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## 6. SYNOPSES AND MAIN FINDINGS OF COMPONENT STUDIES

### 6.1. Introduction

This Chapter provides a short synopsis of each of the component studies carried out under DCR II. It also identifies and discusses common issues brought up by these studies, many of which are explored further in later chapters in this report. The component studies are made up of eight sector studies and three cross cutting thematic studies.

The eight **sector studies** undertaken covered were:

- ◆ Democracy and Governance
- ◆ Health
- ◆ Education
- ◆ Infrastructure
- ◆ Labour Skills Development
- ◆ Land Reform
- ◆ Small Medium & Micro Enterprise (SMME) Development
- ◆ Water and Sanitation.

Three **cross cutting thematic studies** were also carried out as part of DCR II:

- ◆ Capacity Building
- ◆ Environment
- ◆ Gender.

The reader should note that the synopses provided by this chapter are intended only to provide an overview of the main themes and recommendations raised in the studies. Full Executive Summaries of the component studies can be found in Section 2 of this report. Section 3 of the Final DCR II Report contains all the individual component reports (i.e. the sectoral and thematic studies).

### 6.2. Synopses of sector studies

#### 6.2.1. Democracy and Good Governance

SA's embrace of a macro neo-liberal economic framework and democratic principles has facilitated a strong alignment of donor assistance to government

interests in the sector of democracy and good governance. Within this alignment, donor assistance has evolved since 1994 from historical patterns of support, to policy-making, to the 'consolidation' activities of piloting and capacity building. Current ODA assistance is focused on issues perceived to threaten the democratic process within SA, such as weak local governance, crime, and extreme poverty.

The study finds that donor assistance in the period under review has been mediated by various tensions within the governance debate within SA. These tensions include:

- ◆ Varying notions of democracy, particularly around the nature of engagement between the state and civil society;
- ◆ Contesting over the nature of social and economic human rights which has resulted in basic needs being approached in different ways;
- ◆ Debate in public sector reform and service over the extent to which greater efficiency of the bureaucracy will lead to improved access to services;
- ◆ Varying views about the leadership position that SA could and should take in the region.

The study finds that the effectiveness of donor assistance has been constrained by a lack of an overall SA programme to strategically direct ODA to the sector. While this lack of a comprehensive framework is felt to be less important in sectors such as local government and justice where there are very clear strategies in place, it can be seen to be significant in terms of broader issues such as engagement with civil society.

While acknowledging that it is extremely difficult to evaluate impact in this sector the report finds that ODA's greatest contribution to the sector has been derived through accessing knowledge and international 'best practice.' However, in order to capitalise further on these forms of assistance, the report recommends that the SA government develops a framework for capturing, synthesizing and mainstreaming the learning that derives from such support.

Other recommendations include:

- ◆ The need to build capacity for better coordination and strategic direction for donor assistance to the sector across government;
- ◆ The need for a broad debate over the role of civil society within governance in SA;
- ◆ A review of the role of the Chapter Nine bodies and development of a more programmatic approach to their support;
- ◆ Improved systems to facilitate lesson learning to inform policy;
- ◆ Discussion on the current and future role of ODA in the region.

### 6.2.2. Health

While ODA has been generally well aligned to the needs and priorities of the health sector, this report finds that the institutional arrangements for managing ODA in the health sector have serious shortcomings. These shortcomings are attributed to a number of factors including: the lack of a strategic framework directing ODA in the health sector; lack of clarity on the part of stakeholders about what the ODA process entails; a perceived lack of transparency in the process of allocation of funds, particularly by the provinces; lack of directive leadership on the part of SA stakeholders; and inadequate communication between stakeholders involved in the sector.

In particular, there has been a failure to engage the provinces and local government in the ODA process. National priorities are not reflecting the diverse problems and needs of different provinces resulting in lack of alignment of ODA interventions at this level. This is a critical area of concern given the current devolution of power to district health authorities and the important role that local government is intended/expected to assume in the health sector. The report therefore encourages the Department of Health to work systematically towards more decentralised arrangements for needs identification, priority setting and targeting of ODA.

The report notes that recent gains regarding mortality, morbidity and life expectancy in SA could be eroded dramatically by the AIDS pandemic. With 3.6 million people infected by HIV (DoH 1999), the country could expect to accumulate between 5-7 million HIV infections and 1.5 million cases of AIDS by 2005. It is projected that expenditure on HIV/AIDS could take up at least one third, but even as much as 75% of the health budget within the next decade, with major distorting effects on the general provision of and access to health services.

