 2.2) indicated that even the smallest stipend had a significant impact on their lives.

2.2 Events and changes since the first evaluation

Some of the projects reported positive changes since the first evaluation. The changes can be clustered as follows:

- **Financial improvements:** eight projects reported receiving grants, four increased production or sales, and two reported obtaining a loan;
- **Additional inputs** for projects: six had materials or equipment donated to them, six bought or built additional assets themselves, one got an electricity supply, and one adopted a uniform for identification;

- **Training and skills development:** seven projects received formal training, two improved their book-keeping, a member in one project got a driver's licence. The types of training received included agricultural management, agricultural technical skills, book-keeping, quality assurance, sewing and childcare;
- **Improved access to markets:** two increased the number of clients, two won contracts with major clients – a factory, a municipality and hospital, and one sold to buyers from outside their community for the first time;
- **Improved support and interaction with others:** two improved their networking with other welfare agencies, two got legal registration as co-operatives, one went on a study visit to another project, one formed a consortium with other sewing projects, and one got veterinary support).
- Three had an **improved staffing situation** and two got a **site for their project**;
- A quarter of the projects reported **increased skills, confidence, happiness or motivation** as a result of a sense of progress through increased outputs, because of receiving support in the form of funding or training, or because of recognition by others through an award or a visit from a VIP.

On the negative side, **theft** was a big threat. Twelve projects (29%) reported acts of theft or vandalism since the last evaluation. All three Sekhukhune projects had theft as a major concern. Items stolen included fence posts, roofing sheets, machinery, live chickens, tools, cash, food, furniture and even a toilet and entire electricity box! Fences were repeatedly broken and did not provide sufficient protection so members had to resort either to sleeping at the site themselves or employing someone to stay on the site at a cost to the project. Organisations which were sharing premises noted that they felt the project's possessions were vulnerable as a result. Crime was a challenge for the women-only projects as women were unwilling to sleep alone at the project site. None of the projects were positive about the response of the police. The quantitative research in the nodes identified crime as one of the dominant problems (Strategy and Tactics, 2008). Dealing with crime is therefore important in creating a supportive environment for productive activity even amongst very poor people. This speaks directly to integration of police services with activities other departments are supporting.

Nine projects (22%) cited **lack of water** as a problem for their project either for farming or for centres such as crèches where lack of water is a health hazard. All the Bohlabela and Alfred Nzo projects had water access problems. In Bohlabela, large areas of the community seemed to be affected. Problems with boreholes, water tanks, pumps or irrigation systems were described and seemed to be long-standing problems not easily solved. One of the Bohlabela projects had their tank and pump stolen. One project was paying R150 a week to have a bakkie come and fill their tank, while others used wheelbarrows to carry water from taps or streams some distance away. These results confirm the quantitative research which found that one in eight ISRDp respondents still fetch their water from streams, and one in five from streams, tanks, dams or have it trucked in (Strategy and Tactics, 2008).

Heavy rain and hail damage caused **loss of crops** or vegetables to three projects. Six of 13 chicken-rearing projects reported major **chicken losses** from illness, in transit or from a storm. Sekhukhune Project for the disabled lost 2,500 chickens from bird flu. Systematic technical support from DoA and service providers is required if these projects are to succeed. This basic kind of integration is vital for the success of projects. Supply of day old chicks to broiler projects is an ongoing national problem which affected three of the evaluated projects. This affected their ability to ensure a constant supply of chickens to the market.

Eight projects reported that their **machinery was inadequate or needed repair**. The machinery included ovens, sewing machines, water pumps, a tractor, a maize milling machine and printing machines. One project admitted not servicing their tractor which, when it broke down in 2007, cost R9,000 to repair. Transporting machinery from rural areas to service centres or calling out repair specialists can be extremely costly and can easily wipe out a year's profit. Projects in rural areas need high quality, industrial grade equipment which will give long and trouble free service. There also needs to be strategising around maintenance such as grants to train local people in basic maintenance of equipment commonly found in rural areas. The quantitative research reported that just 2% of

respondents in the ISRDP nodes had skills in repairing machines or vehicles. The issue of maintenance, and the ability of people at project level to maintain equipment, remains a critical issue for project sustainability.

Some projects mentioned that they had **lost members**. Six projects had lost trained, capable volunteers who obtained paid employment elsewhere. Six projects mentioned losing members because of illness or death. Two projects noted that members disappear when piece work is offered in the area, with the effect that they rarely all work at the same time. This affected production as weeding was not done at a crucial time. This indicates that the need to earn money in the short-term can drain energy from a project and reduce its productivity. Two projects mentioned the problem that new members who replace those who leave do not have the same level of training, threatening the quality of production or service delivery in the project.

Four projects reported **internal conflict** as a challenge. Three reported misappropriation of funds and others mentioned suspected misappropriation of funds causing disillusionment. One reported fraud by an intermediary who took R17,000 to the IDT for delivery of day old chicks but the chicks were never delivered and the intermediary could not be located. One project reported that an audit of their organisation was arranged for which they were billed R13,000 when they had no idea that such costs would be incurred. Three projects said that **management and book-keeping** was a struggle for them and that their record keeping was poor.

Lesedi Arts and Cultural Centre in Maluti was one of the few successful dual purpose projects in which older members of the community were encouraged to get involved with children for the benefit of both. Members of this project derived enormous satisfaction from running a crèche for children and making uniforms for them but the project is now without funding. DSD invested in the members to give them high quality training in educare. It seems that the members did not have the skills to fundraise. **If there is no long-term plan to support successful social projects then one must ask the question why the investment is being made in the short-term.**

Earlier it was noted that many projects were involved in multiple activities. Success seems to be equated with expansion rather than with making a profit. An example of this is Alpha Osborne in Alfred Nzo. The members were involved in market gardening, sheep and goats. They wanted a tractor in their first evaluation. By the second evaluation DSD had donated them a tractor, but now their aspiration was to get into poultry farming which does not use their existing asset and requires donation of additional physical assets. YOFCFA, a coffin making project in Maluti, expanded into offering full funeral services. Questions arose in both cases as to whether the decisions had a strategic basis.

2.3 Participants' perception of the impact of the projects

Despite observations which suggest that many projects did not achieve their objectives, project members themselves reported many positive impacts on their lives as a result of participating in projects. The impacts are inter-connected but can be broadly categorised as **material or social impacts**. Material impacts included:

- **Learning** new things and gaining skills including in teamwork, finances, and in productive skills like baking;
- **Income** or stipends received/money at the end of the year;
- **Savings** that allowed for participation in stokvels and other community systems;
- Improved **nutrition**.

Social, emotional and spiritual impacts included:

- A sense of **pride**, status and/or respect from family and community;
- A peer **support group** and friendship, safety, and a greater ability to have relationships with others;
- Members kept **busy**, productive and focused;

- **Networking** with other organisations;
- Greater **awareness** of community issues.

