

THE NATIONAL DEVELOPMENT AGENCY (NDA) IMPACT EVALUATION STUDY OF FUNDED PROJECTS 2007-2012



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ACRONYMS

| | |
|----------|--------------------------------------------------------------------|
| AEA | American Evaluation Association |
| ASGISA | Accelerated and Shared Growth Initiative for South Africa |
| BRAC | Bangladesh Rural Action Committee (BRAC) |
| CASP | Comprehensive Agricultural Support Programme |
| CB | Capacity Building |
| CBO | Community Based Organisation |
| CEO | Chief Executive Officer |
| CSO | Civil Society Organizations |
| DAC | Development Assistance Committee |
| DFID | Department for International Development |
| DM | Development Managers |
| DoL | Department of Labour |
| EC | Eastern Cape |
| ECD | Early childhood development |
| EPWP | Expanded Public Works Program |
| ETDP | Education Training and Development Practices |
| FAO | Food and Agriculture Organisation |
| FG | Focus Group |
| FS | Food Security |
| GDP | Gross Domestic Products |
| GHS | General Household Survey |
| GOSA | Government of South Africa |
| GP | Gauteng |
| HDI | Human Development Index |
| HIV/AIDS | Human Immunodeficiency Syndrome/Acquired Immunodeficiency Syndrome |
| HSRC | Human Sciences Research Council |
| IDP | Integrated Development Plan |
| IES | Income and Expenditure Surveys |
| IFPRI | International Food Policy Research Institute |
| IG | Income Generation |
| ISRDP | Integrated sustainable rural development nodes |
| KZN | Kwa-Zulu Natal |
| LCS | Living Conditions Survey |
| LED | Local Economic Development |
| LFS | Labour Force Survey |
| LP | Limpopo |
| M & E | Monitoring and Evaluation |
| MDG | Millennium Development Goal |
| MP | Mpumalanga |
| MTSF | Medium Term Strategic Framework |
| NC | Northern Cape |
| NDA | National Development Agency |
| NDP | National Development Plan |
| NEPF | National Evaluation Policy Framework |
| NGO | Non-governmental organizations |
| NIDS | National Income Dynamics Study |
| NPC | National Planning Commission |
| NPO | Non-profit organisations |
| NPOs | Not for Profit Organisations |
| NQF | National Qualification Framework |

| | |
|----------|------------------------------------------------------------------|
| NT | National Treasury |
| NW | North West |
| OCA | Organisational Capacity Assessment tools |
| OECD | Organisation for Economic Co-operation and Development |
| PF | Programme Formulation |
| PM | Provincial Manager |
| PMG | Parliamentary Monitoring Group |
| PSC | Project Steering Committee |
| QLFS | Quarterly Labour Force Survey |
| RCT | Randomized Control Trial |
| RDP | Reconstruction and Development Programme |
| RFP | Request for Proposals |
| RSA | Republic of South Africa |
| SANHANES | South African National Health and Nutrition Examination Survey |
| SARS | South African Revenue Services |
| SETA | South African Training Authority |
| SMME | Small Medium Micro Enterprises |
| SOP | Standard Operating Procedures |
| Stats SA | Statistics South Africa |
| TB | Tuberculosis |
| TOC | Theory of change |
| UIF | Unemployment Insurance Fund |
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organisation |
| URP | Urban Renewal Programmes |
| USAID | United States Agency for International Development |
| WB | World Bank |
| WC | Western Cape |
| WHO | World Health Organisation |

CONCEPTS AND DEFINITIONS

Beneficiary for the purposes of this study references is someone who has directly participated in the funded interventions.

Civil society organisations are defined by the World Bank (2013) refers to the wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. Civil Society Organizations (CSOs) include community groups, non-governmental organizations (NGOs), labour unions, indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations” (World Bank, 2013).

Early Childhood Development is the process of emotional, cognitive, sensory, spiritual, moral, physical, social and communication development of children from birth to school going age generally up to the age of 9. ECD interventions are varied and can include formal ECD programmes which are mainly centre based and include crèches, day care facilities and preschool centres as well as home and community based programmes including cognitive stimulation, parenting programmes, nutrition and caregiver support programmes (Biersteker, 2007).

Food Security exists when “all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.” (FAO 2010:8)

Graduation refers to “a process whereby recipients of cash or food transfers move from a position of dependence on external assistance to a condition where they no longer need these transfers and can therefore exit the programme”. (FAO, 2010:8)

Impact Assessment is defined by the OECD as a process of measuring the improvements in the lives and livelihoods of beneficiaries (OECD/DAC, 1997)

Income Generation is a widely used term for a range of productive activities by people in communities aimed at generating an income. (UNESCO, 1993)

Nutrition Security can be defined as adequate nutritional status in terms of protein, energy, vitamins and minerals for all household members at all times (Quisumbing, 1995).

Poverty Alleviation: these are actions which seek to ameliorate the human condition for example by preventing starvation. These could be either public or private actions which are viewed as welfare oriented and serve as a safety net function (Pieterse, 2002).

Poverty Reduction: Actions implemented aim to reduce the depth of poverty experienced and include deliberate actions such as income transfer. While such interventions may reduce the number of people experiencing poverty, it doesn't address the structural causes of poverty (ibid).

Poverty Eradication: Interventions which seek to eradicate poverty aim to enhance and transfer political power to the poor to address the structural nature of poverty (ibid).

Targeting is any mechanism that identifies individuals to whom an intervention is directed. (DFID, 2000)

EXECUTIVE SUMMARY

Introduction

This impact evaluation study was designed to provide empirical evidence of the impact that can be attributed to the financial and capacity development support that development projects in South Africa have received from the National Development Agency through its grant funding mandate. The scope of this investigation was restricted to a focus on development projects in the fields of income generation, food security and early childhood development and for the grant funding period 2007 to 2012.

Background and purpose

The National Development Agency (NDA) is a statutory body, established in 2000 in terms of Act No 108 of 1998, with a primary mandate of promoting a partnership between the state and civil society organisations (CSO's) for addressing poverty and development in general. Its creation was informed by the need for the state to create a vehicle for channelling state resources for anti-poverty programmes to non-state actions (CSO's) towards the implementation of poverty eradication interventions (RSA, 1998).

Despite spending more than R 1 billion on development management projects since its inception in 2000, the NDA acknowledges that very little is known about the actual impact of projects on the funded civil society organizations. The NDA seeks to measure if the funded projects could have been better designed to achieve the intended outcomes, and whether the resources were spent efficiently.

As stated in the NDA Impact Evaluation Protocol (n.d.) the overarching aim of the NDA Funded Poverty Alleviation and Development Projects Impact Assessment Study, is to provide empirical evidence of the impact that can be attributed to the support these development projects have received from the NDA over a five year period between 2007 and 2012.

The impact assessment aimed to measure short and long term impact of these projects on:

- a) Individual organisations funded by the NDA in the past five years in relation to **growth and sustainability**;
- b) Improved CSO's **management processes** used to run the organization;
- c) Increase **sources of funding, income and savings levels** for the organization;
- d) Improved **quality of services offered** by the organisations; and
(The unit of analysis for the above being the NDA funded projects.)
- e) Improved **quality of life of beneficiaries and households** of members of the organization. (The unit of analysis being participants and beneficiaries.)
- f) To assess the cost effectiveness and efficiencies of using this model in supporting CSO's developmental programmes for poverty alleviation

This socio-economic impact assessment of the NDA's funded poverty alleviation programmes covering the period 2007 to 2012 across all 9 provinces was commissioned by the National Development Agency (NDA) and undertaken by the Human Sciences Research Council (HSRC) during 2015.

Contextualising The State's Anti-Poverty Response

South Africa has through successive development plans from 1994 prioritized addressing the triple scourge of poverty, inequality and unemployment that confronts this young democracy (NPC, 2012).

The World Bank (WB) (2014) has acknowledged the progress South Africa has made towards creating a more equitable society, through implementation of a battery of legislative, policy and programme redistributive measures, which have focussed on strengthening the livelihoods capabilities of the poor and the gradual expansion of an extensive social protection programme through which substantial progress has been made in reducing poverty, inequality and unemployment. These measures importantly have recognised and responded to the multi-dimensional nature of poverty.

Despite this progress the National Development Plan notes that South Africa remains a *“highly unequal society where too many live in poverty and too few work”* (NPC, 2012, p14). Importantly the WB report (WB, 2014) suggests that improvements in the quality of spending and targeting of these programmes could enhance their potential contribution to reducing poverty, inequality and unemployment.

Increasingly, governments of developing countries are recognizing their essential role in underpinning living standards and have responded to this through increased social spending accruing to the poor. This spending is broadly termed *“social wage”* which captures all forms of spending. In the post-apartheid period a key feature of government was the deliberative manner of the state to establish state institutions which would serve to facilitate the flow of resources for addressing development and poverty eradication with a specific focus on non-state civil society actors, one such institution being the National Development Agency (NDA).

Although the State's role in driving the economic and social transformation of the country is paramount, the National Development Plan (2012) noted the substantial contribution of civil society organizations in advancing South Africa's development agenda. It recognizes the vital role played by CSO's in among other actions, enabling people to claim their rights, in promoting rights-based approaches and piloting innovative mechanisms, in shaping and overseeing development policies and promoting and sustaining partnerships with both the State and the private sector. The channelling of resources to civil society is premised on the states recognition of this crucial role.

National Development Agency Mandate

National Development Plan (NDP) (NPC, 2012) articulated this vision in respect of poverty eradication:

“By 2030, we seek to eliminate poverty and reduce inequality. We seek a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available. Our plan is to change the life chances of millions of our people, especially the youth; life chances that remain stunted by our apartheid history.” (NDP, 2012, p5).

The NDA's role, as an institution of the state, in contributing to this vision is clearly aligned with this vision statement above.

The **mandate** as outlined in the NDA Act (1998) is *“to contribute to the eradication of poverty and its causes by granting funds to civil society organisations for the purposes of:*

- Implementing development projects of poor communities;

- Strengthen the institutional capacity of other civil society organisations that provide services to the poor.

It aims to achieve this through its mission of facilitating development through targeted grant funding to CSO's, undertaking research and forging strategic partnerships.

Eligibility to grant funding is restricted to civil society organizations that are registered as “Not for Profits Organisations” registered with the Ministry of Social Development or as a Section 21 company under the South African Companies Act, or as a Not for Profit Trust or registered as a Co-operative.

The NDA supports projects that demonstrate integrated, holistic, comprehensive and sustainable approach to poverty eradication based on the following criteria:

- **Effectiveness:** The extent to which a project may achieve its stated objectives and other socially desirable outcomes.
- **Poverty Impact:** the potential demonstrable effect of the project in improving the quality of life of poorer communities and individuals.
- **Sustainability:** The viability and sound functioning of the project within the constraints it faces such as funding, staffing and others.
- **Replicability:** The potential value of the project in informing new ideas and good practices or poverty eradication programme.
- **Partnership:** Substantial public sector involvement and partnerships with NGOs, CBOs and government departments at national, provincial and local level.
- **Models of best practice:** The extent to which a methodology is tried and tested to deliver results in the best possible way.”

The NDA's core areas of funding include Early Childhood Development (ECD), Food Security (FS), Income generation (IG), Capacity building (CB) as well as programmes supporting and vulnerable groups (women, children, disabled individuals and elderly). The NDA's three thematic focus areas identified for this study are considered strategic in that evidence suggests a *critical intersection* between *poverty, unemployment, food insecurity* and high levels of inequality.

IMPACT EVALUATION FRAMEWORK

Impact evaluations aim to determine more broadly whether a program had the desired effects on individuals, households, and institutions and whether those effects are attributable to the program intervention. Particularly important is the extent to which project or program benefits reach the poor and how their welfare is impacted by these benefits.

At the core of all impact assessments is a **conceptual framework** which includes three main elements namely **a theory of change** which spells out the pathways through which change is envisaged, a clear specification of the **units of analysis** and the levels at which the impacts will be assessed and finally outline of **the types of impact** that are to be assessed.