The report calls for the transformation and reconstruction of the ODA process in the health sector. Recommendations include:

- ◆ ODA should be targeted at areas where it can meaningfully fill in gaps emerging between government health care resources and critical needs;
- ◆ ODA allocation should be guided by clear priorities defined through participative and transparent processes, led by the DoH and involving all levels of government, NGOs and donors;
- ◆ Further debate is needed on the sector-wide v project based approach for ODA to the health sector;
- ◆ More participatory and transparent monitoring and evaluation of ODA programmes is needed;
- ◆ ODA support for NGOs in the sector should be continued;
- ◆ Record keeping and information management on ODA in the sector must be improved;

- ◆ There is a need to fast track the new cluster approach developed by the Office of the President to strategically deal with cross cutting issues such as gender, water and sanitation and environment.

### 6.2.3. Education

The education component study finds that ODA to the education sector has been closely aligned to government priorities during the period under review. These priorities include school construction, basic education and training, adult education and training, and higher education, with the bulk of assistance given to higher education (46%).

The study finds that impact of this assistance has been high with successes including:

- ◆ Technical assistance for development of equity based funding formula for basic education. This has led direction to the current funding norms and standards, which are the basis on which all public and private schools are funded.
- ◆ Support for the development of a well functioning Education Management Information Systems in all education departments. This creation of a reliable and comprehensive information system for education has dramatically improved the ability of departments to plan education provisioning and also make informed choices about which areas or schools require urgent attention.
- ◆ A significant number of teachers trained.
- ◆ Scholarships benefiting over 150,000 students from disadvantaged communities.

While these impacts are significant, the study finds that the sector still lacks an overall programmatic framework to manage ODA utilisation. It recommends the adoption of a programmatic framework with clearly identified priority areas, to enable a more directed and goal oriented way of dealing with ODA. The report also identifies the need for much improved dialogue between national departments and provinces in the setting of ODA priorities. It finds that provinces generally have lacked capacity or have not been adequately involved in ODA negotiations, leading in some cases to lack of ownership of interventions at provincial level.

Overall, however, the report finds that management of ODA during the period of review has improved. This is largely due to the use of intermediary institutions to manage interventions. However, the report warns that such an approach can lead to low levels of ownership by the Department, as well as lost opportunities for capacity building within the Department.

The study also finds that ODA education programmes have lacked a specific strategy for ensuring gender integration. Gender is found to be defined very narrowly in terms of the number of women participating or targeted in a

particular intervention. In order for gender equity and female empowerment issues to be addressed adequately, the review emphasises the need to take into account gender needs and roles in interventions, both as implementers and beneficiaries. This is essential both for programme effectiveness and also to maximise education as a means to challenge gender inequity in SA.

Key recommendations offered in this report include:

- ◆ The need for a more programmatic approach to ODA management with clearly defined priorities;
- ◆ A more inclusive approach to defining ODA priorities, particularly better involvement of other national departments and provincial government in this process;
- ◆ To optimise sustainability, ODA needs to give priority to the creation and testing of systems and models; Institution building should also be prioritised;
- ◆ To optimise impact, donors should make their programming geographically focused;
- ◆ There should be a more conscious focus on gender equity in ODA to the education sector.

#### 6.2.4. Infrastructure

A number of difficulties were encountered during the evaluation of ODA for infrastructure. These included: problems of definition; difficulty in tracing ODA allocation for infrastructure development, particularly as infrastructure is not a discrete sector but an integral part of a number of sectors; and issues around assessing impact of assistance. These difficulties helped inform some of the key recommendations put forward in this report.

In the period under review, the report found almost all donors have supported soft infrastructure development<sup>35</sup>. Only a few donors, most notably the EU, DFID, USAID and SIDA, provided assistance for hard infrastructure<sup>36</sup> projects servicing a particular sector, such as health. 65% of this allocation has been in the form of grants as opposed to loans. However, given the difficulty of tracing allocation, it is difficult to track how much of ODA has actually been disbursed into loans and into what type of loans.

The report finds that coordination of both kinds of ODA and between sectors has been poor. This is predominantly attributed to government's own lack of an

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<sup>35</sup> Soft infrastructure is defined in this study as the complementary processes and activities related to infrastructure development, including technical assistance, skills development and training.