The important personal, psychological and social benefits from participating in projects cannot be underestimated. However, a proper cost-benefit analysis should be done because **it is quite possible that using the same resources as were used in supporting these projects could be used to realise better outcomes for many more people.**

Very few projects talked of negative **impacts**. Perhaps the word ‘impact’ is understood to mean positive impact rather than any type of impact. Other comments related to lack of support, insufficient income, limited impact on the lives of members, and concerns about financial mismanagement or irregularities.

When members were asked to talk about the impact the projects had on **secondary beneficiaries** such as their family, they expressed their pleasure at bringing home food to feed the family or having cash to meet their family’s needs for food, school fees, school stationery and uniforms. They reported greater happiness in the home, improved nutrition, health and stability. One person commented that there was greater harmony in the home of people involved in projects because “families are in the project so there is no time for petty issues”.

Some said as members of the projects they were role models for their children in showing care for others in need. Some said they could pass on skills and knowledge to their children. Comments made were: “My family does not believe myths surrounding HIV and AIDS any more”; “I can sit and talk to my kids about sex”. Other members commented that it was good that their children see them engaged in something productive and their children are proud of what they are doing. Some projects provided support when a family member of one of the project members had a funeral. A gardening project said that project members were making gardens at home with their families. There was very little reporting of negative impact on secondary beneficiaries. It is surprising that no-one said anything about the time spent on project business taking away time that could be spent with the family. The one negative comment was: “Families of project members do not value the project’s opportunities: at the moment there is little the families feel they benefit from”.

Benefits to the wider community centred on the products and services the projects offer to the community such as cheap, locally available farm produce, baked products, school jerseys, tracksuits, banking services and a local photocopying facility, to give some examples. As most of the projects are in rural areas, having services locally available can save transport costs for community members. They also sold products on credit to trusted customers such as senior citizens. Other projects cared for the bedridden, for orphans, AIDS patients or young children. To quote from Aganang support group, a home-based care (HBC) organisation in Kgalagadi: “Patients receive care, love and compassion, have somebody to talk to, who listens with empathy and understanding. They get clothes and blankets through the project. They learn how to deal with their illness and get medication when they can’t get to the clinic any more”. Families of patients also got support with sick relatives or help in accessing welfare grants. Lesedi Arts and Crafts in Maluti reported that the project was able to provide a safe crèche, services like school uniforms and to feed the children.

Other benefits were employment opportunities created by the project when they needed to employ drivers, caretakers or casual labour. There was a benefit to service providers and suppliers who got their custom. These were mentioned though many of the suppliers are from outside the immediate community. Other benefits mentioned were greater community awareness and understanding. Philani Drop-in Centre in Umzinyathi said that they taught the community about social grants and life skills. Sekhukhune Project for the Disabled felt that they were changing attitudes towards disabled people and also assisting other disabled people who were not involved in the project. Some of the projects model social responsibility as they work voluntarily for the community or donate items such as school uniforms for OVCs.

2.4 Status of the projects

Projects were requested to rate their status in terms of the ‘green’, ‘orange’ or ‘red’ classifications used in the Reid research and to motivate the decision. Table 3 shows the change in these self-ratings between the two evaluations. Note that green is represented as the darkest, orange as mid tone and red as white. A dash means not done.

Table 3: Projects’ assessment of their status (2006 and 2008)

Node	Project name	Main activities	Status using REID’s classification	
			2006	2008
Alfred Nzo	Alpha Osborne community project	Market gardening, sheep and goats	G	O
	Tswelopele Pitso community project	Egg production and gardening. Bakery	O	G
	Natala women’s co-operative	Bakery; poultry	O	G
Bohlabela	Islington educare centre of the aged	Running a crèche; vegetable gardening	-	O
	Lehlabile bakery	Baking and running a crèche.	-	O
	Twananani project of the aged	Sewing and running a crèche	-	O
	Nwakhwidyana piggery	Pig rearing	-	G.
Central Karoo	Badisa	Soup kitchen, skills training, assistance with social grants.	G	G
	Khululeka	Food and support for OVCs and home-based care for elderly.	G	G
	Zanokhanyo	Skills training for unemployed youth.	O	O
Chris Hani	Dordrecht programme for the elderly	Women’s sewing project	O	G
	Ezibeleni one-stop shop centre	Support for abused women and children	G	G
	Khanyisile Bullhoek programme	Multi-purpose centre with bakery, sewing and gardening	-	G
Kgalagadi	Aganang support group	HBC	-	G
	Itekeng garden project	Vegetable growing	-	O
	Bankhara Bodulong dual purpose centre	Elderly supporting and mentoring young children; sewing.	-	R
Maluti-a-Phofung	Tsheseng women’s flagship project	Bakery and sewing	-	G
	Sehlajaneng Woodwork	Furniture making	-	G
	YOFCFA	Coffin making and burial services	-	G
	Lesedi arts and cultural centre	Crèche and arts and crafts centre	-	G
OR Tambo	Ngquqha development project	Farming with poultry and crops-mealies	G	G
	Wonkumntu development project	Vegetable production, poultry and crafts	-	O
	Masiphilisane project for the aged	Vegetable production, poultry and crafts	-	O
	Sicambeni HIV and AIDS project	Vegetable production and poultry farming	-	R
Sekhukhune	Tlou ya Mamphela project	Make handiwork and cultivate vegetables	-	O
	Sekhukhune project of the disabled	Poultry and gardening.	O	G
	Civil Society development initiatives	Looking after bedridden and orphans	G	G
Ugu	Young Entrepreneurs Co-operative	Poultry farming	O	R
	Financial Service Co-operative	Village bank	-	G

Node	Project name	Main activities	Status using REID's classification	
			2006	2008
	Thobekani Pumza sewing and block making project	Block – making; crèche.	G	G
Ukhahlamba	Kuyasa community centre	Mats, beadwork, vegetable garden, chickens.	G	O
	Bensonvale development foundation	Maize, nursery for vegetables.	G	O
	Tsolobeng rainbow programme	Vegetable garden, pigs, chickens. Sta-soft production.	G	O
Umkhanyakude	Thembaletu co-op	Chicken project, vegetable garden and sewing	-	O
	Thembalesizwe drop-in centre	Food and support for OVC	-	O
	Hlabisa rural development organisation	Poultry project and vegetable garden	-	R
Umzinyathi	Asibemunye women's club	Sewing; badge embroidery; photocopying services; stokvel	-	G
	Philani drop-in centre	HBC, distribution of condoms, food parcel distribution, candle making, gardening, child care provision; advocacy in schools	-	G
Zululand	Bambanani food production project	Food gardening, poultry, piggery and goats	-	O
	Nqobuzulu crèche and aged project	Gardening, beadwork, sewing and running a crèche.	-	O
	Tholukukhanya development projects	Gardening, HBC, soup kitchen.	-	-