Increasingly governments are demanding concrete evidence of the impacts of programmes which claim to reduce poverty. Ravallion (2008) posits that this requires an understanding of the complex relationships and causal pathways through which programmes maximise re-distributional impacts. Impact evaluations seek responses to the following questions (ibid, p2, 75):

- “Do we know if such interventions really work?”
- How much impact do they have?

- *Do we understand why a program does or does not have impact”*

Theory of Change

The **causal pathways** through which the NDA supported interventions are connected with their ultimate goals are long and complex. In many instances the interventions can only directly influence intermediary outcomes (indicated as short to medium term outcomes) which then contribute to the long term outcomes indicated above.

The theory of change for the NDA impact Assessment study which this study adopted is as follows:

- ❖ Through programme formulation the NDA will identify and cultivate champions towards achieving its overarching vision. This means if conditions are right, namely when actors (CSO’s) are supported (e.g. through capacity development and funding), change can occur.
- ❖ The NDA provides funding and support to CSO’s to implement income generation, food security and early childhood development programmes which are aimed at impacting on poverty and the provisioning of services to the poor.
- ❖ NDA is committed to working collectively with partners to achieve shared aims and objectives around poverty alleviation and hence they coalesce around a shared agenda,
- ❖ As a result the NDA will provide quality of life enhancing services to the poor through CSO’s and in this way enable **“the poor”** to move up the development ladder.

The research design and execution was informed by the following:

- Commitment to the principle of "utilization focused evaluation" where the intended users of the evaluation findings are consulted on and participate in the decisions about the methods to be adopted and the indicators to be measured. Research evidence suggests that these intended users are more likely to use evaluation findings and implement actions arising from the evaluation if they have ownership over the evaluation design.
- Adoption of a multi and mixed methods research design in recognition of the complexity of the study and in order to quality, validity and reliability of the evaluation findings (Rossi, et al., 2004; Denzin, 1978).
- To address the challenges of attribution in the absence of a counterfactual, comparison projects were identified and included in the study.
- Identification of specific indicators for measuring each of the study objectives, with the unit analyses being the funded CSO, the direct beneficiaries who were involved in the NDA funded programme and their households and the community at large who benefited indirectly from the funded intervention.

The impact evaluation design rationalised the various objectives into three overarching objectives namely:

Objective 1: Improved quality of life of beneficiaries and households of members of the organization.

It addresses the question raised in the NDA Impact Assessment Terms of Reference namely

“Do these interventions make a positive different on beneficiaries and their family’s lives in terms of poverty levels – are they most likely to basic meals (3 times a day), children at school, ownership of home etc.?”

Objective2: Impact of NDA Grant Funding in respect of the growth and development of the CSO's.

The key questions that this objective responds to is whether NDA funded projects resulted in the following outcomes and impacts being experienced by the CSO:

- Has funding resulted in the organisations growth and sustainability in terms of increased funding or income sources, diversification of their products and services, use of new technologies and employment levels?
- Does funding and support from the NDA to CSO's have a positive effect on the organization in terms of improved organizational management skills, financial management skills, ability to access markets for their products and changes in their livelihood status?
- Do these interventions improve the organization's profit margins and ability to save profits and or invest in less risky markets?
- What is the cost effectiveness of such programmes and can the programme be sustainable in current scale and when rolled out?

Objective 3: To provide empirical evidence of the impact that can be attributed to the support these development projects have received from the NDA over a five year period between 2007 and 2012.

While this is the overarching objective of the study it speaks to an assessment of the support provided by the NDA to CSO's. Although study objectives did not include an **effectiveness or efficiency analysis** the study has addressed this to a limited extent, especially where such analysis contributed to evidence relating to the impact objectives of this study.

SUMMARY OF KEY FINDINGS AND ANALYSIS

The overarching findings, which have implications for policy development, design and implementation of anti-poverty programmes implemented by civil society organisations in South Africa are reported below in relation to the studies three objectives. The findings are presented in terms of NDA and non NDA beneficiaries (comparison projects); by the thematic focus of the poverty intervention namely income generation, food security and early childhood development.

Objective 1: Improved quality of life of beneficiaries and households of members of the organization.

Here the study sought to assess the poverty and wellbeing impacts of NDA grant funding on the socio-economic status of beneficiaries and their households. The dimensions of assessment were based on a focus on poverty as multi-dimensional covering deprivation measures such as income, employment, education, health and living environment. It also included a limited assessment of perceptions of wellbeing.

In respect of money metric indicators of poverty the results suggest the following:

- If the aim of the NDA funding to CSO's is to eradicate poverty for participants then the results suggest that it has failed to achieve that given that only 28% of beneficiary households were living above the upper bound poverty line during exposure to the programme.
- Benefits that project participants enjoy during grant funding, are not sustained once the project funding had ended.
- Termination of grant funding was closely correlated with projects ending or becoming largely inoperative.

- Participants in the income generation projects appear to have enjoyed the greatest anti-poverty impacts, followed by ECD project participants.
- In contrast the findings suggest that food security project are not likely to contribute in a significant manner to household incomes and to enabling graduation out of poverty. This resonates with global evidence about the contribution of agricultural incomes to household income.
- At a regional level the findings suggest that KZN followed by MP had the highest number of NDA project beneficiaries below the poverty line, 84% and 82% during grant funding; whilst the NC and the WC had the least number people below the poverty line at 18% and 56%, respectively.
- Poverty by gender of household shows that the incidence of poverty is higher amongst NDA female headed households beneficiaries compared to male beneficiary headed households, and this increased to by 5% over the review period, from 74% to 79%. This resonates with national data on poverty trends in respect of gender of household head (STATSSA,2014)
- Income from project participation was four times higher for NDA beneficiaries (20%) compared on non NDA beneficiaries (5%) during the period under review.
- Given the annual cost of pushing everyone to the upper bound poverty line we estimate that it would cost R383,692,887 over the 5 years to eradicate poverty from the total population that benefited from NDA funding.
- Similarly the annual cost of R9,106,360 of pushing everyone who is chronically poor above the lower bound poverty line (food poverty line) would mean a cost of R45,531,800 over the 5 years to eradicate chronic poverty for NDA beneficiaries.
- Assuming everything else is held constant, with a 1% growth in per capita income it would take 63 years for these poor households to exit out of poverty. This drops to 32 years assuming a growth rate of 2%, it would take a growth rate of 8% to reduce exit times out of poverty to 8 years. This compares poorly with the BRAC poverty graduation model, which through a 5 point plan enables poor households in Bangladesh to graduate out of poverty within 24 months.
- Approximately a quarter of all beneficiaries reported that grant income was the main source of income for their household.

In respect of non- money metric poverty measures the results suggest the following:

- Participation in the programme marginally improved acquisition of assets? However it's not absolutely clear that this can be attributed to participation in the programme?
- More NDA beneficiaries accessed training compared to non-NDA beneficiaries. However very little evidence emerging of the impact of training on job securing for participants.
- In respect of food security 40% of NDA beneficiaries and 24% of non NDA beneficiaries confirmed the value of participation in respect of hunger reduction. However this will not necessarily address nutrition security.
- About a third (30%) of NDA and non NDA beneficiaries reported a positive difference in relation to accessing health care and hence it can be surmised that exposure did not make a discernible difference.
- Respondents were probed as to their perceptions of their household situation now in comparison to the time when they were not working on the project. 41% of NDA beneficiary household respondents said that their household situation was much better, while this was reported for 24 % of non-NDA beneficiary households.

- Participants were asked to imagine a six step ladder where the poorest people in South Africa stand on the bottom (the first step) and the richest people in South Africa stand on the highest step (the sixth step) and to place their household on the ladder at the start of the programme, during the programme and at present. The self-assessment exercise revealed that 32% reported being on the lowest rung of the ladder prior to project funding and at the time of the study only 8.5% of those self-reported their household being on the same rung currently. Across all the rungs of the ladder pre-project participation all participants indicated that their household's situation had improved significantly.
- The latter two points suggest that at while at a tangible level livelihoods may not have improved, participation in the project has a positive psycho-social impact, in terms of self esteem.

Objective 2: Impact of NDA Grant Funding in respect of the growth and development of the CSO's.

The findings in respect of this objective were very limited arising from the absence of baseline data, the poor or inadequate responses received from CSO's and the lack of documentary evidence to verify self-reported outcomes. As a result the study was unavailable to make any findings on the changes to financial status of the CSOs.

Majority of beneficiaries appeared to be involved with the CSO several years after grant funding had terminated. However this cannot be taken as reflecting growth as beneficiaries noted that in some instances productive activity had almost completely terminated or was at a much lower scale and often not generating any income for participants.

Several of the CSOs reported having strengthened their human resource capacities through recruitment additional staff, importantly to strengthen specific areas such as financial management. The allocation of budgets for stipends and salaries had been noted as specifically contributed to this.

A number of CSOs reported having acquired office infrastructure as a result of the NDA grant and similarly others reported having increased their regulatory compliance through registration of the CSO's and in ensuring the drawing up of employment contracts.

The extent to which income generation projects, including those focussing on agricultural development were able to access markets and the contribution of the NDA to this outcome was also not easy to assess. Anecdotal evidence provided a few outstanding examples where the NDA support had created access to markets. However the ability to supply produce at the quality required and at scale consistently could not always be sustained and as a result some of this market access was soon lost.

The assessment of project sustainability was mixed. External factors which contributed to lack of sustainability of projects included exposure to crime, impact of drought, lack of access to electricity, the non-compliance of the project managers with donor requirements, non-repayments of loans, corruption and internal conflicts. In some agricultural projects sustainability was hampered by the loss of project workers, in some instances directly as a result of the stipend being terminated. Another issue which impacted on the sustainability of some agricultural projects was alleged contestations over land tenure claims.

An extremely successful commercial chicken farming enterprise ceased operations as a result of the Department of Labour (DoL) raising concerns about the projects non-compliance with minimum wage levels. The closure was forced due to the projects inability to sustain the production and remain financially viable while complying with DoL requirements.

Objective 3: Effectiveness and efficiency analysis of implementation of NDA Grant funded programmes 2007-2012

Although study objectives did not include an effectiveness or efficiency analysis the study addressed this to a limited extent more especially where such analysis contributed to evidence relating to the impact objectives of this study.

Effectiveness Assessment

The effectiveness assessment of the NDAs programme is based on the extent to which it is has achieved its intended outcomes.

Reviewing the NDA Mandate

Questions about the appropriateness of the NDA mandate to eradicate poverty were raised by many stakeholders internally and externally. This is in the context that the scale and nature of poverty required a multi-dimensional and multi-stakeholder response. This was raised more so in reflecting on the decreasing resource base which the NDA had access to since its inception. Some stakeholders were vociferous in articulating their view that the NDA appeared to be duplicating the work that many line function departments were responsible for and more so was doing this without the requisite capacities which these departments acquired or the scale of resources to effect meaningful change.

Thematic focus of NDA

In terms of identifying priority areas for interventions to address poverty the three focus areas (IG, FS and ECD) for the 2007 to 2012 period the NDA priorities appear to be strategically aligned to national and provincial priorities. However there were important questions being raised about the specific value add contribution of the NDA to that thematic area.

One area which stakeholders believed NDA could make a valuable contribution was in promoting an enabling environment within which civil society organisations could work in partnerships with government and private sector stakeholders. Kraag (2015) championed the idea of CSOs serving as key labour market intermediaries, specifically addressing the challenge of youth labour inclusion. He argued that a key barrier to market access for the poor is information deficiency and offered the following solution:

“And it is here that intermediaries potentially have the greatest impact: amongst the low-skilled and young unemployed. These intermediaries may have the capacity to steer individuals towards paths of greater employment ‘readiness’. Intermediaries can assess the skill gaps among job seekers, and supply information about vacancies and their requirements to meet employer needs. They can bring ‘the supply and demand sides together.’”