<sup>36</sup> Hard infrastructure is defined in this study as a fixed asset or permanent facility i.e. new schools, rural roads etc

integrated strategy resulting in poorly designed projects, projects not always meeting client needs, and donor assistance scattered and in some cases, duplicated.

Recommendations put forward by the report to strengthen ODA for infrastructure development include:

- ◆ The need to develop a consistent definition of infrastructure between donors and government.
- ◆ The need to develop an agreed classification of types of funding to enable better tracing of its application. The report proposes that this be developed around the broad themes of infrastructure for economic growth, for meeting basic human needs and for poverty alleviation.
- ◆ Improved monitoring systems and the development of indicators to assess impact.
- ◆ To enhance sustainability of interventions, financial sustainability accounting should be mainstreamed into project proposal costs, i.e. escalation capital versus maintenance cost.
- ◆ To ensure maximum impact, that future ODA for both hard and soft infrastructure should be aligned within government's spatial development initiatives.

#### **6.2.5. Labour Skills Development**

The Department of Labour (DoL) has identified a plethora of labour related challenges in SA. These include high levels of unemployment, low rates of employment creation, inequality in the workplace based on race and gender, and low levels of education, skills and investment in training. For the purposes of DCR II, a review of ODA to the Department of Labour was confined to a review of assistance to the Employment and Skills Chief Directorate that is charged with improving training to enhance the skills of the labour force. The review focuses specifically on the Labour Market Skills Development Programme (LMSDP), a donor supported programme, which aims to establish a comprehensive system for skills development and training in SA.

As the highest recipient of technical assistance of its kind in the world, the programme provides important lessons arising from intensive capacity building through technical assistance (TA). The report finds that challenges arising from the intensive use of technical assistance have been significant. They include:

- ◆ The inability of the department to absorb TA due to high staff turnover and insufficient staffing;
- ◆ Inability of technical assistants themselves to transfer skills;
- ◆ Technical assistants becoming “an extra pair of hands” because of staff pressure;

- ◆ Resentment that all contracted technical assistance (including all team leadership posts) is from European companies;
- ◆ And a concern about sustainability as no donor exit strategy has been documented.

As well as providing a good overview of the LMSP, the report serves as an important reminder to the donor community of the importance of rigorous planning to ensure the effective utilisation of TA. Lessons include:

- ◆ The importance of assessing and acting on constraints to the capacity of a department to receive TA;
- ◆ The recruitment of appropriate technical assistants who have the skills to transfer their knowledge;
- ◆ The strategic importance of an agreed exit strategy;
- ◆ And the use of local assistance when the appropriate skills exist within country.

On a positive note, the report identifies a number of achievements of the LMSP program to date. Notably,

- ◆ Establishment of 25 Sectoral Education and Training Authorities;
- ◆ Establishment of the National Skills Fund and co-operation with the South African Revenue Service in setting up the levy collection and grant disbursement system;
- ◆ The commencement of restructuring of INDLELA;
- ◆ Setting up and implementing pilot projects in the field.

The study suggests that the management structure of LMSP offers a useful role model for donor co-ordination, in that the systems developed allow for transparency, engagement and accountability in the manner in which donors work within a framework led by a South African department.

### **6.2.6 Land Reform**

With 87% of SA's land resources owned by or reserved for the minority white population in the early 1990s, the challenge facing the SA government to bring about an equitable and efficient land reform process has been enormous.

The study explores the historically politicised nature of ODA support for land reform and situates this in the context of SA. It reports that the bulk of resources for the implementation of the land reform programme since 1994 have been paid for by government, with ODA providing supplementary assistance. The overarching rationale for this support has been the desire to support a peaceful transition to majority rule, devoid of conflict over land; the



subtext has been support for the provision of land to the poorest segment of the population. Given the sensitivity over ownership of the land reform programme, the study finds that ODA did not unduly influence the nature and direction of the government's programme.

In the period under review, ODA has been directed to a range of activities related to the delivery of the three principal components of the SA national land reform programme; namely land restitution, redistribution and tenure reform. The report finds that while land reform programme has taken great strides during this period, there is no room for complacency. To date, only 800,000 hectares of land have been redistributed to about 56,000 black households; there has been very little progress with tenure reform in former homelands; only a small number of land restitution claims have been settled; and farm workers and tenants continue to be vulnerable. A critical issue has been that of capacity. While progress has been made in building the capacity of the newly established Department of Land Affairs, its continued paucity of funds and reliance on staff paid for by donors remains a significant difficulty.