Twenty projects, half the total, rated themselves as green, seventeen rated themselves orange and four rated themselves red or no longer functioning. Nevertheless, even projects which rated themselves green showed considerable vulnerabilities. Although not all the projects received a rating in the first evaluation, of those that did, the rating of 31% went down, and the rating of 25% went up. 44% stayed as they were, although of these all of them, but one, were already rated green. Overall this gives a fairly positive picture from participants although, given the generalised problems and challenges highlighted elsewhere in this report, it is quite possible that project members are indicating their appreciation for support received more than considering the projects to be well-functioning and sustainable. The Natala Women's Co-operative in Alfred Nzo illustrates the challenges to sustainability for a project that nevertheless rated itself green:

“The project was rated green by the group. The group has been good at egg production and market gardening. They have gone through three years of chicken production. The minimum income has been R28,000 per year. They have not however been able to save any money. Poor management of business for profit is still a problem. Input costs of sales are not catered for in their business operations. They do not budget and they do not see their project as a business for profit. Chickens are being fed well beyond the market-ready stage so eating the profits. They have recently borrowed to finance chicken feed and new stock of chicks. Members saw their project as green because they are able to produce. They borrowed money from Uvimba which is giving them a wake up call as they have started paying back at R900 per month. They now see the need to make money so they can pay back the loan.” (Alfred Nzo nodal report)

The discussion illustrates how much learning is going on in projects but also all the complexities of running a business. It also illustrates a common threat observed in many projects which is poor financial planning and failure to see the need to build up capital reserves for future expenditure. This

means that when the money from DSD is spent, the project has no capital reserves for new inputs or to expand infrastructure. While projects have a large amount of money in the bank the pressure to do the calculations to see that the enterprise is running at a profit is not there. Most of the projects need a sustained period of hands-on mentoring to develop that kind of business mindset.

Strong bonds between members, determination and continued hope and pleasure in the work were factors that affected project status classification as much as economic factors. For instance, Lesedi Arts and Cultural Centre in Maluti rated their programme green even though they have run out of funding and are unable to generate enough income from selling crafts to keep their crèche going. The project members feel that the project has had a huge positive influence in their lives and appear to have a charismatic and respected leader. Lehlabile Bakery in Bohlabela rated their project as orange because, although their income was low and they were not meeting their obligations, they “will not give up”.

Reasons why a project would classify itself as red, orange or green reflect the same comments made in 2.1 and 2.2. Criteria for a positive status would be that the project is currently receiving funding or training or is producing or trading (even if not making a real profit), while negative status would be that funding is running out, lack of resources, weak management and loss of resources through theft, debt or inability to make a profit.

2.5 Assessment: what worked and what didn't work

As part of the evaluation, projects were asked what worked well and didn't work well in the period since the first evaluation and what role DSD or any other service provider had played in helping them overcome challenges facing them. Participants highlighted the following as key areas where things had improved since the first evaluation: improved production and/or income; receipt of inputs and training; institutional improvements (including registering the project, employing a project manager, paying stipends to caregivers and a faster requisition process as a result of decentralisation); improved discipline and commitment of members; and better networking.

Participants highlighted the following as things that have not worked since the first evaluation: poor management skills and mismanagement of resources; lack of money and necessary inputs (such as electricity, appropriate workspace); loss of markets; poor planning (including crop planning and marketing); inappropriate or difficult training; theft; and internal conflict. **Only one of the nine projects that reported water problems reported progress with solving their problems in the period between the two evaluations.** Overall, a high proportion of issues were not resolved in the period between the two evaluations.

The relationship between **service providers** and projects remained weak in the second evaluation. When donors organised services, projects commonly failed to get a copy of the receipt, guarantees and other paperwork. When a problem arose they were unable to take control of the situation. One project in Alfred Nzo reported that the municipality had organised for a borehole to be sunk for their project in 2005. When the borehole didn't work, the project went back to the municipality. However, no records could be found of the work done or of the service provider, and the person at the municipality who had arranged the work had left. They were still waiting for the municipality to sort out the problem three years later. Also in 2005, the DoA put in a solar water pump system for the same project to pump water from the river, but the installation was never completed.

Some projects reported that **DSD** had given funding or training, but the participants did not make comments about the relationship. 12 other projects were positive about DSD's role. To quote Ngquqha, a farming project: “*DSD's role is much appreciated because the group could not have achieved what it has without DSD's help. Knowing that someone out there does care and appreciate what we are doing encourages us more*”. The members also said that constant monitoring from DSD kept them on their toes. Members of Wonkumntu in OR Tambo said “*DSD are the only people who come whenever we need them and they even organise technical advice where necessary*”. In Bohlabela the Department of Health and Social Services (DHSS) employed CLOs and all three projects said they received support from the CLOs who helped with writing business plans and with NPO registration.

Ten projects expressed dissatisfaction with DSD. Reasons for dissatisfaction included lack of assistance, lack of communication and responsiveness, not being informed when the CDP leaves, losing the CDP and having to adapt to a new one, the CDP being too dominant, having business plans imposed on them which do not work, having training imposed on them which they had not requested and having decisions imposed on them. DSD was seen to be slower and more bureaucratic than IDT in processing spending requisitions. Some projects indicated that they did not know how to report, what to report and how often to report to DSD, indicating that there was no monitoring plan in place.

Half of the projects (21) received support from at least one organisation other than DSD. Ten mentioned support or management from IDT and in some provinces DSD outsourced project management to IDT. Some projects expressed appreciation for their work and while in other areas there was criticism.

Seven projects received support from the DoA at some point since the last evaluation in the form of donations (for example, a tractor, seeds and chickens) training, advice or veterinary services. Three of the seven projects were in Alfred Nzo where it appears the DoA was very active. However, all three had water problems which limited their activities. Six other projects raised the issue of not getting needed technical advice. **Given that half of all the evaluated projects were involved in agriculture, the fact that only a third of them were receiving support from DoA is cause for concern.** Many projects reported loss of livestock or other similar challenges, suggesting that support is inadequate and skills were not adequately transferred.

One organisation was getting funding from the **National Development Agency (NDA)**. Another was also getting NDA funding but it had stopped without any communication or explanation. Two, both in Ugu, were being supported by **Ithala Bank** in the form of grants and loans. Three had received funding or equipment from **Department of Health (DoH)**. Three had received training organised by the **Department of Labour (DoL)** and two from the **Small Enterprise Development Agency (SEDA)**. **Other organisations** each mentioned by one project were: Age in Action, Department of Water Affairs and Forestry (DWAF), the Tourism Board, Department of Arts and Culture, DTI, the European Union, the Elton John Aids Foundation, the South African Micro-finance Apex Fund, Vulindlela Development Finance Consultants, the National Association of Child Care Workers, Mala Development Agency, Jabulani and Ntsoanatsatsi (educare training), Itemoheleng and Boithusong (training for the coffin makers/funeral services).