This was suggested to be a more meaningful role than having many CSOs step into the job creation arena, when these interventions were not likely to be at scale to make any meaningful impact on the problem.

In respect of promoting an enabling environment this would entail assisting CSO's navigate the legal, bureaucratic and fiscal domains which non-state actors have to engage with and to do so in the context of strength. An example cited was the role of small farmers in engaging with private commercial entities for access to agro-processing markets. It was noted that agro-processing in SA was dominated by five enterprises who hold 50% of the market share. The ability to break into this market was complex and required access to finance, legal and negotiating skills and access to government support (https://issuu.com/alive2green/docs/gbj15_web).

Provincial Grant Funding Prioritization

A rapid review of provincial commitment plans available for 2008 and 2009 appears to indicate that provincial NDA plans are aligned to provincial strategic priorities with economic development and agriculture being prominent themes in these plans.

Interestingly the commitment plans were silent on their understanding of the specific challenges that CSO where likely to encounter.

In terms of the targeting of poverty eradication benefits there appeared to be consensus among NDA management, project managers and community stakeholders that through programme formulation and a focus on nodal areas the NDA was reaching the most vulnerable communities. GIS mapping revealed that 61.8% of projects were located in vulnerable municipalities. Further analysis of the spatial location of projects against unemployment data showed that 315 of the NDA funded projects were located in municipalities that had unemployment levels of greater than 20%. There were however 80 municipalities countrywide which had unemployment levels greater than 20% but did not have any NDA funded projects. A key conclusion which can be drawn is that NDA's spatial targeting and programme formulation approach appears to have ensured appropriate targeting of nodal sites. However it also demonstrates vividly the challenge for the NDA of making significant impact when the scale of the problem was large while its resource base was miniscule.

Targeting vulnerable groups

A key presumption which informed the NDA focus on poverty nodal areas targeting was that by default this would ensure appropriate targeting of vulnerable people.

As the survey data confirms women make up the majority of beneficiaries on NDA projects. This is very important as evidence suggests stronger distributional impacts at household level when women are the targets of poverty interventions.

However there are concerns about the targeting of youth, a key priority group in the context of high unemployment rate of youth in SA.

There was very little evidence of targeting of disabled people. This is understandable as there are specific challenges to programming for such a target group which have been experienced by many other government anti-poverty programmes. There did not appear to be any specific targeting approaches adopted by the NDA to reach this target group.

Partnerships for Development

Although several of the provincial commitment documents identified partnership with private sector, other state institutions and with civil society the evaluation found little evidence of these partnerships being forged and sustained at a national level or at project level.

The importance of partnerships is highlighted given the repeated assertions of NDA management that they could not be expected to deliver on the poverty eradication mandate solely. The absence of a well-defined and resourced strategy with strong leadership to drive a partnership approach is glaringly noted.

It would appear from an assessment of NDA provincial management responses (key informant interviews) that the focus was more on implementing projects and meeting targets rather than on playing a facilitation role with other development partners including local government and provincial departments who hold specific mandates around the core focus areas adopted by the NDA.

In a number of the funded projects profiled during this study it was evident that multiple donor institutions were working with the CSO. This provided the opportunity for the NDA to lead in facilitating multi stakeholder participatory planning and review sessions towards collectively enabling the projects to realise their goals. No evidence of such processes were reported.

Knowledge Management for enhancing Development Outcomes

It would appear that aside from the NDA newsletter “The Voice” there weren’t any other dedicated channels for information sharing during the period under review. This appears to be changing as demonstrated by the types of information being posted on the NDA webpages.

It is not immediately apparent how the NDA evaluates its knowledge dissemination activities in order to understand who is being reached and what impact if any it is making in enhancing evidence based planning and programming systems internally.

More importantly it is unclear what processes and approaches have been adopted by the NDA to reflect back findings and lessons learnt to beneficiaries in order to support internal reflection and growth.

The underlying assumption for developing knowledge platforms is that through access to new knowledge, practices may change and performance may be enhanced. Unless there is a purposive approach to sharing knowledge findings with the other stakeholders the exercise is largely extractive and as such is not developmental in its approach. This is in keeping with the Busan Partnership¹ which aimed to address weaknesses in development aid systems and processes (OECD, 2012).

Monitoring and Evaluation Systems

The monitoring and evaluation systems implemented during the period under review were focussed predominantly on output and to a limited extent outcome monitoring. The NDA’s M and E framework developed in 2013 is a significant development in institutionalising M and E within the NDA’s culture of

¹ The Busan Partnership for Effective Development Cooperation was signed in South Korea in December 2011 which documents consensus between state parties and donor agencies and which was spearheaded by the OECD,

operation. The recognition of the various levels at which M and E must be undertaken is welcomed in that it embraces, internal monitoring as well as programme and project level monitoring and evaluation.

The HSRC has identified areas which need further attention in order to strengthen the NDA's approach to monitoring and evaluation of funded projects.

Efficiency Analysis

The NDA claims to have reached 39 000 beneficiaries were reached through the intervention and created 6824 jobs. These results emerge from a total NDA transfer of R 428 029 799.00 million over the period 2007-2012 distributed to 344 projects nationally. A rough cost benefit assessment suggests that on average the cost of creating an NDA job nationally is in the region of R 62 700 per job. This however masks regional variations which range from WC jobs costing just under R 19 000 while the most expensive jobs were in the NC costing R 359 000 per job.

The capacity of the NDA to deliver on its mandate has also been reviewed. Capacity challenges include sufficient personnel to cover projects across a province with sufficient depth and frequency. It was noted that in some provinces 1 or 2 development managers had to cover the entire province. At a different level questions are raised about whether NDA personnel have the appropriate capacity to provide the mentorship and organisational development support which CSOs require. The issue regarding sector specific knowledge and skills has already been noted earlier in this report.

Exit Strategies

Exit strategies define what is likely to happen to an intervention after resources are withdrawn in order to ensure that the attainment of the projects goals are not undermined. It works on the assumption that if the project is not ready to be "graduated" it will continue to require support and that the strategy outlines the nature of the support required and how it will be sourced.

The evaluation did not find any evidence of such strategies having been put in place, even though a number of provincial NDA managers noted this as a concern.

CONCLUSIONS

The study has brought to the fore the challenge for the state of establishing development vehicles which are able to effectively channel development funding to achieve national priorities in respect of poverty eradication.

As Swilling et al (2002) note it also raises critical questions about the relationship between development expenditure and the resultant impacts of this expenditure on poverty eradication, reduction and even alleviation. Increasingly governments are demanding concrete evidence of the impacts of programmes which claim to reduce poverty.

The study has highlighted serious capacity challenges, not only for the state in terms of building effective institutions but also capacity challenges for CSO's in the fields of development facilitation and implementation towards achieving poverty eradication outcomes.

Capacity development approaches for CSO's need to be project specific and differentiated in order to achieve the developmental outcomes for targeted beneficiaries and which ultimately enable them to

“graduate” out of poverty. The focus on capacity development must extend beyond technical training approaches and seek to build strategic capabilities of CSO’s.

Poverty by its very nature is multi-dimensional, requiring multi-stakeholder engagements and the implementation of multiple interventions. Capacity development interventions need to address the need for institutional strengthening around the ability to forge strong and effective partnerships. These will never be equal partnerships as some parties yield more influence and power than others but with recognition of the power imbalance. Importantly capacity development should aim to support each institution in defining their specific purpose and contribution to poverty eradication.

According to NDA management, a decision has been taken by the DSD to transform the role of the NDA from grant maker to becoming an institution which supports capacity development for CSO’s. This decision has been informed by an in-depth analysis which recognises that annually across the various organs of state there is has been approximately R 20 billion flow of resources to the NPO sector. It is thus suggested that the NDA would be more strategically positioned to use its resource base for strengthening the CSO sectors capacity to engage in development and poverty eradication work.

The NDA’s intention is to incrementally withdraw from its development financing function over the next two years until all grant funding commitments have been met. In the meanwhile the NDA will begin to focus increasingly on its role as capacity development facilitator. However despite its withdrawal from the grant funding role, the NDA believes it could continue to provide strategic guidance to other state institutions which serve as conduits for channelling development finance to the CSO sector for poverty eradication and development interventions. It is in this context that the following recommendations are put forward.

RECOMMENDATIONS

The following recommendations are humbly submitted for consideration by the NDA with the caveat that the HSRC did not undertake a review of current systems operating within the NDA, more so if these had changed in the period since 2012. In that context it is recognised that some of the recommendations may no longer be relevant.

Recommendation 1: Clarifying the NDAs mandate

Is the mandate poverty eradication, reduction or alleviation? Or is it all three. Clarifying the mandate is important for several reasons; it allows us to determine what measures to use for assessing performance, it also allows for a better understanding of the pathways through which such change will occur and more importantly for designing interventions.

If the ultimate goal is eradication then in respect of job creation the goal will be decent work. The connotation of decent work as espoused by the ILO includes work which upholds labour rights in employment and which secures acceptable wage levels, far above the poverty line. In this context evaluating the outcome of a project which delivers a wage level of R1200 per month cannot be considered a “decent wage” as was described in an evaluation report commissioned by the NDA.

Furthermore, the findings with respect to the profile of poverty, the levels of poverty and the responsiveness of poverty to growth would such that eradicating poverty through the current design of supporting CSOs might not be achievable.

The NDA mandate must be framed within the context of the NDP vision 2030 and the country commitments to the progressive realization of the Sustainable Development Goals agenda.

Recommendation 2: Revisit the Intervention Logic Model of Anti-poverty programmes.

Revisit the Intervention Logic Model for anti-poverty interventions away from short term interventions to those which provide predictable safety nets have greater positive impact on chronic poverty, so as to enhance the impact of job creation or skills transfer programmes.

Recommendation 3: Targeting of Beneficiaries

From a poverty perspective it matters who is targeted. The assumption that through poverty nodal targeting the NDA will ensure that it reaches the appropriate target groups is not borne out by the study findings. The poor do not constitute a homogenous grouping in society and as such targeting mechanisms need to be introduced which are beneficiary specific. These must be informed by an understanding of the determinants which predispose participation. In particular such targeting mechanisms need to address greater youth inclusion and the targeting of disabled people in the programme. Given the concentration of the poor in households with older heads should also be considered as a criteria for targeting if chronic poverty is to be eradicated.

For effective targeting of anti-poverty interventions the NDA needs to encourage partners in civil society and state to go beyond socio-economic and programme specific targeting. The evidence from this study reveals a wide range of targeting mechanisms and recruitment practices across provinces and thematic focus programmes. These are contributing to imprecise targeting, which is a concern in the context of wide spread unemployment and poverty. At the same time it is creating two distinctive subgroups who are separated by larger income gaps. Purposive targeting mechanisms must be designed and implemented to ensure the inclusion of those in the poorest quintiles. More so in light of the finding that in this population where the impact of growth on per capita income was found not to be pro-poor. More needs to be done to understand the factors which inhibit the poorest from accessing anti-poverty programme opportunities and designing recruitment and targeting practices which enable their access to such programmes.

The NDA's role in engaging with civil society organisations is to deepen their understanding of different target groups for anti-poverty interventions and in designing recruitment processes to ensure their participation in these programmes. The section on poverty begins to highlight some of the subgroups that might be prioritise for recruitment into such programmes

Recommendation 4: Monitoring and Evaluation Systems

The NDA M&E system which is currently informing the approach to monitoring and evaluation is a step in the right direction. The system however needs additional strengthening.

- NDA should engage in capacitating its management, at national and provincial level as to its relevance and value for their work. It is evident that the value of M&E is weakly understood and hence indicators for measuring outcomes and impacts do not appear to provide relevant information to management to inform their plans.
- A culture of M&E needs to be built within civil society. This must extend beyond technical approaches relating to collecting data to ensuring that the value of M&E is understood and that community level monitoring is strengthened. Such approaches have been found effective in ensuring that communities hold duty bearers in civil society and government to account for

development failures. It will build greater local accountability and can contribute to minimizing leakage, fraud and corruption.