The Land Reform Support Programme is due to expire in 2001. Despite the reluctance of some donors to continue support to this sector, the component study concludes that there is little doubt that land reform in southern Africa remains the most important unresolved agrarian issue. Given the recent events in Zimbabwe, and the growing political nature of land reform in SA, there is a clear need for continued donor support in this area.

#### **6.2.6. SMME**

Support for SMME development is a key component of government's strategy for employment creation and income generation in SA. ODA assistance to the sector in the period under review has been significant, with donors disbursing R 867 million by the end of 1999. The report finds that this assistance has been well aligned to government sectoral priorities, despite lack of effective management and coordination of ODA to the sector.

There has been a significant shift in the focus of both government and ODA support to the SMME sector during the period under review. The report explores this shift and finds that developmental assistance to "people centred enterprises" has been downscaled in preference to business growth assistance for "going concerns". This is found to be in line with the ascendancy of GEAR over the RDP, with its emphasis on rapid economic growth rather than poverty alleviation per se. Other reasons identified for this shift include the perceived lack of monitorable impact of assistance to people centred enterprises, as well as the continued lack of capacity of implementing agencies to deliver services to the lower end of the SMME spectrum.

The report notes that there is an increasing tendency of donors to commit fewer funds for either type of assistance through government implementing agencies. Again, this is attributed to perceived lack of capacity to deliver. However, as these agencies begin to address some of their more serious shortcomings, the report recommends that the relationship between donors and government agencies be revisited.

Recommendations put forward by the report include:

- ◆ The need for improved donor coordination to the sector at all levels of government;
- ◆ Clearer identification of whether donor assistance is targeting poverty alleviation or business growth;
- ◆ Improvements in government agencies should be monitored; as they improve, donors should revisit their working relationships with these agencies;
- ◆ Increased support for improved SMME advocacy, for example, around access of black SMMEs to government procurement contracts.

#### **6.2.7. Water and Sanitation**

- ◆ In 1994, between 12 and 18 million South Africans were without access to basic water supplies and about 21 million lacked adequate sanitation facilities. Since that time, there has been a massive mobilisation effort involving the restructuring and strengthening of institutions, the development of new policies and laws, the forging of new partnerships and the establishment of programmes to facilitate the delivery of basic services to the many unserved. Although a reasonable dent has been made in the provision of adequate water supplies to the poor, many challenges remain, including: the effective assumption of the legal roles assigned to different role players (especially local government); the need to properly address sanitation; and the development of service provision approaches that ensure sustainability and promote poverty reduction and empowerment among poor men and women.
- ◆ In the period under review, international donors have taken a strong interest in the water and sanitation sector and in the Department of Water Affairs and Forestry in particular, with its comparatively good capacity to absorb and manage ODA. The study finds that development assistance has been well aligned to government objectives and priorities in the sector, with donors providing support for capital projects and a wide range of initiatives aimed at policy development and the building of institutional and human resource capacity. Support has also been channelled to the non-governmental sector, where it has focused on community water supply and sanitation.
- ◆ The report finds that ODA has filled some important gaps and helped to lay the critical foundation for longer-term challenges. However, its ability to meet its own objectives - particularly in terms of reaching the poor - has been mixed. Short donor time frames and bureaucracy, local resource limitations, poor coordination between government departments, constant sector reorientation and weak strategies for engaging local government and communities have been among the main constraints to the full effectiveness of ODA. The low profile given sanitation by government has

also frustrated donors, while neither government nor ODA (with a few exceptions) has demonstrated a commitment to the pursuit of gender issues - shown internationally to be a core component of sector success.

Major recommendations offered in the study include:

- ◆ The need for government to develop a more coordinated, programmatic approach to the sector and to the use of ODA, allowing donors' inputs to be made in a more strategic and less ad hoc manner.
- ◆ Decision making and especially the setting of priorities for the allocation of ODA need to be based on wider consultation, including substantial inputs from provinces and districts and from a range of stakeholders, including NGOs.
- ◆ Local government at all levels has to be drawn in to every process in which it has a designated role, requiring a continuation of capacity building efforts now underway.
- ◆ Gender issues at all levels need to be addressed as a matter of urgency.
- ◆ For the fuller realisation of health and livelihood benefits, the linkages between water, sanitation and hygiene need to be better made, along with the explicit consideration of water use for productive activities.