Only three of the projects mentioned recent support from their local **municipality** which indicates a very low involvement. However, some projects were using municipality buildings as a base to operate from. One project indicated that the municipality building they were housed in was not well maintained or secure. Only one project mentioned support from their local councillor. **Local government is not playing its key role of co-ordinating, supporting and monitoring local level initiatives.** The inability of municipalities to play the role required from them is a key weakness in the development system at present.

The information from the evaluation suggests that **projects are not receiving adequate support overall.** In particular, the role of the municipality in driving integrated development planning and guiding implementation and co-ordination is inadequate. Municipalities have a key role to play but this is not being carried out effectively. An integrated and co-ordinated approach especially with DoA on agricultural and food production projects is essential yet is only being delivered in a third of the relevant projects. DSD is setting up projects that require support from other actors but this support is not forthcoming. **From the point of view of projects, role clarification and co-ordination between DSD, technical service providers and the municipalities as drivers of co-ordination and local development is a priority.** This is of great concern given that the point of setting up the ISRDP and URP in the first place was to improve integration and co-ordination. It is not being given the attention it requires.

3 CHANGES IN THE NODES SINCE THE FIRST EVALUATION

3.1 Changes to DSD services and projects

Table 4 indicates changes to DSD services and projects since the first evaluation. The district that reported node-specific changes is named in brackets. Policy shifts at higher levels drove the key changes at nodal level in the period between the two evaluations. Most significantly, DSD's emphasis on social development rather than welfare and the associated separation of the South African Social Security Agency (SASSA) from DSD marked the start of a reorientation of activities at nodal level. A number of nodes reported improvements in services, although others had had cuts in services or challenges in delivering services as required. There were at least a few cases of improvements in integration and internal systems. Decentralisation of control over some decisions and finances to nodal level also opened up the possibility of more efficient delivery of services. There was a shift in DSD's emphasis in some nodes. Staff conditions and satisfaction remained a challenge in some nodes, but there were improvements over the previous year, especially once the transition to SASSA worked its way out of the system.

Table 4: Changes in the node since the first evaluation

Description of the change	Why it happened/who or what caused the change	Implications/impact
Macro-level changes likely to have a big impact		
Change from welfare to development focus	Change in policy in DSD national	Greater emphasis on helping communities to help themselves rather than depend on handouts
DSD has been split into two separate entities: SASSA for administration of grants and DSD to manage social development issues	National policy	More efficient administration of grants
Administration of food parcels handed over from DSD to SASSA	National policy – food parcels given to grant applicants.	
Improved services in some nodes...		
Marked increase in HIV and AIDS services (a number of nodes)	Requests from people living with HIV	Response increasing in accordance with increased need
Many new projects initiated in 2007 (Chris Hani, Kgalagadi, Ukhahlamba, Ugu, Umkhanyakude)	DSD policy	
Victim protection unit established (OR Tambo)		
Projects involving the elderly got funding to provide food at their meetings (Alfred Nzo)	National DSD to comply with the law	Improved attendance and productivity
Outreach campaigns by DSD and Home Affairs (Ugu)	Awareness of neglect of deep rural areas	Making services accessible to remote rural areas; increase in uptake of social grants
When SASSA left the DSD structure in 2006/7, there was no funding for social relief. This year, DSD re-introduced relief funding to districts (Chris Hani, Ukhahlamba)	DSD policy	Alleviation for people in crisis or extreme poverty.
Major food parcel programme (Ugu)	Directive of provincial offices in Pietermaritzburg	Hunger alleviation
Increase in those accessing the child support grant (Bohlabela)		
A new NGO is working to educate the youth about drugs (Central Karoo)	Concern about drug abuse in the province	The district will monitor to see if drug abuse declines
...but poorer services in others		
Phasing out of soup kitchens (Kgalagadi)	Change from welfare to development; policy decision at national level	Reduce 'hand out' mentality

Description of the change	Why it happened/who or what caused the change	Implications/impact
Income generation projects will no longer be supported (Umzinyathi)		
Food parcels not being issued by retailer responsible (Zululand)	DSD owes the retail store R37,000. Believe it is SASSA's responsibility to pay.	The retail store is losing money and could go bankrupt. Beneficiaries are suffering.
Projects started in earlier years no longer receiving funding (Chris Hani, Maluti-a-Phofung, Ukhahlamba, Zululand)	In Maluti, there was a change in policy at provincial level away from development projects.	DSD staff lost contact with the projects, had no idea whether they were still functioning or what had happened to the project assets. Significant information on the sustainability of projects in the post-funding era being lost
Funding to employ project members as their project administrator working in clusters came to an end. (Sekhukhune)	The funding was for a limited time period until projects were stronger.	These administrators no longer have a stipend. Projects negatively affected.
The DM was non-functional due to legal political battles for more than six months (Central Karoo)	Political instability in the province	Service delivery hindered
Improved integration, decentralisation and internal DSD systems		
Decentralisation of decision making from provincial to district level <ul style="list-style-type: none"> some project and budget allocation decisions (Alfred Nzo, Central Karoo, Ukhahlamba) establishment of programme management unit in the district (Chris Hani, OR Tambo) 	DSD policy	Will speed up process of project approval and funding Greater district control and co-ordination
Social workers from DSD are now receiving training in the administration of anti-retrovirals (ARVs) from the DoH (Alfred Nzo)	DoH recognised the advantage of involving social workers in the administration of ARVs to reduce default rates	Increase in awareness and in administration of the drug to patients
Services are now more specific to particular clients. Creation of SASSA also helped with this. (O R Tambo)	Rendering services of all kinds from one service point used to create long queues. Research promoted a change in policy.	More efficient systems; DSD's reputation improved.
Greater integration of HBC programmes between DSD and DoH, and between DSD and the police service (Ugu)	Recent high profile crimes led to stakeholders working closely with the police	To reach more people more effectively and efficiently
HCBC centres have evolved into multi-purpose centres (Chris Hani)	DSD policy	Can provide a more integrated service
The role of NPOs recognised; NPOs funded. (OR Tambo)	Provincial instructions	
Relationship between DSD and SASSA clearer than when SASSA was first set up. (OR Tambo)	Roles and responsibilities clarified	Easier for staff
DSD set up a project M&E unit (Central Karoo)	Insufficient monitoring and reflection on DSD's activities	To establish a more structured approach to track project performance
Guidelines & a framework for running projects developed (OR Tambo)	Concern over poor direction and monitoring.	Better direction, clarity over stipends, exit policies etc than in 2006.
Move away from a top-down approach to community consultation (Kgalagadi)	Policy decision	The aim is to increase project ownership and responsibility