- Evidence based monitoring and evaluation needs to be informed by clear theoretical frameworks which help define the theories of change for development actions and which informs the nature of indicators which must be measured. This includes unpacking definitions or who are primary and secondary beneficiaries and the specific indicators for measuring the impacts for these different target groups.

Recommendation 5: Market and Business Viability Assessments

In respect of income generation interventions including those focusing on agriculture, the NDA needs to either develop its expertise or outsource this to those with experience of work in this field. Such expertise must be based on a depth of understanding of specific sectors. For example there is a need to identify key characteristics of specific sectors and programmes which make for successful interventions in respect of poverty eradication, reduction and alleviation. Such characteristics can be extracted from the wealth of evidence available. For example much is known about the failures of cooperatives in South Africa. Understanding the interventions which can minimize the risk of failures may contribute to reducing failures. Similarly there is a wealth of knowledge and expertise relating to accessing markets in the agricultural sector. Harnessing this knowledge can help strengthen approaches to strengthening market access. For example it is known that farmers who grow produce for a defined market are more incentivised than those who produce for an unknown market.

Recommendation 6: Partnership Development

Following from the above recommendation and in recognition of the multiple role players and their respective contributions to anti-poverty programmes the NDA is urged to establish at various levels, from project through to national level, forums for stakeholder engagement to inform the development of integrated strategies and plans. In this way it is possible for leveraging resources beyond the scope of one institution has access to as well as leveraging the relative expertise that each stakeholder holds.

Recommendation 7: Strengthen Capacity Development Programmes

The NDA needs to shift away from a focus purely on technical capacity development programmes towards strengthening CSO capabilities for advocacy and for policy engagements between civil society and government. This is a core principle of the Sustainable Development Goals Agenda post 2015.

Consistent with global evidence on training, there is a need to rethink skills development component in the context of poor evidence linking training with improved job searching and livelihoods outcomes.

Recommendation 8: Exit Strategies/Sustainability Plans

The NDA needs to support CSO's and government departments who fund CSO development programmes to ensure that central to their funding is the development of exit strategies/sustainability plans to ensure that the funded development initiative has a fair chance of succeeding beyond the funding cycle for this specific grant.

Recommendation 9: Institutional Systems Strengthening

Enhance institutional capabilities within the NDA at national and provincial level and within the NPO sector in relation to technical, managerial and monitoring responsibilities which these institutions have to

fulfill, if the anti-poverty programme is expected to achieve its goals. This includes improvements in the information management and knowledge dissemination systems.

The ability to manage information is critical to effective monitoring and evaluation. The NDA is urged to review its existing systems particularly in respect of the alignment of the systems across provinces. More specifically the manner in which projects are classified needs to be revisited. An example of this is the many commercial agriculture related interventions which are classified as food security when their direct outcome is income generation and by default food security.

The wealth of information which the NDA holds needs to be made available in accessible forms both internally and externally. The mechanisms for knowledge sharing need to be carefully considered to address different user needs and capacities. The core aim would be to ensure that such knowledge informs evidence based design and planning of new interventions, review of existing ones as well as to inform policy at all levels.

1.1.1 Suggested Areas for Further Research

The following are proposals for further research that the NDA is encouraged to embark on.

- Deepen the understanding of the determinants which influence youth self-selection out of some types of anti-poverty programmes. This will assist in the design of interventions which target youth
- Undertake tracer studies to assess the impact of training and exposure to NDA funded support in terms of beneficiaries graduating out of poverty.
- Identify and isolate the factors which contribute to “successful graduation” for income generation programmes and share these lessons widely to inform good practices.
- Undertake cost benefit exercises to assess the transfer costs of programmes against the outcomes and impacts achieved.

2 INTRODUCTION

The National Development Agency (NDA) is a statutory body, established in 2000 in terms of Act No 108 of 1998, with a primary mandate of promoting a partnership between the state and civil society organisations (CSO's) towards the eradication of poverty. Its creation was informed by the need to create a platform for mobilizing resources directed at CSO's towards the implementation of poverty eradication interventions (RSA, 1998).

Despite spending more than R 1 billion on development management projects since its inception in 2000, the NDA acknowledges that very little is known about the actual impact of projects on the organizations which have been funded. The NDA seeks to measure if the funded projects could have been better designed to achieve the intended outcomes, and whether the resources were spent efficiently.

The NDA recognized that *"If programs are poorly designed, do not reach their intended beneficiaries, or are wasteful, with the right information they can be redesigned, improved, or eliminated if deemed necessary. The knowledge gained from impact evaluation studies will also provide critical input to the appropriate design of future programs and projects."* (NDA, n.d). This premise is widely supported and is increasingly emerging as a critical component of development planning (Chambers, 1995, Gabarino and Holland, 2009).

This socio-economic impact assessment of the NDA's funded poverty alleviation programmes for the period 2007 to 2012 across all 9 provinces was commissioned by the National Development Agency (NDA) and undertaken by the Human Sciences Research Council (HSRC) during 2015.

2.1 AIMS AND OBJECTIVES OF THE NDA IMPACT EVALUATION

As stated in the NDA Impact Evaluation Protocol (n.d.) the overarching aim of the NDA Funded Poverty Alleviation and Development Projects Impact Assessment Study, is to provide empirical evidence of the impact that can be attributed to the support these development projects have received from the NDA over a five year period between 2008 and 2012.

The impact assessment aimed to measure short and long term impact of these projects on:

- a) Individual organisations funded by the NDA in the past five years in relation to **growth and sustainability**;
- b) Improved CSO's **management processes** used to run the organization;
- c) Increase **sources of funding, income and savings levels** for the organization;
- d) Improved **quality of services offered** by the organisations; and
(The unit of analysis for the above being the NDA funded projects.)
- e) Improved **quality of life of beneficiaries and households** of members of the organization. (The unit of analysis being participants and beneficiaries.)
- f) To assess the cost effectiveness and efficiencies of using this model in supporting CSO's developmental programmes for poverty alleviation

The impact evaluation findings are expected to inform national policy in respect of supporting CSO's development programmes and lobbying the private sector to invest more on the development of community based developmental efforts.

The NDA's Impact Evaluation Protocol outlined four specific objectives of the Impact Assessment Study namely:

- To provide an accurate assessment of the contribution made by the NDA poverty alleviation projects (food security, income generation and early childhood development) on **beneficiaries, households** and the **organisations**.
- To measure the impact, positive or negative, that can be attributed to the NDA poverty alleviation programmes **on individual livelihood and households**.
- To produce an impact assessment report that can assist the NDA to enhance the **planning, implementation** and **monitoring** of its poverty alleviation projects.
- To **inform policy and strategies** on how the country can improve developmental programmes aimed at poverty alleviation, especially on the areas of income generation, early childhood development and food security.

2.2 EVALUATION CRITERIA

The evaluation framework for the Impact Assessment of the NDA's Grant Funding Programme for 2007-2012 has been informed by international best practice in the evaluation of such programmes, the specific objectives as outlined in the NDA's Impact Evaluation Protocol (n.d.) in respect of this study as well as pragmatic considerations of the costs associated with use of different techniques.

Internationally accepted criteria for evaluating the impact of an intervention include relevance, effectiveness, efficiency, impact and sustainability (OECD, 1991, Roche, 1999). These criteria provided guidance in the development of the impact assessment framework and methodology and are broadly defined below:

- **Impact** measures aim to assess the extent to which participation in and implementation of NDA funding and support has transformed the lives of intended beneficiaries.
- **Effectiveness** measures the extent to which a programme met its objectives. Specifically for NDA funded projects this would be an assessment of the extent to which targets were achieved. It would also explore the factors contributing to the achievement or non-achievement of these targets.
- **Efficiency** measures how the inputs to the programme translate to outputs. Here the study sought to explore how the processes engaged in supported the efficient implementation of the NDA funded programme.
- **Sustainability** is focused on measuring the extent to which the benefits accrued from participation in the programme continued after the funding and support had ceased.

As the study called for an impact evaluation the focus to a limited extent the NDA programme's effectiveness and efficiency.

2.3 STRUCTURE OF THE REPORT

The report is organized as follows: this section introduces the study. Section 2 provides a brief contextual background to the implementation and evaluation of anti-poverty programmes as implemented by the NDA from an international and South African perspective. Section 3 provides a background to the mandate and operations of the NDA. This is followed by a socio-economic profile of South Africa in Section 4 aimed at contextualizing the need for the NDA's grant funding programme. Section 5 presents a

summary of the evaluation framework and methodology. The main findings in respect of the *impact evaluation study* are presented in Section 6, 7 and 8. Section 6 focuses on findings relevant to the poverty impacts on individual and household who have been direct beneficiaries of the NDA programme. This is followed by section 7 which reports on findings in respect of the impact of NDA funding on the recipient Civil Society Organisations (CSO's). Section 8 reports on results relating to the analysis of the effectiveness and efficiency of the NDA's operations and the report concludes with summary of main findings and conclusions in section 9.

3 LITERATURE REVIEW: CONTEXTUALISING ANTI-POVERTY INTERVENTION PROGRAMMES

INTRODUCTION

Increasingly governments are demanding concrete evidence of the impacts of programmes which claim to reduce poverty. Ravallion (2008) posits an understanding of the complex relationships and causal pathways through which programmes maximise re-distributional impacts. It therefore requires evidence generated through impact evaluations with the aim of contributing to improving the design of such programmes. Impact evaluations seek responses to the following questions (ibid, p2, 75):

- *“Do we know if such interventions really work?”*
- *How much impact do they have?*
- *Do we understand why a program does or does not have impact?”*

In an attempt to examine these issues, this brief literature review examines available evidence from international and local literature (both the grey and academic) of the role of developmental states in supporting the implementing anti-poverty programmes, in particular through civil society partnerships. The specific focus on civil society organisations role in the implementation anti-poverty interventions, the purpose of the review was to inform the design of the impact assessment study with respect to defining appropriate methodologies and indicators for assessing impact.

3.1 STUDY CONTEXT

South Africa has through successive development plans from 1994 prioritized addressing the triple scourge of poverty, inequality and unemployment that confronts this young democracy (NPC, 2012).

Significantly the World Bank (WB) (2014) has acknowledged the progress South Africa has made towards creating a more equitable society, through implementation of a battery of legislative, policy and programme measures. These redistribution efforts have been two pronged namely strengthening the livelihoods capabilities of the poor and the gradual expansion of an extensive social protection programme through which substantial progress has been made in reducing poverty, inequality and unemployment.

Despite this progress the National Development Plan notes that South Africa remains a *“highly unequal society where too many live in poverty and too few work”* (NPC, 2012, p14). Importantly the WB report (WB, 2014) suggests that improvements in the quality of spending and targeting of these programmes could enhance their potential contribution to reducing poverty, inequality and unemployment.

South Africa has implemented a plethora of poverty alleviation programmes to reduce the incidence of poverty and through a range of institutional channels including the establishment of state institutions to channel development funding for addressing poverty. The focus of this review is more narrowly defined in understanding the role and efficacy of a *“developmental state in leveraging partnerships with civil society institutions towards responding to poverty and its manifestations.* Questions about the

effectiveness of these institutional delivery mechanisms in advancing the goal of promoting household welfare on the one hand and graduation into the labour market on the other hand have been raised in the public domain and have been more specifically raised in respect of the National Development Agency².

3.2 UNDERSTANDING THE SURVIVAL AND COPING STRATEGIES ADOPTED BY POOR HOUSEHOLDS

According to the UNDP (2001) poor households employ a number of coping strategies to mitigate poverty effects experienced by their household. These are pragmatic responses which include among others risk taking actions which may lead to enhanced vulnerability of the household:

- Changes in overall household consumption patterns including food consumption patterns;
- This could include eating less nutritious foods and skipping meals.
- They could increase self-production activities, in particular household subsistence farming.
- They could effect changes to asset ownership by selling off assets to generate cash.
- Increase the supply of labour to the economy by sending out household members to seek for employment. This could include removing older children from secondary or tertiary education to earn a wage, migrant labour and sending young mothers out to work, while child care is transferred to another household member.
- Change the composition of household by sending household members to reside in other households or by combining resources of several households into one unit for consumption purposes.
- Increase the flow of income transfers to the household from both the state and from household kinship relationships.
- Employ strategies for improving the efficiency of utilization of existing resources.