### **6.3. Synopsis of cross cutting thematic themes**

#### **6.3.1. Capacity Building**

As attention shifts in SA from policy development to implementation, effective capacity building has emerged as one of the most critical areas of concern of both government and donors. All the component studies report a high variability in the capacity of departments to deliver on their sectoral responsibilities and access and utilise ODA efficiently.

Commitment by donors to provide capacity building support to government has grown in the period under review. However, a key finding of DCR II is that this commitment has been slow to translate into consistently high standard interventions. There is: a lack of coordination of capacity building strategies by donors; a lack of criteria and standards by which donors support and assess capacity building programmes; inappropriate and loosely defined initiatives; and a lack of learning from isolated cases of good practice. In short, the donor community itself currently lacks capacity to respond to the capacity building challenge.

Government's handling of capacity problems has also been variable. During the period covered by this study, the response within government to the capacity building challenge has reflected rather than transformed core problems. Capacity building efforts have tended to be piecemeal, uncoordinated and short

term. There has been no overall strategy or viable institutional centre to promote and support capacity building across government; initiatives have been too often associated with 'training'; and attempts to utilise donor funds effectively in this field have mostly been unsuccessful.

The kinds of problems identified at the national level are reflected and often amplified at the provincial level. Provinces face specific procedural and systemic breakdowns relating to the complexity of intergovernmental relationships, issues of provincial autonomy, as well as an often lower base levels of skills. At local government level, capacity issues are amplified by the ongoing restructuring of local government institutions.

The capacity building component study acknowledges that there can be no blueprint for effective capacity building, as solutions are very context bound. However, recommendations are offered to support a more holistic and integrated approach to capacity building in SA.

These recommendations include:

- ◆ A high level commitment in government to placing capacity building at the heart of strategic decision making;
- ◆ For government to review and align the roles of the DPSA and SAMDI in the development and delivery of capacity building initiatives;
- ◆ For donors to coordinate their approaches and methods of capacity building so that interventions within and across sectors are complementary;
- ◆ For donors to review their own procedures to assess whether they contribute or inhibit capacity building;
- ◆ The need for donors to pay more attention to the question of race as an integral part of capacity building in SA.

### 6.3.2. Environment

There has been a major shift in government's approach to environmental management in the period under review, from a traditional conservationist approach to more holistic understanding of environmental management. This shift has placed heavy demands on a relatively under capacitated Department of Environment and Tourism (DEAT) which, since 1998, has been assigned lead agency status for coordinating environment across government. During this period of change, DEAT has also had to face internal transformation as well as three ministers and three director generals in five years.

The environment component study finds that DEAT has provided poor coordination of ODA during the period under review, with donors tending to favour stronger departments with an environmental function such as DWAF. Within DEAT, significant ODA has been allocated to conservation-oriented initiatives, initially reflecting long established conservation approaches, and

more recently, the department's emphasis on tourism and need to link environmental issues with economic growth. ODA has also been supportive of participatory environmental policy formulation processes such as the consultative process leading up to the National Environmental Management Act. However, engagement of stakeholder groups in ongoing policy development has been generally lacking, a situation compounded by almost absent ODA funding to environmental advocacy NGOs.

The environment component study finds that ODA support for mainstreaming environment across government has been weak. This finding is echoed by other component studies such as Water and Sanitation, Health and Education. This is attributed to a number of factors, including DEAT's failure to clearly articulate the links between environment, social equity and sustained economic growth, and the low priority attached to environmental issues amongst the more powerful departments.

The report also finds that most donors (although not all) have failed to effectively integrate environmental opportunities and impacts into programme planning and delivery. Reasons cited for this in the report include the limited capacity of some donor staff to understand and integrate environment into programme planning; the tension between short term interventions and long term sustainability; and the perceived lack of relevance of environmental issues to development objectives.