Description of the change	Why it happened/who or what caused the change	Implications/impact
A shift in emphasis		
Children who commit minor offences are given a chance to change their behaviour within a home and family environment rather than a place of detention	DSD and other stakeholders who are dealing with children in conflict with the law	Children exposed to a positive environment. Reduced risk of children being influenced by seasoned criminals
Child and Family services replaced by Family and Children services (Kgalagadi)	Change in DSD policy	Emphasis more on the family rather than the individual child
Strong focus on ECD centres (Maluti)		
Greater emphasis on LED and on food security in the district (Ugu)	Campaign spearheaded by the Minister	Create jobs and reduce poverty
Staff conditions and satisfaction remain a challenge...		
Bohlabela became part of Mpumalanga. CLOs felt their conditions of service worsened and there was high turnover of CLOs	Low salary and lack of career-pathing. DSD needs to professionalize and adequately remunerate	CLOs are trained but then leave. Lack of continuity and progress
Staff turnover and shortages (Umzinyathi)	Poor rural areas do not attract staff	Insufficient support to projects
...but bigger budgets, more staff and training for some		
Increase in district budget, improvements in infrastructure and increase in staffing (Kgalagadi, OR Tambo)	In Kgalagadi, due to incorporation of old North-West districts into Kgalagadi	
DSD lost staff with the split into DSD and SASSA. DSD's budget increased again in 2007 so able to increase staff again (OR Tambo, Ukhahlamba)	DSD policy	Staff less stressed; greater impact in the community.
Increased budget to DISS unit (including CLOs) for capacity building of staff (Kgalagadi)	DSD national and provincial policy decision	Expansion and improvement of services
Increased budget, improved infrastructure and staffing (OR Tambo)		Improved morale in DSD
Guidelines and a framework for managing projects developed and followed (OR Tambo)		Greater clarity on how to manage and monitor projects. Better relationships between projects and DSD
CDPs trained before they start their work (OR Tambo)		CDPs have improved capacity
New staffing structure to be instituted (Zululand)		
DSD staff working with projects to have the support of one assistant appointed per project (Umzinyathi)		More effective support to projects

3.2 Changes in staffing levels

Table 5: Present vacancy rate of DSD in the node

Node	Total no. of posts	No. of vacant posts	% vacancy	Comments
Alfred Nzo	172	143	83%	Critical staff shortage. High staff turnover as not a popular place to live due to lack of facilities; staff retention strategy needed. Staff demoralised.
Bohlabela	121	45	37%	Bohlabela became part of Mpumalanga. High turnover of CLOs in the district due to low salary and lack of career-pathing. DSD needs to professionalise

Node	Total no. of posts	No. of vacant posts	% vacancy	Comments
				and adequately remunerate the position of CLO as projects need skilled guidance.
Central Karoo	46	9	20%	DSD has filled critical positions since Sept 2007 and is in the process of filling the remaining vacancies
Chris Hani				Information on staffing not made available. Auxiliary workers and interns appointed which reduced pressure on social workers.
Kgalagadi	143 Corporate: 15 DISS: 21 Social work: 108	84 Corporate: 3 DISS: 3 Social work: 78	59%	Dramatic increases in staff. Before the demarcation changes, Kuruman was a "satellite" service point. Now it has become a full district but staffing is taking time to catch up and, despite increases, there is still a shortage of social workers. However, recruitment is still ongoing.
Maluti-a-Phofung	418	234	56%	Low staff morale; developmental services understaffed.
OR Tambo	723	230	32%	High staff turnover. Not a popular place to live.
Sekhukhune	512	393	77%	High staff turnover. Not a popular place to live. Poor facilities. Incentives needed to retain staff. Poor communication services e.g. internet. Staff demoralised.
Ugu	35	8	23%	4 vacancies in social work posts and 4 vacant administrative clerk posts.
Ukhahlamba	131	73	56%	Some staff appointments are in the process and some areas are having posts filled that were empty for many years.
Umkhanyakude				Figures not supplied (office said they were out of date). High vacancy rate reported. Perception that ever fewer people are doing more work with diminishing resources.
Umzinyathi	38	11	29%	Only 9 social workers for the whole district (50% vacancy rate) causing backlog in foster care placement. High staff turnover – unpopular place to live and work.
Zululand	32	9	28%	The vacancy rate for social workers is 31%. 75% vacancy rate for admin clerks. New staffing structure to be instituted. Recruitment process too slow. Consider decentralising the process of appointing district level staff to district level.

Figures were available for 11 out of the 13 nodes. The percentage of vacant posts in districts varied between 20% (Central Karoo) and 83% (Alfred Nzo) and averaged 45%. Many social worker posts and administrative clerk posts were vacant. Reasons given for the high numbers of unfilled posts were:

- SASSA had taken some personnel from DSD such as admin clerks, and DSD was still in the process of filling the posts vacated;
- A national **shortage of social workers**;
- Many districts are **not seen as desirable places** to live and work. The lack of staff housing, poor facilities such as schools and shops, distance from major centres, bad roads, poor transport facilities, staff shortages and high staff turnover - in short, all the conditions that make rural poverty so bad - make them unpopular postings. They are unable to attract staff and staff move on as soon as they can (Alfred Nzo, Kgalagadi, OR Tambo, Sekhukhune, Ukhahlamba, Umkhanyakude, Umzinyathi). Government urgently needs to implement an effective incentives policy to attract and retain staff in these areas;
- The process of advertising and **recruiting new staff is too slow** and happens at a level higher than the posts are required at. Kgalagadi was a particular case. Kuruman was a "satellite" service

point. Now it has become a full district but staffing is taking time to catch up and, despite dramatic increases in staff, there is still a staff shortage.

In some places, there was an **improvement in staffing** levels. For example, in Ukhahlamba, posts were being filled that were empty for many years. However, there was also a sense that the number of posts is inadequate for the scale of the job. Many more people are required for DSD to carry out its mandate of social development. Staff shortages mean that existing staff are **overworked**, leading to undue pressure and stress. High staff turnover is both a cause of and a consequence of the work environment, and makes it difficult to carry processes forward, resulting in loss of morale. Key skills and institutional memory are also lost as a result. In Alfred Nzo, for example, after the first evaluation revealed a lack of integration among stakeholders working in development, there was a drive to form a coalition to co-ordinate stakeholders. The District Municipality (DM) took the role of secretariat and progress was made. However the person leading the process left, and the coalition fell apart.

4 KEY EMERGING ISSUES

4.1 Key project-level issues

Financial and project management: Basic book-keeping in many projects was weak. Concern was expressed about the capacity of many projects to achieve their goals on their own. Projects lack the capacity to develop a coherent project strategy. Their goals are usually to acquire additional physical infrastructure or assets. CDPs are powerless to facilitate objectives being reached when faced with the projects' lack of capacity.