Understanding how poor respond to and cope with poverty is critical to the design of anti-poverty interventions.

3.3 POVERTY POLICY RELEVANCE FOR NDA MANDATE

Since 1994, government has adopted a range of policies and plans to redress the apartheid legacy of including the Reconstruction and Development Programme (RDP) (RSA, 1994); the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) (Presidency, 2008b) which aimed to halve unemployment and poverty by 2014 and more recently the National Development Plan Vision 2030 (NPC, 2012). Central to these plans have been efforts to address employment creation, reduction of inequality, and poverty alleviation. In addition, the government drafted an anti-poverty strategy in 2008 which defined poverty as the lack of an individual's socio-economic capabilities and set out its objective of eradicating poverty through the 'creation of economic opportunities and enabling or empowering communities and individuals to access these opportunities' (Presidency, 2008a:4).

² PMG (2009) Parliamentary briefing on the NDA and Auditor Generals Report on the NDA as presented to parliament.

While there is not an overarching anti-poverty strategy in South Africa, there are a multitude of legislative, policy and programme initiatives which together frame South Africa's anti-poverty strategy. Core elements of this anti-poverty strategy has been a focus on human resource development, rural development and agricultural support for families to enhance food security. Of relevance is the state recognition that partnerships amongst departments and agencies, business, organised labour, civil society and non-governmental organisations (NGOs) are critical to the achievement of this objective. The state defines its role as providing political leadership and for using its resources and other capabilities towards mobilising role players in the right direction.

Furthermore, in defining poverty as multidimensional, the anti-poverty strategy is anchored on nine pillars of anti-poverty investments and actions (Presidency, 2008a) namely:

- The creation of economic opportunities: These are meant to ensure that the economy creates opportunities for poor households to earn better salaries through access to quality jobs or self-employment.
- Investment in human capital: Provision of health care, education, and training required to engage with the economy and in political procedures.
- Income security: Providing safety nets, primarily through social grants, to the most vulnerable.
- Basic services and other non-financial transfers: This is also referred to as the social wage and comprises of services such as subsidised housing and transport, increased access to water, electricity, refuse removal and sanitation, as well as minimum free basic services for vulnerable sectors of the population.
- Improving healthcare: Guaranteeing that children from poor households develop healthily, giving quality and efficient preventative and curative care, and making sure that illness or disabilities do not thrust poor households into penury.
- Access to assets: Specifically to housing, land and capital, including public infrastructure and productive assets for economic enterprise. This is to enhance the economic and social security status of households.
- Social inclusion and social capital initiatives: Merging programmes to ensure a more inclusive and integrated society, based on the improvement of more integrated structures and engagements across class and race, in addition to community cohesion in communities and society in its entirety. The emphasis is also on strengthening social capital, particularly for the poor to grow their networks and make sure they have access to information, enhance democratic participation of the poor in decision making and in self-determination.
- Environmental sustainability: Implementing strategies and programmes that help connect economic opportunities for the poor to the protection and rehabilitation of ecosystems, reversal of environmental degradation and promotion of eco-tourism.
- Good governance: Direct intervention in delivery of information, facilitating participatory, pro-poor policies and solid macroeconomic management. This is to ensure fair and equitable use of public funds, promoting shared economic growth, advancing effective and efficient public service delivery, and consolidating the rule of law.

The strategy identified specifically vulnerable target groups namely the elderly; unemployed people, especially the unemployed youth; children; women, particularly single parents and black women; the disabled; and people living in poor areas (Presidency, 2008a).

These intentions were captured in the Medium Term Strategic Framework (MTSF) for 2004-2009 and 2009 - 2014 periods as reflected in the following articulated priorities:

- Creating a more inclusive economy through labour intensification in government, public employment programmes, provide work experience, provide support for the development of small and micro-enterprises especially in relation to product development, market access, business development support and easing the regulatory burden on SMME's and transform the economy to produce decent jobs.
- Enhance wellbeing and development through access to free basic services, social assistance, investments in ECD, increase access to and quality of primary health care, enhance universal access to social services, and expand food security interventions to targeted groups.
- Comprehensive strategy of rural development, coupled with land and agrarian reform and food security. To improve the quality of life of rural households and increasing the country's food security through a greater base of agricultural production and support communities to grow their own food.
- Improve the skills and human resource base by increasing access to and improve quality of Early Childhood Development (ECD) services, increase access to and capacity of secondary education so that enrolment rates will increase to 95% by 2014; and ensuring that as many young people as possible are able to access and complete secondary education, ensure that all schools have safe and supporting environments for children; and implement skills development programmes aimed at equipping the unemployed and vulnerable with requisite skills to overcome poverty and unemployment.

These strategic focus areas were similarly reflected in all of the provincial development plans for the period 2007-2012 although province specific priorities may have been different.

National Development Plan (NDP) (NPC, 2012) articulated this vision in respect of poverty eradication:

“By 2030, we seek to eliminate poverty and reduce inequality. We seek a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available. Our plan is to change the life chances of millions of our people, especially the youth; life chances that remain stunted by our apartheid history.” (NDP, 2012, p5).

The NDA's role as an institution of the state clearly in contributing to this vision is clearly aligned with this vision statement above.

3.4 GOVERNMENT RESPONSES TO POVERTY MITIGATION AND ERADICATION

Post-apartheid South Africa has had to address the triple challenge of unprecedented levels of poverty, inequality and unemployment, which more than 20 years after democracy appear to be insurmountable.

An inclusive growth path relies on the development of the population, and at least the guarantee of basic minimum living standards such as education, health, nutrition, or functional human settlements that are accessible to economic opportunities. Increasingly, governments of developing countries are recognizing their essential role in underpinning living standards and have responded to this through increased social spending accruing to the poor. This spending is broadly termed “social wage” which captures all forms of spending.

Aliber and O'Donovan (2003) define social wage as in-kind benefits received by a household from government including free basic services such as electricity, health, water, sanitation, housing, education, solid waste and social services. These benefits Saunders (1998) suggests would constitute non-cash social wage. These benefits are important given the multi-dimensional nature of poverty. The cash based social wage includes conditional and unconditional cash transfers to vulnerable individuals and households. Employment has typically been an important source of incomes for adult economically active populations and social security safety nets for those who fall outside of this net. However economic growth has not been achieved in many developing contexts at the expected rate and even if it has it has not necessarily been accompanied by increased access to employment (UNDP, 2009). There is growing global evidence that where jobs have been created these have been increasingly in low productivity and low paying activities such as personal services or construction (Palma, 2004; Rowthorn, 1987). Hence access to paid employment is no longer perceived as sufficient for underpinning human capital growth.

This has forced the government to intensify its use of state assistance (in the form of social grants, developmental programmes and other in-kind forms of assistance) to reduce poverty by including as many of the vulnerable South Africans as is fiscally possible.

South Africa has harnessed a wide range of interventions to enhance the poverty-mitigating impact of economic growth (*cf.* The Presidency, 2008: 13-14):

- The *Expanded Public Works Programme* (EPWP) which aims to relieve poverty by creating short-term jobs, provide experience and training to previously unemployed persons, and provide access to further employment.
- The social insurance component of the *social security system* which provide protection against risks of income loss due to various contingencies for adult economically active adults and which is largely a contributory scheme.
- The social assistance component of the *social security system* which provides a means test income safety net for the elderly, disabled and children.
- *Human capital investments* in health care, education and training to enhance productivity and facilitate participation in the economy (this includes subsidized access to education and training opportunities).
- A "social wage" consisting of *basic services and other non-financial transfers* provides subsidised housing and a raft of minimum free basic services for vulnerable groups to prevent non-access to such services because of inability to pay.
- Programmes that facilitate *access to assets* (especially housing, land and capital, including public infrastructure) aim to improve the economic and social security of poor households and to provide them with bases for longer-term involvement in the economy.
- *Labour market activation services*, which seek to provide unemployed with support to enable them to job search.
- *Implementation of development programmes ((mainly local area based)* which aim to stimulate local economic development and entrepreneurship. This is enabled through creating a conducive environment within which emerging entrepreneurs access support to gain entry into the labour market with access to state funded support.

3.5 ROLE OF CIVIL SOCIETY ORGANISATIONS IN ADDRESSING POVERTY AND PROMOTING SUSTAINABLE LIVELIHOODS

3.5.1 Defining CSO's in South Africa

Civil Society Organisations (CSO's) are broadly defined as the multitude of associations around which society voluntarily organises itself and which can represent a wide range of interests and ties, from ethnicity and religion, through shared professional, developmental and leisure pursuits, to issues such as environmental protection or human rights (UNDP, 2000). According to the World Bank (1990), CSO's include non-governmental organisations (NGO's), trade unions, faith-based organisations, indigenous people's movements, foundations and other non-profit making organisations. Governments interact with a range of CSO's, many of whom provide services to the state, fill in gaps which the state does not or is unable to deliver and who serve as watchdogs over government service delivery as well engage the government in policy discussions and advocate for access to public goods on behalf of their constituencies.

The NDA does not provide an explicit definition of CSO's but given that it derives its mandate from its "parent body", the Department of Social Development, it is assumed that it subscribes to the definition outlined in the NPO Act No 71 of 1997:

"An NPO is defined, in terms of section 1 of the NPO Act, as a trust, company or other association of persons established for a public purpose and of which its income and property are not distributable to its members or office bearers except as reasonable compensation for services rendered. Nongovernmental organisations (NGO's) and community based organisations (CBO's) are collectively known as non-profit organisations (NPO's). In some instance, NPOs are also referred to as Civil Society Organisations (CSO's)."

For the purposes of this report, CSO's will be understood in terms of the above definition together with the UNDP definition, "as those organisations whose activity are not associated with major institutional systems such as government and administration, but exist as grass-root organisations that are non-profit entities which complement government and business".

3.5.2 Historical role of CSO's in Development in SA

It has been widely recognised that civil society organisations in South Africa have and continue to play a crucial role in complementing government initiatives to enhance human wellbeing and with respect to strengthening democracy. This is particularly evident in the delivery of welfare services (Patel, 2003) and in advocacy work championing the progressive realization of rights.

The non-profit survey in South Africa (Swilling et al, 2002) estimated in 2002 that there were approximately 100 000 NPO's in South Africa, with the majority involved in the provision of social services. It estimated that over 5,700 Non Profit Organisations (NPOs) directly involved in employment and training representing 6% of all CSO's in SA at the time (N=101289). Of these 5700 NPO's, 3790 were involved in job training programmes, in vocational counselling and guidance and a further 1000 in vocational rehabilitation and workshops. Importantly the largest source of revenue for NPO's was government at 42% followed by 21% of funds leveraged from the private sector. It had also mobilized considerable volunteer capacity estimated at 1.5 million people which equated to 316 000 full-time equivalent jobs in 1998 (ibid).

3.5.3 CSO contribution to development as recognised in Legislative and policy and from evidence

Although the State's role in driving the economic and social transformation of the country is paramount, the National Development Plan (2012) noted the substantial contribution of civil society organizations in advancing South Africa's development agenda. It recognizes the vital role played by CSO's in among other actions enabling people to claim their rights, in promoting rights-based approaches and piloting innovative mechanisms, in shaping and overseeing development policies and promoting and sustaining partnerships with both the State and the private sector.

In a study on CSO contributions to the attainment of MDGs (HSRC, 2014) it was noted that the state's role in enabling access to funding and to training and capacity building support; was instrumental in harnessing the CSO sectors potential. In Malawi for example it was found that CSO's largest contribution to MDG attainment was through direct service delivery in health, education, food security and nutrition, environment and poverty reduction through micro finance and public works programmes.