A number of recent opportunities and trends are identified by the report, which suggest that some of these challenges are beginning to be addressed. These include:

- ◆ DEAT's recent efforts to meet with and coordinate the efforts of environment donors. For example, the first ever presentation of an overall business plan and set of priorities was given to donors earlier this year.
- ◆ The cluster approach developed by the Office of the President presents an opportunity for DEAT to improve mainstreaming and coordination of environment and sustainable development issues across government.

The report recommends that:

- ◆ The pending DEAT process for producing a national strategy for sustainable development be utilised to improve inter-governmental coordination and to re-establish and sustain partnerships and participation by major stakeholder groups in policy formulation and implementation.
- ◆ The donor community supports research and pilot projects which raise the profile of environment and poverty links, thereby demonstrating the direct relevance of the environment to broader development objectives.

### 6.3.3. Gender

The SA government is strongly committed to championing gender equity. Despite having no specific gender policy, the constitution and laws passed

since 1994 provide a solid framework for gender equity; gender and women's issues are raised in almost all sectoral policy papers issued over the last six years; and a multitude of institutional structures at all levels of government have been set up to address gender issues both internally and in programme delivery. For the purposes of DCR II, ODA support to these efforts is differentiated into two broad categories: assistance to gender or women-targeted initiatives, and gender mainstreaming initiatives.

During the period under review, government and donors have fallen prey to an over-concentration on women and gender targeted initiatives over mainstreaming activities. Despite commitments to gender mainstreaming in donor policy documents, donors are failing to mainstream gender across planning, implementation, monitoring and evaluation. Even where gender is an expressed focus of a donor's work in SA, there is often no clear strategy for incorporating gender into all portfolios. These findings are mirrored in government. Despite commitments in sectoral policy papers and strategies, government is failing to rigorously address and resource gender as a mainstreaming imperative in programme delivery. This is significant as it is mainstreaming which arguably has the potential for greatest impact.

Both in government and amongst donors, the gender component study finds that the promotion of gender aware planning and implementation still heavily depends on individual officers. This finding points to the importance of training as a tool to increase the pool of gender advocates, particularly amongst senior management. As ODA continues to shift from policy to implementation, training will especially need to be directed at provincial and local level.

The review recommends that gender-targeted activities should continue alongside gender mainstreaming, particularly in areas such as gender violence. However, mainstreaming gender across sectoral programmes is essential if equity issues are to be addressed seriously. Towards this end, it advocates the use of tools and approaches, such as SA's gender budget initiatives, as an effective means of promoting a more gender-sensitive approach to economics, planning and budgets.

Institutional structures to coordinate ODA, such as the IDC, must also be responsible for ensuring that gender is addressed within donor programme agreements. The new cluster approach developed by the Office of the President to strategically deal with cross cutting issues may also present an opportunity to ensure that gender is integrated into donor interventions. As identified in the water and sanitation, health, environment and education studies, it is essential that these responsibilities be taken seriously if ODA interventions are to be effective and sustainable.

#### **6.4. Main findings and cross cutting themes for future DCRs**

The findings from the component studies can be reduced to six main subject areas. These are briefly explored below.

#### 6.4.1. SA led strategic framework for ODA

There is a need to produce a more sharply focused strategic framework to direct and manage ODA, clearly based on SA leadership. Eight out of the eleven studies emphasised this as being the central and most important issue of concern. Such an MTEF-based ODA strategic framework needs to establish:

- ◆ The principal areas of focus of ODA, derived from the MTEF and other government policy statements.
- ◆ A clear appreciation of what the principle purpose of ODA is, nationally and sectorally.
- ◆ What kind of ODA is required and where it should go sectorally, geographically and in terms of spheres of government and administrative loci?
- ◆ The preferred forms of ODA. For example, TA (and if so in what type), or grant? Programmatized or project based?
- ◆ Where ODA should be obtained i.e. which donor offers the most appropriate type of ODA required by SA?

In considering these points we recognise that the call for a 'strategic framework' can be a lazy, hackneyed statement; an easy recommendation to make in any review report. But the strength of feeling on this issue through all spheres of government, and across diverse sectoral and thematic areas, suggests that this issue is not just about the absence of a clear strategic framework. It is also about the absence of visible, dynamic and inclusive *processes* to define a manifestly SA led ODA strategy, that draws on the insights of SA stakeholders from different parts of government and civil society. And it is about the need for such a strategic framework to be articulated in a high profile manner, with due substantive and symbolic authority.