Understanding of business: There is confusion over terminology such as the distinction between income and profit. Projects get given funding which they use for capital costs and for inputs. When money comes in from sales, this money is seen as profit i.e. the cost of the inputs is not taken into account. The problem was acknowledged and the response was that much more training should be done. However, there was widespread agreement that current training approaches are not yielding results. Linked to this is the fact that very few income generation projects received guidance on how to distribute their income from sales so that some money is retained for future cost of sales, some retained for future capital expenditure and some distributed to members. Some projects distribute excessive amounts to their members, especially at Christmas, putting the future of the project in jeopardy. Others fear withdrawing any at all in case they are accused of financial mismanagement.

Marketing: Asibemunye women's club was an example of a project that succeeded in getting contracts to supply municipalities and hospitals with goods and had formed a consortium to make sure that they had the capacity to deliver. However, many projects struggled to secure market outlets for their products. Chicken projects struggled to get a reliable supply of baby broiler chickens. A lack of formal organisational status held other projects back from getting contracts. Marketing agents which could help organisations identify new markets, assist with ideas for different products and work with projects on costing, pricing and packaging are needed e.g. producing organically grown vegetables, special soaps or candles for niche markets.

Business plans: The long time lag between submission and approval of business plans had a demotivating impact. Service providers wrote business plans instead of project members. The result was that many business plans were overambitious, their outcomes and time frames were unrealistic, and they set projects up for failure. Members understood business plans as a document needed to procure funds, not as a tool to guide the project. In many cases members did not have the skills to update and adapt their business plans as circumstances changed so plans were not working as a business management tool.

Internal project systems and management: Examples were cited of committee members, usually the most educated in the project, refusing to relinquish control, either by not calling annual elections or not co-operating with a newly elected committee by failing to hand over documentation or failing to co-operate with changing bank signatories, or not being transparent about finances. In some projects

volunteers were trained and given senior roles when there was no guarantee how long they would be part of the project, given the high turnover of volunteers.

Capacity development and training: The evaluation revealed a long list of areas where projects needed to boost their skills if they are to succeed: business management, project management, financial management, market research, effective marketing, costing and pricing, technical skills, leadership, organisational development and conflict management. Endeavours to develop capacity generally were inadequate. To quote one project member from Sekhukhune: “I didn’t understand most of it and what I understood I forgot. I will have to be trained again”. There was criticism of DoL’s policy only to train projects that have already started. However, DoL adopted this policy because it was giving training only to find that months later the project had not received funding so there was no impact.

Entitlement and dependency: DSD nodal staff struggled to balance their commitment and responsibility to projects and the need for projects to seek additional funding on their own and not become too dependent on DSD. This highlights key concerns around skills development - in particular around financial and organisational management - and clear contractual agreements between DSD and project members that are designed at the start and are properly understood by all. Project members did not always have a clear picture of what kind of support they were entitled to or how long it would last. Projects were not always designed in a sustainable way and were often brought from outside. If these projects cannot stand on their own after the end of DSD support, it is an open question as to who should hold the responsibility for sustaining them.

These design issues relate to exit strategies. In OR Tambo, DSD’s exit strategy included local municipalities taking over stewardship of projects and including them in IDPs, but while a letter of support was signed by municipalities and DSD, nothing actually happened in practice. Participants in Umzinyathi expressed concern about the general confusion about what an exit strategy is. It is understood to be the graduation of a project from one stage to another. However it was not clear whether ‘exiting’ meant successful projects would no longer be funded by DSD or that they would continue to receive funding but be less closely monitored.

Support: In some districts DSD outsourced project management to IDT. In more than one district there were criticisms of IDT’s performance, especially around their management and supervision of projects and control of expenditure.

All nodes raised concerns about the **appropriate use of CDPs**. Defining their roles and responsibilities in relation to projects was a challenge. There were also situations of mistrust or misunderstanding between projects and CDPs or DSD. CDPs were inadequately prepared for the tasks they faced, and were not necessarily able to facilitate development processes. Recruitment of CDPs remained oriented towards a welfare paradigm. CDPs are also too few in number and so are overstretched.

Development sector underfunded: The money invested in projects is meagre and yet expected to improve the lives of a large number of beneficiaries. The development side of DSD’s services is the most under-budgeted.

4.2 Key issues emerging around DSD’s services

Internal co-ordination and communication: A particular concern was the lack of co-ordination between national, provincial and district levels. Priorities at nodal level rarely matched those of province and alignment of action plans was limited. Across nodes there was a strong feeling that directives came from provinces in a top-down way. For example, a district was told it would receive funding for three women’s co-ops and two food security projects, and district staff just had to implement. In some nodes district staff felt that decisions they make could be overturned by policy decisions at higher levels. This weakened creativity and initiative. External agents initiated

development in communities with those holding power over resources determining the content of development. In some cases, people were hurriedly pulled together to access funding because the money had to be spent before a certain deadline. People got tempted by the free money without really being committed to the project idea and so the project was not really locally-driven but DSD-driven.

Integrated service delivery: A fundamental goal of the ISRDP is improved integration. Yet across the nodes the lack of integrated service delivery was identified as a key weakness, seven years after the launch of the programme. Participants in OR Tambo pointed out that the issue was constantly acknowledged but still no effective strategies have emerged to make it a reality. For example the municipality signed letters of agreement assuring DSD they would comply with the policy binding them to include the projects in their IDPs, LED strategies and the Provincial Growth and Development Strategy (PGDS), but in practice nothing happened.

Roles of different service providers were not always clearly defined, leading to confusion and reducing accountability. To quote one researcher, *“Who is ultimately responsible for a DSD project where SEDA has developed the plan, the DoL has done the skills training, IDT is monitoring, DSD ‘supports’ and the project committee has power over the cheque book?”* DSD commonly outsourced to IDT but even DSD and IDT were not always communicating adequately about the progress and processes taking place in projects. As a result, accountability fell between the cracks.

Working conditions: Improvement of staff working conditions and staffing is needed to improve service delivery and to attract staff to many nodes. The reality of staff shortages and high staff turnover caused work pressure, stress and low morale across all nodes. There was little time to reflect or be proactive. Workloads were unmanageable so inevitably many clients’ needs were not being met. Aspects of working conditions that were specifically mentioned included low salaries for CDPs, the lack of a budget for communications, research and training, and insufficient staff vehicles.

Welfare and development: Many districts welcomed the change in the orientation of the Department from welfarist to developmental in the belief that the right approach is to harness community talents and energy rather than creating dependency. However, there was some perplexity given that current policies to promote development were not effective. The change was also contradicted by the allocation of posts. For example, in Kgalagadi, there were 108 social worker posts and just 21 community development practitioner posts.

M&E and reflection: Systematic M&E was extremely weak in most nodes making it difficult to measure the impact of interventions, to learn from experience and to improve practice on the basis of lessons drawn from what was done.