Kraag (2015) champions a specific role for CSO's to be given support to play an active role in addressing unemployment, particularly youth unemployment. He envisages a role for CSO's as labour market intermediaries who would serve as "custodians of labour market knowledge". He posits that a key barrier to market access for the poor is information deficiency and offers this solution:

"And it is here that intermediaries potentially have the greatest impact: amongst the low-skilled and young unemployed. These intermediaries may have the capacity to steer individuals towards paths of greater employment 'readiness'. Intermediaries can assess the skill gaps among job seekers, and supply information about vacancies and their requirements to meet employer needs. They can bring 'the supply and demand sides together.'"

A local study (Dieltiens, 2015) on exploring the role of NGOs as workplace intermediaries in the South African youth labour market, noted that in the context of unprecedented unemployment rates amongst youth, together with the concerns about the effectiveness of state and private sector in responding to the problem, CSO's have stepped into the job creation arena. It noted however, that despite the good intentions and the innovations which these NGOs were contributing in respect of youth unemployment, these interventions were not at scale and were not going to significantly impact on the scale of the problem. A key finding was that in the absence of a clear role for the sector in South Africa's economic and industrial policy, this situation would perpetuate. In addition the study did not find any CSO's who had realized Kraak's notion of the intermediary role to its fruition.

3.5.4 Enabling role of the state in supporting CSO's contributions to development

Creating an enabling environment within which CSO's can fulfil these roles is key to unlocking the contribution of this sector. There are many definitions of "an enabling environment" with the following by Thindwa (2001:3), cited in Brinkerhoff, (2004,3) being the most appropriate:

"An enabling environment is a set of interrelated conditions—such as legal, bureaucratic, fiscal, informational, political, and cultural—that impact on the capacity of ...development actors to engage in development processes in a sustained and effective manner".

South Africa has taken a number of progressive steps since 1994 to create an enabling environment for civil society organisations, with the key one being the promulgation of the NPO Act and measures to facilitate the flow of resources to the NPO sector, the details of which are not elaborated here.

3.6 UNPACKING THE THEMATIC FOCUS AREAS OF ANTI-POVERTY INTERVENTIONS

Spending on anti-poverty interventions has according to Swilling et al (2002) been targeted to three broad areas namely those which focus on “*community development, human development and employment creation*”. These include the following types of interventions:

- Agriculture – subsistence and commercial farming, enhancing food security, access to inputs and resources, extension support, access to land and tenure security interventions.
- Health – awareness creation, primary health care interventions at community level and HIV/AIDS care, support and prevention.
- Infrastructure and asset development
- Job creation – direct investments in job creation through local economic development
- Poverty relief – welfare services and crisis/emergency support
- SMME development – capacity development and access to investments and loans
- Human resource development – skills training for individuals in strengthening their access to the labour market and support for enterprises and CSO’s. Access to education from preschool to tertiary level education
- Youth development – programmes that target at risk and out of school youth
- Gender empowerment – interventions that seek to empower women economically as well as in relation to gender based violence.

In view of the NDA focus three programme interventions namely food security, income generation and early childhood development the nature of interventions in these three areas is elaborated on below.

3.6.1 Food Security Programmes

“Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life” (FAO 2010:8). This globally accepted definition of food security incorporates multiple dimensions: production (food availability), distribution (access to markets), consumption (food intake) and nutritional status (health). Individuals would be considered vulnerable to food insecurity if one or more of these conditions are not fulfilled.

Food insecurity can be addressed through a range of short, medium and long term responses including nutrition supplementation, job creation and enhancing agricultural production.

Funding for enhancing food security programmes could include nutritional counselling, food production inputs, access to extension support and mentoring for agricultural production, capital expenditure, acquisition of assets for production, access to land, entrepreneurial skills development and linkages to markets among other interventions.

The tendency to focus on agricultural based livelihoods globally among the poor is not unusual given that the majority are rural based and engaged in farming activities. However experience of USAID funding programmes in Ethiopia (Gray, 2013) appears to suggest that reductions in poverty for those households in extreme poverty are minimal from agricultural based livelihoods and their assessment was that increased incomes for these households were more likely to be generated from non-farm employment or entrepreneurial activities.

IFPRI's Jobs for Africa's Youth report posits that to increase and incentivize involvement of young people in this sector will require special attention as rural agricultural based livelihoods and the aspirations of young people are in conflict (IDS, Vol 43 #6).

In South Africa evidence suggests that household access to food is largely mediated through access to income and in the context of large scale poverty and unemployment this is a critical area of focus.

3.6.2 Early Childhood Development Programmes

The impact of failing to meet critical needs of children especially in the first few years of their growth is significant in terms of lost opportunities in the future. There is a substantial body of evidence which suggests that children's very early experiences of deprivation have a direct bearing on their mortality and their later educational and occupational attainment. The 2007 Lancet Series highlighted the 1000 day window of opportunity from pregnancy to 23 months as a critical period in the development of the child and noted that failure to address the needs of children during this period could have an irreversible impact on the child's future wellbeing.

In constrained environments vulnerable children may struggle to attain developmental milestones e.g. poor and inadequate nutrition of a young child can lead to stunting and low academic performance during schooling years. Similarly lack of stimulation and poor adult attention can lead to poor socio-emotional development and is also linked to poor health outcomes.

However it is also noted that interventions in the care environment can mitigate these impacts and offset potentially negative trends and this provides a compelling motivation for actively promoting investments in ECD. Typically funded ECD programme interventions involve among others accredited or skills training for ECD practitioners, nutrition support, promoting activities to enhance protection and safety of children, infrastructure upgrading, equipment, salaries for staff, parent training and development of models of ECD outreach for home and centre based provisioning.

Well-being outcomes for children in the 0-4 age cohort have been particularly poor with South Africa not have met its MDG targets for Goal 1 – reducing hunger and poverty as well as reducing child mortality and enhancing health status of young children. This makes a focus on ECD a core imperative.

3.6.3 Income Generation/Economic Inclusion Programmes

Labour is a key asset for the poor, however with low levels of education and skills as well as other livelihoods capability deficits (poor health for example) poor households experience low returns on labour, sometimes low productivity levels and finally also are exposed to poor working conditions which further compromise their well-being and relate to perpetuation of their poverty circumstances.

Income generation programmes are aimed at providing short term employment to the poor and a much needed source of income. In South Africa, household food insecurity is directly linked to their ability to access income as own production does not count as the main source of food for households (Jacobs, 2009)

In a study on financial inclusion of the poor (Hashemi et al 2011) noted that programme designers need to understand the pathways through which households graduate towards sustainable livelihoods through increased income, expanded asset base and with food security needs addressed.

The Bangladesh Rural Action Committee (BRAC)³ has developed a “graduation model” which it suggests will lift households out of poverty. The models five elements are:

- Targeting;
- Consumption support;
- Savings;
- Skills training and regular coaching;
- Asset transfer

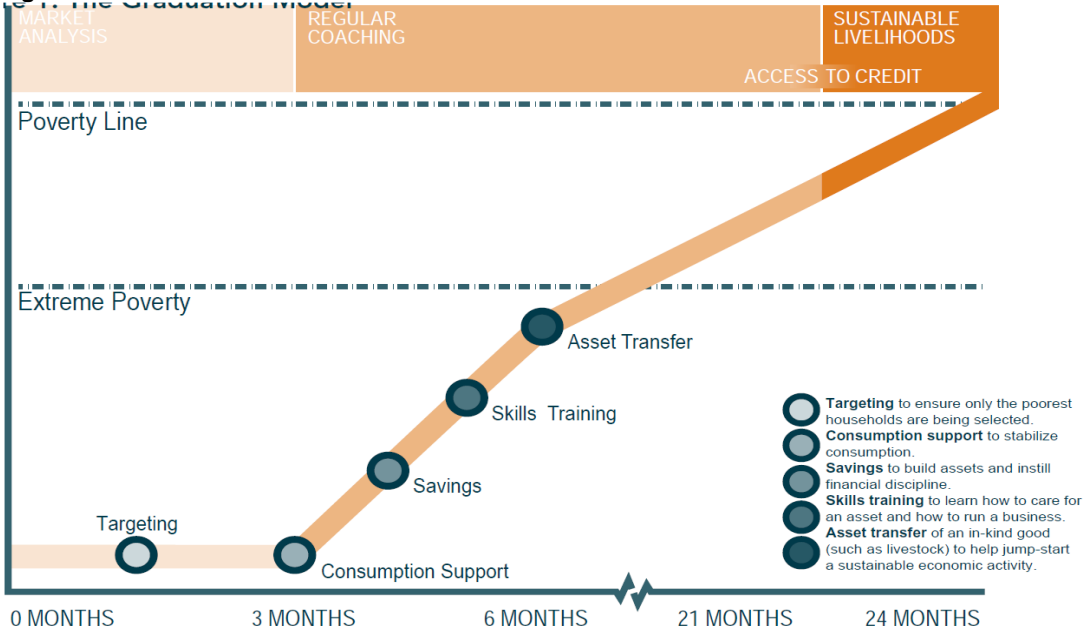
BRAC refers to this approach as “***making markets work for the poor***” which uses push and pull strategies to enlarge the economic opportunities available in the market. Pull strategies include initiatives to link producers to markets and access to finance, while push strategies focus on building capabilities of the poor.

Key elements of support include consumption support (stipends for example), mentorship, coaching and training, asset transfers and partnerships being forged with other role players which recognises that no one institution will have the necessary human or resource capacity to provide all the necessary support. The model claims to enable graduation out of poverty over a 24 month period.

One area of focus on economic development has been on the agricultural sector for rural livelihoods development. Here the focus extends beyond subsistence farming for own consumption towards supporting small scale commercial agricultural production and by the development of agro-processing industries.

³ BRAC’s founder piloted the Grameen Bank micro credit scheme for extremely poor households.

Figure 1: The Graduation Model



Source: Hashemi et al (2011) Figure reproduced under CGAP Creative Commons Attribution CC by 3.0

3.7 IMPLICATIONS FOR EVALUATING THE IMPACTS OF POVERTY ERADICATION PROGRAMMES

Impact evaluations aim to determine more broadly whether a program had the desired effects on individuals, households, and institutions and whether those effects are attributable to the program intervention. Particularly important is the extent to which project or program benefits reach the poor and how their welfare is impacted by these benefits. The widely held view is that the gold standard in impact evaluations is the experimental design, randomized control trials (RCTs) however, in recent years and more so in cases where no counterfactual was defined at baseline, there are strongly emerging views that mixed method approaches can generate the findings to give insights in the nature of impacts with qualitative data providing deeper explanations of the nature of impact. (Subbarao et al, 1999).

At the core of all impact assessments is a conceptual framework which includes three main elements namely a theory of change which spells out the pathways through which change is envisaged, a clear specification of the units of analysis and the levels at which the impacts will be assessed and finally outline of the types of impact that are to be assessed.

Lessons from the foregoing have thus informed the impact evaluation framework that has been developed for this study and will also inform the analysis of data emerging.

For this study, as no ‘counterfactual’ was identified at the outset of the development projects funded by the National Development Agency (NDA) and the absence of comprehensive baseline data on individuals who have benefited from the projects suggests that theory based approach would provide the most useful framework for such an evaluation.

4 OVERVIEW AND DESCRIPTION OF THE NATIONAL DEVELOPMENT AGENCY IN SOUTH AFRICA

4.1 MANDATE OF THE NDA

The National Development Agency (NDA) was established through an Act of Parliament (National Development Agency Act, No. 108 of 1998) with a vision to “be the premier partner to civil society, donor community and government in eradicating poverty and its causes.

The *mandate* as outlined in the NDA Act (ibid) is “to contribute to the eradication of poverty and its causes by granting funds to civil society organisations for the purposes of:

- Implementing development projects of poor communities;
- Strengthen the institutional capacity of other civil society organisations that provide services to the poor.

It aims to achieve this through its mission of facilitating development through targeted grant funding, research and strategic partnerships.