#### 6.4.2. Institutional arrangements: better coordination, more effective implementation, deeper and wider consultative processes

There is a need to improve coordination and consultation arrangements among the SA institutional stakeholders responsible for shaping and implementing ODA supported programmes. Not surprisingly all the studies raised this as a major issue.

The main issues raised were:

- ◆ The lack of capacity at the provincial level to engage meaningfully in discussions pertaining to the management of ODA, and the almost total absence of the local government in this regard.
- ◆ The need for more regular and institutional processes of consultation linking national departments and provinces in setting ODA priorities.

- ◆ The absence of effective donor coordination mechanisms. This has led to unfocused duplication and scattering of ODA resources in some sectors, and the presence of effective but often informal or donor led coordinating information-sharing mechanisms in other sectors.
- ◆ Where the resource management relating to ODA assets and activities has improved, this has happened using external management competences, often donor led project management units (PMUs) and private consultancy firms. These mechanisms do not pay proper regard to questions of sustainability and the impact of these parallel structures on government machinery.

We consider some of these issues in greater detail in Chapter 8.

#### **6.4.3. Information management**

All the studies identified weakness at different levels of government (and even within donor agencies) to retain knowledge and learning about ODA so as enable reflective decision-making to guide current and future ODA. A number of studies spoke of the need for a central organ of government to take responsibility for managing the range of functions associated with 'information management', in order to enhance the quality of ODA supported activities. Most studies assumed that this responsibility be located centrally within national government, in IDC. We remark on this further in Chapter 8.

#### **6.4.4. Mainstreaming cross cutting themes**

Understandably, the need to better integrate cross cutting themes into ODA programmes is articulated most forcefully in the studies which were expressly charged with looking at this issue i.e. Capacity Building, Environment and Gender. Sectoral studies reinforced this perspective. Four ways of doing this have been highlighted:

- ◆ The needs to fast track the inter-departmental cluster approach being developed by the President's Office, and to apply these ideas to the ODA arena. The expectation here is that the planning and operational implications of 'joined-up government' will be formalised across government, from the political to the administrative levels, and ODA programmes should take advantage of these management and institutional imperatives.
- ◆ The use of indicators to monitor processes of mainstreaming as well as achievements in terms of mainstreaming cross cutting themes.
- ◆ The assignment of a proportion of the budget to explicitly cover the mainstreaming of cross cutting issues.
- ◆ Technical awareness and content knowledge of cross cutting themes need to be inculcated in individual lead officers within government and donor



agencies. There is, therefore, a need to target training on key programme officers who are in management positions and have the authority or influence to mainstream cross cutting issues.

#### **6.4.5. ODA and the role of civil society and Chapter Nine organisations**

There are two related issues raised in the component studies pertaining to Civil Society and Chapter Nine Organisations. The first is the evolving nature of post-Apartheid South African body-politic and the place of these organisations within an institutional landscape dominated by a legitimate, popularly elected democratic government. The second is the drift of ODA away from these organisations to government itself.

Both the Democracy and Good Governance (D & GG), and the Environment component studies (in particular the first), note that the first issue revolves around a fundamental debate within the country on the kind of democracy SA wants to build. These reports suggest that the ideal vision reflected in the constitution, of a fiercely independent civil society that is capable of playing an autonomous, critical role, is being compromised by the lack of resources to this sector.

There is no malice or conspiracy suggested in this analysis. What is being observed, particularly in relation to NGOs and CBOs, is that, given the government's commitment to improving the implementation of its welfare and development programmes, particularly to poor and disadvantaged communities, these elements of civil society are increasingly being co-opted into service deliver partnerships.

Whether out of the desire to align aid closely with government or otherwise, ODA too is following this trend. Consequently, the advocacy function of civil society is being emaciated. The findings of the D & GG and Environment studies point towards a profoundly searching question. What is the price being paid at a deeper level, in terms of the erosion of constitutional principles and values, of this close engagement between government, ODA and civil society?

The Health and SMME studies bring a different twist to this discussion. The Health study suggests that more ODA should go to effective NGOs and CBOs, as part of a wider programme of effective decentralised development. Note the emphasis here on decentralisation, which we take to mean a re-definition of the policy framework so that decision-making power and resources are transferred away from the government generally.

The SMME study reflects on the weaknesses in the capacity of certain types of civil society organisations, and in many cases their absolute absence among poor rural and urban communities, and the adverse consequences of this in terms of channelling essential government aid and ODA to 'survivalist', people-centred businesses, i.e. SMMEs run by people close to the poverty line.