Quality of services and facilities: Issues were raised about the impractical location of DSD service points; difficulties of access in rural areas (especially related to transport); poor infrastructure and lack of security at DSD service points; concerns about quality of care in safe homes; allegations of corruption in SASSA; and the need for additional services (especially related to orphans and foster carers).

Services versus income-generating projects

DSD supports two types of projects: service organisations and income-generating projects. Service organisations extend DSD’s reach into the community and care for the traditional clients of DSD – the elderly, the young, the disabled and the vulnerable. In some cases members are volunteers, but in most cases DSD pays stipends for carrying out these services. **This type of project focuses on providing a free service and, in the absence of paying clients, will always need to be funded.**

The other type of project is the income-generating project model, where members are assisted to set up their own micro business and should be able to pay themselves out of their profits. These projects receive start-up funding to acquire assets and initial working capital but the intended result is that the business will sustain itself on the income from selling its product or service.

Not everyone saw a clear distinction between the two project types as described above. First, members in many income-generating projects felt that all projects should get a stipend from DSD. Income-generating projects *could* choose to give themselves a small ‘stipend’ but then it would need to be part of their budgeted cash flow and understood to be a cost to their own business, not a ‘salary’ from DSD. It would be better if the word ‘stipend’ was not used in income-generating projects. Second, in some instances, DSD encouraged this confusion through its interventions, such as adding on a service role to an income-generating project. For example, a project that hired out equipment to the community for functions was also given funding by DSD to run a soup kitchen. **In addition, projects were encouraged to take a not-for-profit model as that was required for DSD to fund them, when in fact the whole objective is to turn them into profit-making concerns – a major contradiction.** One way round this could be through them being profit-making co-operatives, which are still seen to generate social rather than just individual benefits.

But the confusion goes even deeper. In Umzinyathi, for example, there was an indication that DSD was no longer funding projects involved in income generating activities, e.g. sewing and baking, unless products were distributed for free to vulnerable groups. DSD in that node noted the problem with projects not donating anything to the needy but rather selling, when DSD’s intention is to meet the social welfare needs of the poor. **This confuses the two models and prevents them from performing their functions properly.** Income-generating projects are businesses and need to be able to survive on the sale of their products. Service organisations, on the other hand, cannot be expected to generate income from their clients. Their role is to provide an extension of a service on behalf of DSD.

Related to this is the limited differentiation between **exit strategies for income-generating projects and service projects.** The approach taken is that all projects should only be funded for a limited length of time, regardless of the nature of the work they are doing. Exit strategies are very important for income-generating projects. They need to be able to stand on their own after a period of support. Across the nodes, there was confusion about when DSD was to exit. In most cases the necessary management and financial skills were not in place to make this a realistic option. Without proper integration between departments and service providers, sustainability is impossible. On the other hand, service organisations are an extension of DSD’s services. To suggest that an exit strategy is required is equivalent (merely at a different scale) to suggesting that government should exit from SASSA after some initial support. Social service organisations cannot survive without funding from DSD. They should not be expected to, since they are performing a critical function for the public benefit.

The income-generating project model has not had the desired impact on incomes despite the energy and dedication of DSD staff and project members. In some nodes DSD staff indicated that they did not expect income-generating projects to survive once they no longer received DSD funding. The model itself is flawed. The basic assumption is that these poor people are natural entrepreneurs, that DSD has only to provide some start-up finance and other service providers will then come to the party, and sustainable businesses will result. But this was not the case, or was extremely inadequate, in almost all projects across the nodes. Worldwide the success rate of start-up businesses is extremely low even when working with people who want to be entrepreneurs, while the reality here is that most people want a paying job, and these projects are seen as a way of attracting DSD support. Projects are given part of the support they need but not the full package, which is a necessity, not a luxury. One project has seeds but no water, another has chickens but no market, another is selling bread but at a loss. Small improvements here and there are insufficient to boost the success rate.

Box 1: An example of a successful business: a financial services co-operative in Ugu

The business arose out of a community member’s own initiative and fulfilled a genuine need for the service in the area. Concerted and considerable input was provided to develop the required skills and facilities. Risk factors (such as crime) were addressed seriously. Long-term financial support to staff salaries was provided to counter the risk of trained staff leaving for jobs elsewhere in the early years when the bank did not have enough clients to pay the staff a competitive salary. Support came from a number of different places.

The financial services co-operative in Ugu illustrates some of the components of a successful model (see Box 1). This is markedly in contrast with the way most income-generating projects have been established.

5 RECOMMENDATIONS

DSD should stop seeing itself as the driver of income-generating projects where it has limited competence, and at the same time massively increase its support for the creation and maintenance of community-based service organisations in social welfare and social development.

The first evaluation revealed that DSD does not have the technical competence to run income-generating projects. At the same time there is a big gap in monitoring the social impact of projects and other forms of government delivery. This is DSD's niche. The second evaluation can do no more than reiterate the importance of DSD shifting from trying to run income-generating projects to making a broader intervention across government to **ensure positive social impacts** of government interventions.

In this approach, DSD's **core functions** would be twofold:

- i) assess development activities, and **develop and support interventions that ensure positive social impacts**, together with partners in civil society and other government departments;
- ii) support the **massification of DSD services** through building and providing ongoing support to community-based organisations that implement DSD's services. This would have a major impact on livelihoods, both through increased service provision, but also potentially through more widespread stipends if a community-based model is used (as in HCBC).

This in turn suggests a different role for DSD staff, a role that emphasises **process facilitation, not project management**. A new skill-set is required for this role, including participatory facilitation skills, an ability to understand development as a process not an event, M&E skills, social impact assessment, and reflective practice where learning is built into practice as an ongoing way of working not as a stand-alone activity relegated to a workshop every year or two. DSD staff members then facilitate processes of engagement and interaction between beneficiaries and their broader communities, service providers and other technicians, representative government (municipalities) and departments. These processes would concentrate specifically on the social impacts of proposed or actual development interventions, and would aim to design appropriate activities and responses, based on the assessment of social impacts, in order to ensure positive social impacts and to neutralise negative social impacts. For example, if a community forestry project was to be launched, DSD's role would be to see whether other people would need to be moved to make way for the project, or whether the livelihoods of people not involved could be negatively affected - for example, maybe people were using grasses to make baskets to sell but would be unable to carry on with this strategy once the project was set up. This could also mean DSD partnering with municipalities to become key **facilitators for community-based planning**, a process which is now national policy and where communities draw up their own ward plans which contribute to the IDP, are provided discretionary funds (R25-50,000 per ward is recommended) and undertake community action. This would fit naturally with the process facilitation role, and enable DSD to disaggregate its clients and assist them to plan to take forward their livelihoods.