To achieve its poverty eradication mandate the NDA agenda is to access state and donor funding for channelling grants to Civil Society Organisations (CSO) to implement sustainable community driven projects that create employment and income opportunities. Eligibility to grant funding is restricted to civil society organizations that are registered as “Not for Profits Organisations” such as NPOs registered with the Ministry of Social Development or A section 21 registration under the South African Companies Act or Registration as a Not for Profit Trust or Registration as a Co-operative.

The NDA’s secondary objective includes the promotion of consultation, dialogue and developmental experiences with civil society, national and local government entities; to promote debate, develop and influence development policies; and to undertake research and publications that form the basis for development policy.

It was clearly understood that this support to CSO’s was part of a broader state anti-poverty strategy which includes the creation of decent work and sustainable livelihoods, providing safety nets through the social assistance programme, promoting rural development and food security and enabling access to health care, education and basic services among others.

From an international perspective the establishment of an “*independent agency*” is perceived as a progressive move which shifts “*direct control of the state to allocations of public funds to CSO’s* (Swiling et al, 2002)”.

4.2 HISTORICAL BACKGROUND

In the post-apartheid period a key feature of government was the deliberative manner of the state to mobilize resources for development and poverty eradication and in particular channelled via parastatals and via non state actors. This was part of a broader conceptualization of South Africa as a developmental state, ideas of which were enshrined in the Reconstruction and Development Programme (RSA, 1994) and the Constitution of South Africa (RSA, 1996). Here the vision was of the state playing a leading role but drawing on partnerships with non-state actors in both the private sector and civil society formations

(especially those operating at community level who were deemed to be rooted in poor communities) to deliver (Swilling et al, 2002, p 14).

The establishment of the Transitional National Development Trust (TNDD) in 1995 was an interim measure to channel funding to civil society, while a new regulatory framework was being developed. The promulgation of the NDA Act provided this this new framework and which was one of 14 special funds established by government which sought to institutionalize flow of development funding for responding to poverty and development (ibid). Some of the other funds include the National Lottery Board, uTshani Fund, Umsobomvu Youth Fund and the South African Women's Entrepreneur Network.

Two core sources of funding available to the NDA at its inception were state funding, via the Department of Social Development and European Union Funding.

The NDA in its first 3 years of operations (2000-2002), funded 1 822 CSO's projects in all the 9 provinces, totalling R 314.4 million, against a backdrop of over 21,000 funding proposals received by the Agency over that period. This trial period provided critical lessons for the NDA on planning and implementation of support activities to Civil Society Organizations in South Africa.

In the period between 2003 and 2005, the NDA funded over 270 projects to the value of R266, 1 million focused on creating economic opportunities, improving household access to income, promoting household food security, strengthening government led land reform processes and supporting initiatives aimed at fostering sustainable development at grassroots level.

In 2005, the NDA allocated R25 million for capacity building for CSO's across the country, reflecting a paradigm shift within the NDA from providing only grants to allocating resources for capacity building of CSO's to deliver on services and programmes to poor communities. The total grants that have been disbursed to these organizations since inception is estimated to total in excess of R 1.1 billion.

Annually between 2010 and 2012 the NDA reportedly disbursed between R 70-R 90 million in grant funding to poverty alleviation projects nationally (NDA, 2012).

4.3 NDA GRANT FUNDING CRITERIA AND APPROACHES

The NDA supports projects that demonstrate integrated, holistic, comprehensive and sustainable approach to poverty eradication based on the following criteria:

- **Effectiveness:** The extent to which a project may achieve its stated objectives and other socially desirable outcomes.
- **Poverty Impact:** the potential demonstrable effect of the project in improving the quality of life of poorer communities and individuals.
- **Sustainability:** The viability and sound functioning of the project within the constraints it faces such as funding, staffing and others.
- **Replicability:** The potential value of the project in informing new ideas and good practices or poverty eradication programme.
- **Partnership:** Substantial public sector involvement and partnerships with NGOs, CBOs and government departments at national, provincial and local level.
- **Models of best practice:** The extent to which a methodology is tried and tested to deliver results in the best possible way."

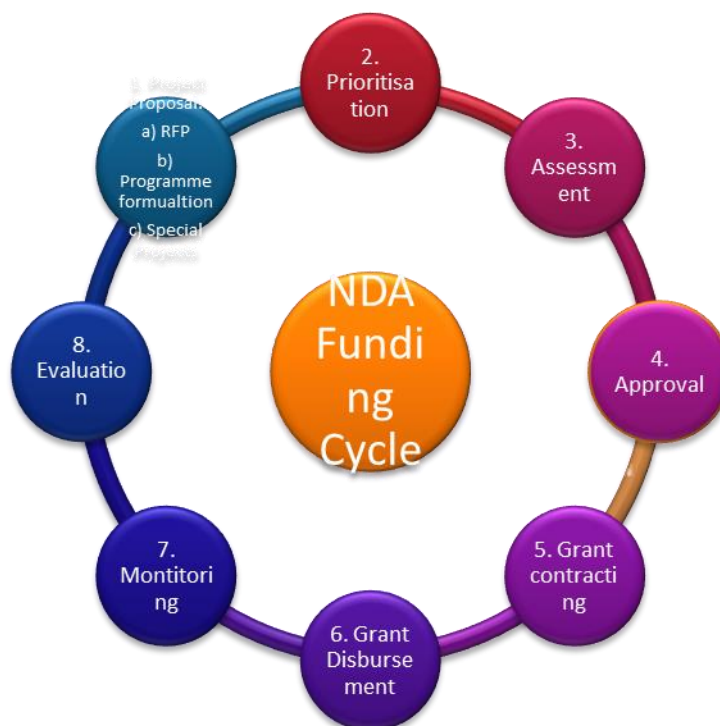
The NDA provides grants to civil society organizations through three methods, namely:

- **Request for Proposals (RFP)** is a competitive grant funding approach that targets well established CBOs, NGOs and co-operatives in organized communities. The NDA invites them through relevant media to submit proposals based on pre-set policy criteria and process. Proposals are submitted by provincial offices and approved by management based on policy, criteria and budget approved by the board.
- **Programme Formulation (PF)** involves reaching out to identified, deserving communities to undertake activities that build “social capital” at community level. In essence, this approach targets specific areas and sectors based on primary research on priority poverty pockets. The process is driven by the NDA staff and focuses on less established organizations in identified localities. This approach is premised on the observation that in certain communities, CBOs and NGOs will not be able to access developmental resources on their own without external assistance.
- **Implementation of Special Projects:** The NDA indicates that it will partner with relevant institutions to co-finance, provide technical support and implement specific projects with credible private and public sector institutions specifically in the areas of job creation and sustainable economic enterprises.

4.4 NDA GRANT FUNDING PROCESS

The funding cycle illustrated below provides an overview of the process by which all applications are solicited, assessed, prioritized and approved.

Figure 2: NDA Grant Funding Process



Source: NDA Standard Operating Procedures (n.d.)

In addition the procedures as outlined in the Standard Operating Procedures manual (SOP) set out the roles and responsibilities of the various stakeholders within the NDA and the structures through which these tasks are undertaken. The SOP outlines the post grant awarding processes including monitoring

visits and expectation of reporting and accountability by the grantee both in respect of the funds utilized and the activities implemented. These are not elaborated on in detail here suffice to note the following:

- All projects undergo a due diligence assessment prior to the grant being awarded, these assessments being conducted by legal and risk officers;
- Provincial offices are expected to visit projects once every quarter for the duration of the project for grant monitoring;
- Mid- term reviews are conducted for all projects with a value above R 1 million;
- Grant disbursements are made in tranches and that only if the previous tranche is properly accounted for will the next tranche be paid;
- Programmatic and financial evaluations are conducted for all funded programmes.

4.4.1 Description of NDA programme 2007-2012

The NDA's core areas of funding include Early Childhood Development (ECD), Food Security (FS), Income generation (IG), Capacity building (CB) as well as programmes supporting and vulnerable groups (women, children, disabled individuals and elderly). The NDA's three thematic focus areas identified for this study are considered strategic in that evidence suggests a *critical intersection* between *poverty, unemployment, food insecurity* and high levels of inequality.

The majority of South African households are reliant on income as a means for accessing food, hunger is strongly prevalent in households with limited or no discernible sources of income. Agricultural production for household consumption is not a primary source of food for many households, including rural households. Importantly, the focus on *early childhood development* is contextualized within a broader framework which recognizes that children in developing contexts are exposed to multiple risks in their early years, particularly the first 1000 days of a child's life from conception to the end of the 2nd year, which can negatively impact their development potential. This in turn translates in the long term to reduced wellbeing and economic opportunities in adulthood, thus perpetuating a cycle of intergenerational poverty.

4.4.2 NDA Strategic Priorities 2007-2012

The NDA Strategic plans for the review period 2007 – 2012 are outlined covered in 4 different strategic planning documents:

- NDA Strategic Plan 2008-2011
- NDA Strategic Document 2009-2012
- NDA Strategic Document 2010-2013
- NDA Strategy Document 2011-2016

Across all these documents it is evident that the strategy and priorities of the NDA for the 2007-2012 period were informed by government's policy on poverty alleviation as reflected in the Cabinet Lekgotla resolutions waging a "War against Poverty and the establishment of *War Rooms*, Millennium Development Goals (MDG), Provincial Growth Development Strategies (IDPs) and Municipal Integrated Development Plans (IDPs).

4.4.3 Strategic Objectives of the NDA over the period 2007-2012

The research team took the liberty to synthesize and reframe the multiple and in several instances duplicate strategic objectives articulated across the 4 strategic plans to isolate the core objectives of NDA Grant funding over the 2007 -2012 period. These are listed below:

- **Strategic Goal 1:** To leverage **strategic partnerships** towards eradicating poverty and facilitate sustainable development and livelihoods for poor communities. The purpose would be to leverage resources and capacities of other stakeholders towards a common objective.
- **Strategic Goal 2:** To build **the capacity of CSO's** to undertake development work effectively and to manage poverty eradication programmes. This would be facilitated through grant funding and capacity development interventions.
- **Strategic Goal 3: Facilitate research towards poverty eradication.** The main purpose would be to provide the evidence base to improve development programming and practice and inform policy. An associated goal is to promote interface between CSO's, Research Institutions, Development Practitioners and the State on development policy and service delivery.
- **Strategic Goal 4:** To position the **NDA as a Premier Development Agency** and through promoting organisational sustainability, development practice and excellence.

The funding priorities for this period were thus outlined as food security; Income generation, ECD, targeted agricultural and agri-business projects and civil society organization capacity strengthening programme (NDA 2009- 2012). The purpose of this latter program was to develop the capability and capacity of Civil Society Organisations (CSO) to enable them to access and utilize developmental resources towards self-reliance.

The NA seeks to achieve 6 key outcomes through the programs that it funds with the first three directly related to the current study namely:

- *Enhancing quality basic education,*
- *Create decent employment through inclusive economic growth;*
- *Create vibrant, equitable, sustainable rural communities that contribute towards food security for all;*
- All people should feel safe;
- Create a better South Africa, a better Africa and a better world;
- Promote an effective, efficient and development oriented public service that empowers inclusive citizenship (NDA, 2008-2011).

4.4.4 Targeting of NDA support

The NDA strategy was aligned to APEX priorities of the administration with the target groups having been defined in the 2008 State of the Nation Address wherein the President drew attention to the effects of poverty, inequality and poverty on women, youth, people living in rural areas, in urban informal settlements and people with disability. In focusing on these vulnerable populations, the NDA sought to empower communities and individuals to take charge of their own development, lives and destinies (NDA 2008-2012).

In recent years, the NDA has focused its funding primarily on identified poverty pockets, particularly the integrated sustainable rural development nodes (ISRDP nodes), Urban Renewal Programmes (URP) and

Project Consolidate vulnerable Municipalities (2004). The logic of this approach is inherently sound as a response to the consequences of apartheid spatial planning which resulted in the location of vast pockets of poverty, largely racially based in rural areas, areas on the periphery of towns and cities and in informal settlements. This has informed the identification of nodal sites of intervention.