What emerges from these studies is the call for greater and deeper debate on the role of civil society in the new SA, and the relationship of ODA to civil society within this framework. The impression formed in these studies is that

the SA government and donors may have arrived at a silent, comfortable de facto understanding, effectively ensuring that ODA goes mostly to existing NGOs and CBOs which are primarily concerned with being service delivery vehicles. Though this informal contract can 'deliver results' in terms of implementation efficiencies, the component studies argue that this arrangement may be too narrow for the greater good of SA.

The alternative view is that there needs to be a more sophisticated and longer term engagement between government, donors and civil society organisations, which protects and sustains the dynamic tensions essential to healthy pluralism and open democracy.

In this paradigm, government should encourage a proportion of the flow of ODA to form and maintain civil society organisations that can:

- ◆ Perform a watchdog function, in particular channelling support to Chapter Nine Organisations whose *raison d'être* lies in their ability to critique government performance on behalf of individual citizens and collective rights;
- ◆ Hold the government accountable for its actions and freely challenge the assumptions and operations of service delivery, without risk of penalty;
- ◆ Help establish NGOs and CBOs which often begin life by accruing decentralised functions and resources from government; then get caught in an inevitable dilemma at the heart of their existence whether to grow as service providers or rights campaigners, or somehow combine both.

Two issues arise out of this discussion: What proportion of ODA should be notionally allocated to civil society organisations and Chapter Nine bodies, and how should this support be channelled? What is certainly not at issue, and if anything clearly endorsed by IDC (which has facilitated direct transfers to the NDA from the EU) is the recognition of the value of civil society organisations, and the desirability of seeing independent channelling of ODA to these bodies, outside of the RDP fund mechanism. The conditions are therefore happily in place for a constructive debate on an issue that resonates deeply in the SA psyche.

#### **6.4.6. Knowledge banking**

The positive contribution of ODA, through various forms of technical assistance aimed at facilitating the transfer of knowledge to SA ('knowledge banking') is remarked upon in all the studies. The argument presented, by stakeholders from both sides of the recipient/donor divide, is that this form of ODA has been of immeasurable value, in the seminal, policy formulation stages of SA's development.

A number of studies, Capacity Building, Gender and Infrastructure, in particular, challenge this sweeping and uncritical position and urge caution. When looked at closely, the questions raised by these studies are in fact latent in all the DCR II component studies.

They can be reduced to these lines of probing:

- ◆ Who determines the 'content' of the knowledge that is being transferred?
- ◆ What is the best form and media through which SA acquires this knowledge?
- ◆ Where should this knowledge come from? From the donor country offering ODA? From a third country, possibly even another developing country? Locally sourced? From the open market?

These questions are of central importance when considering ways of affirming SA ownership of ODA. We look at them in greater detail in the next Chapter of this report.

## **6.5 Cross cutting themes for future reviews of this kind**

During the process of conducting DCR II, a number of other cross cutting themes emerged as critical dimensions of the development process in SA, but which were surprisingly absent from the discussion around key areas of need and ODA support.

Among these were:

- ◆ Mainstreaming HIV/AIDS policy and awareness across sectors;
- ◆ Safety and security as a dimension of development
- ◆ Mechanisms to examine and prevent corruption in ODA

These issues fall outside the terms of reference of DCR II. However, they are considered to potentially impact on issues of quality, effectiveness and in a future exercise of this nature.

### **Conclusions:**

A need for:

- A more sharply focused strategic framework to direct and manage ODA, clearly based on SA leadership.
- Improved coordination and consultation among the SA institutional stakeholders responsible for shaping and implementing ODA supported programmes, particularly in provincial and local government.
- Better information management within both government and donors to retain knowledge and learning to guide future ODA. This was generally assumed to be a function of central government and located in the IDC.
- A more successful integration of the crosscutting themes of capacity building, environment and gender into all ODA programmes. (See individual executive summaries of each thematic area in Section 2 of this report for detailed recommendations).
- A deeper debate on the role of, and the relationship of ODA to, civil society, particularly in relation to its advocacy and watchdog functions and also as part of effective decentralised development.
- A recognition of the value of knowledge banking balanced with the need for a critical and probing questioning of its application.