DSD still has a central role in supporting those community-based organisations that perform functions on behalf of DSD at community level. It is critical that DSD **massively expands support to community-based service organisations**, which are an extension of DSD's own services (e.g. home-based care or care of orphans). These services are critical for the survival of beneficiaries and for holding together the social fabric of poor communities, but they need to be expanded very quickly. DSD should be emphasising this aspect of their support work. Systems still need to be improved, especially around clarifying the relationships and roles between CDPs, project members and volunteers, DoH and other service providers; generalising and standardising stipends; more generally

formalising links between volunteers and the relevant departments; strengthening accountability to communities; securing financial support to service projects; learning from practice to build models that can be replicated elsewhere; building and strengthening M&E systems that are linked to on-going learning; and systematic training and capacity development with the approach that these structures and people are extensions of government. Work in four African countries on community-based worker models in which DSD was a partner has suggested that these models can provide far more accessible services and at one third the cost of traditional professional-based service models⁴.

At the same time, the HBC model provides a **practical model of government-civil society co-operation** that has the potential for far wider replication across the development sector. The model provides for the direct participation of communities in their own development, while retaining a clear role for government. The **massification of the delivery system, and the centrality of partnerships** in the model are critical to improved service delivery. DSD, DoH and DoA in particular should have the confidence to hone this model and advocate for the adoption of its principles across government.

What of the existing **income-generating projects**? First and foremost, a period of reflection is required to assess the extent to which the outcomes of the projects to date can justify the expenditure, and whether the resources were used most effectively. In this case effectiveness is based on the number of people reached and the improvements in their livelihoods. Both the first and the second evaluations have shown quite clearly that while projects may be generating important social and psychological benefits for their members, they have not generated significant material benefits for members, and the impact on those not directly involved in the projects is limited.

In this light, DSD's involvement in income-generating projects should be reduced to identifying and making interventions related to the social impacts of the projects, working hand-in-hand with other departments that lead each project intervention. For example, if the Department of Agriculture decides to implement a poultry project, DSD would be responsible - across design, planning, implementation and monitoring - for ensuring that the social impacts of the project on the members and the community more broadly are positive, e.g. supporting on the type of local organisational development that may be needed.

Once again, DSD staff would not perform these tasks on their own, but would work with project members, others in the community and service providers both to carry out the tasks and to develop capacity at project and community level to continue with this after a clearly defined period. The issue of exit strategies for income-generating projects would therefore be reduced to considering, together with the lead department, the project members and other role players, at what point the project members and relevant community members would take over full responsibility for ongoing monitoring of social impacts. The social impact monitoring would need to be integrated into the broader M&E of the project from the start. Sustainability requires this to be rooted at project and community level.

This does also highlight a problem – that **there is a lack of community level structures to support income-generating projects**. Models of farmer extensionists and community animal health workers have been shown to work in countries such as Lesotho and Kenya, where existing farmers are trained to support other farmers, as in the HCBC model. However there is as yet no such model for community-based business advisors – and SEDA does not reach to communities. This is a service gap which needs to be explored if there is to be massification of income generation, but DSD is not the right organisation to lead this for the reasons outlined above. DSD, however, can take the role of championing in government that such a service needs to be provided if the dependency on social grants for income is to be overcome.

⁴ “Community-Based Worker Systems – a possible solution to more services, reaching many communities, and within budget”, ODI Natural Resource Perspective 110, October 2007, London, Overseas Development Institute, available from www.khanya-aicdd.org

For the **community-based service projects** supported by DSD, (e.g. HCBC), there would be no need for an exit strategy. These structures would be integrated as a permanent feature into the service delivery structure of DSD and other partners such as the DoH and municipalities, and would need to be budgeted for, as happens with HCBC. The appropriate quality control and monitoring would be essential, in the same way as these are essential for any level of DSD's work. Likewise, a systematic and ongoing schedule of **training and capacity development** would be required to build the skills of project members. These should be based on capacity needs indicated in dialogue with project members, beneficiaries of the services, and other related support organisations and departments. Capacity development should include organisational development, including the preparation and updating of regular organisational plans to ensure growth and the strategic direction of the organisations.

DSD should also facilitate **learning** between community-based service organisations. Members should be encouraged to see the benefit of community-based networks which will increase the voice of the community, help them to improve their services, and improve the service delivery they receive from outsiders. Networks of this nature are also valuable for sharing experiences and learning from practice.

The role of the **CDPs** in relation to the core functions of DSD (social impact assessment and support to community-based social service organisations) needs to be clarified. CDPs will require training in process facilitation, as well as opportunities to practice these skills, since most learning happens by doing. CDPs should be seen as facilitators of development processes and not technical experts. The roles assigned to them should be appropriate to the functions they are meant to perform and they should be provided with the necessary resources to do the work.

DSD services

Integration and co-ordination of service delivery remains very weak. The municipality is supposed to be the key structure in integration and co-ordination at local level yet is not playing this role, nor are systems in place to encourage this apart from the IDP. DSD can provide support by developing capacity in the municipalities around the social impacts of development interventions. Rather than trying to do the integration and co-ordination itself, DSD can make a positive contribution by focusing attention on ensuring that there is integrated and co-ordinated support to the community-based social service organisations as discussed above, that social services generally are being considered appropriately in the IDP and by playing a secondary role in ensuring social impacts are measured and interventions to build social assets are appropriately carried out.

Policy making should take into account the **perspective of all levels of government**. The ideal of national government setting the framework, and then provinces and districts forming plans within that framework and feeding up, with plans consolidated into broader plans at each level (with some additions to account for scale) is most desirable. There is a tension between the strategic framework from higher levels and local priorities, and this is a necessary tension but the reality is both are needed. This means the plans are driven from local level needs, but fit within a bigger strategic framework. Local DSD offices should be obliged to develop partnerships with civil society, other government departments and other relevant actors to develop plans. **DSD needs to devolve authority** to districts to make and execute their own plans in policy and practice and some examples of positive developments where this happens are shown in Table 4.

Management structures need to encourage a culture of **reflection, learning**, analysis and action planning on all levels and should commit to regular structured reflection sessions. Feedback on such sessions could be part of routine reporting to the next level. This will harness initiative and improve communication between different spheres of government. This will also require a change from the current culture where staff at all levels are continually pulled from their work to address unplanned and urgent priorities of higher levels. Poor management at higher levels has ripple effects all the way through the system and makes it difficult for people at lower levels to have solid and effective work programmes, to actually do the work they need to do.

Community organisation is key to building community-driven development processes, and DSD should root itself in community structures. To scale up the roll-out of community-based services and build capacity of community structures to take forward their own development will need **widespread capacity-building and organisation development of CSOs**, such as HCBC groups, ward committees, farmer groups, youth groups, faith-based organisations etc. **The mandate of DSD's NPO section has been extended to include capacity-building and not just registration and a suitable model for massification of capacity building is needed.**