4.4.5 Unpacking the thematic focus areas for NDA Funding 2007 - 2012

4.4.5.1 Income Generation and Economic Development Programmes/Projects

Income generation programmes and projects are the largest number of projects funded by the NDA. These are expected to contribute towards the government priority of creating sustainable job opportunities; to enable historically disadvantaged communities to participate in the mainstream economy; and to create exit opportunities for recipients of social grant in targeted communities (Magano, 2012). Economic development projects included support to co-operatives focusing on income generating opportunities in the areas of;

- jewellery making,
- shoemaking,
- furniture making,
- beekeeping,
- goat farming,
- poultry, vegetable production,
- brick making and
- support for communities to enter industries such as the sugar industry.

4.4.5.2 Food Security Programmes/Projects

Food security programs are funded with the hope of contributing to the “food for all” programme through supporting households and community gardens; to fund projects and programmes that support government’s integrated food security strategy and to mitigate levels of hunger for vulnerable groups (Magano, 2012). The NDA seeks to achieve this by partnering with organisations engaged in food security programmes (resource sharing and Collaborations). Food Security interventions related mainly to;

- small-scale subsistence farming and
- consolidation funding to emerging farmers who intended to upscale their production (NDA, 2008).

4.4.5.3 Early Childhood Development Programmes/Projects

Funding of ECD interventions has been taken on board more recently, since 2010, and is aimed at supporting the Department of Social Development (so called parent body to the NDA) in the implementation of national ECD Policy for scaling up access and quality of ECD for poor and vulnerable children. Through a focus on ECD the NDA seeks to contribute to addressing issues of social inequality through provision of quality ECD, particularly for child support grant beneficiaries to access ECDs. Interventions include;

- food security interventions at ECD sites;
- improving the infrastructure at these sites; and

- enhancing ECD quality through education and training for ECD practitioners

The 2010-2013 Strategic Document was the only one with a log frame which outlined the outputs, indicators and targets as well as the links to key outcomes for each of the strategic objectives. This will be utilized in this assessment although it covers only 2 years of the review period (2010-2011 and 2011-2012). It is noted that his study is essentially an impact assessment and not a performance evaluation. Hence the findings will to a limited extent assess the NDAs effectiveness and efficiency in promoting the desired outcomes and impacts.

5 SOCIO-ECONOMIC CONTEXT OF SOUTH AFRICA IN RELATION TO POVERTY

5.1 INTRODUCTION

The ability to plan effectively and efficiently requires a grasp of the context within which development interventions must be implemented. This section provides a broad socio-economic analysis of the study area (South Africa). South Africa is made up of nine provinces: Gauteng (GP), Northern Cape (NC), Western Cape (WC), Eastern Cape (EC), Limpopo (LP), Mpumalanga (MP), Free State (FS), North West (NW) and Kwa-Zulu Natal (KZN).

It is important to understand the socio-economic context of the study area so that one can understand the realities on the ground and the context in which the NDA operates and provides grant funding.

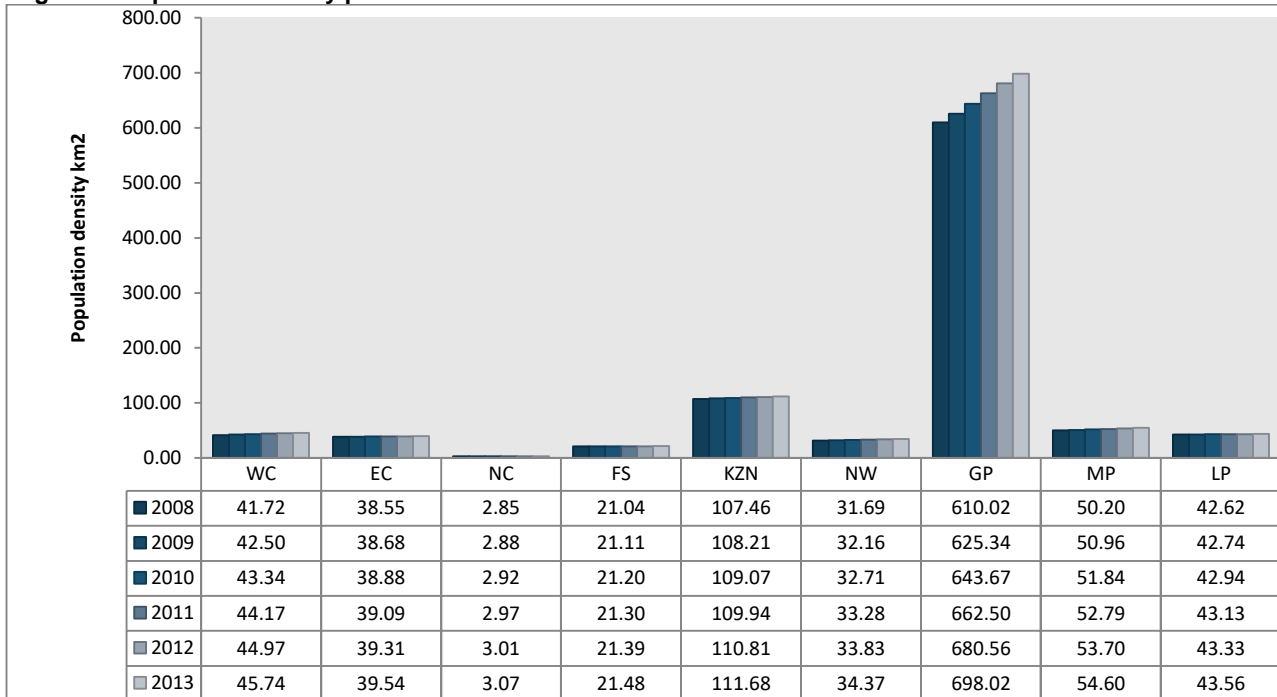
5.2 DEMOGRAPHY BY PROVINCE (2007-2012).

In 2007, South Africa's population totalled at 48 764 212 million people. Of this total, majority of the population was concentrated in Gauteng Province (10 810 269), which is the smallest but most urbanized province in the country. Conversely, the Northern Cape, which accounts for the largest province in the country had the smallest population concentration of only 1 052 652 people in 2007.

This demographic trend did not change much over a four year period and in 2012 the national population 52 248 192 million people. This meant that the national population went up steadily over the four year period by 3 483 973 million people. Zooming in at a provincial level, Gauteng shows a dramatic population growth rate of 1 584 399 million people and Western Cape accounts for a further 531 994 thousand people over this time period. This trend shows that there is overall higher natural population growth rate in the country and that people are choosing to migrate into more urbanized provinces within the country. Over the study period none of the provinces displayed negative growth rates.

To take the analysis a step further, we look at the overall population density of the provinces. The density rate tells us about the urbanization and development levels in the province. The more sparsely populated a province is the more prevalent it's rural tendencies. On the other hand, the higher the density of the province, the more urbanized it is.

Figure 3: Population Density per Province 2008-2013



Source: Global Insight, 2015

Population concentration in South Africa between 2008 and 2013 has not displayed much change. Population has continued to concentrate in the Gauteng Province. In 2007 this province had a population density of 610 people per square kilometre and in 2013 this concentration went up to 698.02 people per square kilometre. Kwa-Zulu Natal was the second most concentrated province in 2013 with 111 people per square kilometre and Western Cape displayed was the third most concentrated region with 45 people per square kilometres in 2013. This trend highlights the current trend of urbanization in the country.

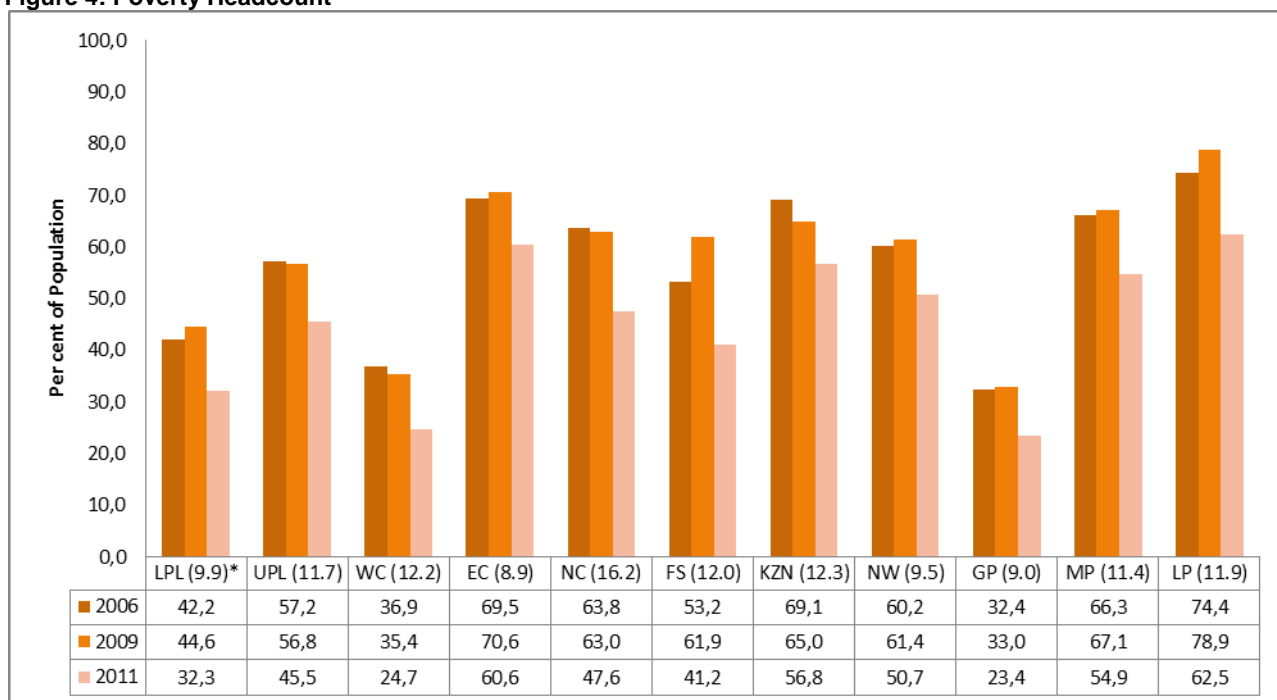
Child Population

South Africa's population structure is strongly skewed towards children with 18, 6 million children who constitute 37% of our population. Approximately 27% are children under the age of 5 years (5, 2 million) with the largest number being African (86%) and the largest numbers to be found in Gauteng, KwaZulu-Natal and Eastern Cape. A further 1 million are in the 5 year age cohort. Annually about a 1 million children are born in South Africa. Evidence suggests that large numbers of children in South Africa from 0-18 years live in extreme situations of vulnerability as a result of poverty, disability, chronic illness and the HIV/AIDS pandemic.

5.3 POVERTY ANALYSIS

The ability to meet basic needs, such as adequate food, clothing, shelter and basic amenities, is largely determined by the level of income earned by the households. Poverty is often defined as the lack of resources to meet these needs.

Figure 4: Poverty Headcount



Source: IES, (2000, 2005/2006, 2010/2011); LCS (2008/2009), Statistics South Africa; *Change from 2006
LPL – Lower bound poverty line; UPL – Upper bound poverty line

Figure 6 above shows the headcount and highlights that the lower bound national headcount poverty was 32.3 per cent in 2011. Importantly it also highlights the distribution of poverty across provinces using the upper bound national poverty line. Limpopo had the highest percentage of people living below the poverty line at 62.5 % in 2011, followed by the Eastern Cape at 60.6% and KwaZulu-Natal at 56.8%.

Headcount measures give the impression that everybody below the poverty line is equally poor, which is not the case and to correct this poverty gap measure is used. The poverty gap index is a measure of the intensity of poverty in a region and measures the distance the poor are from the poverty line.

Figure 5: Poverty Gap Rate per Province 2007-2012

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------------------|-------|-------|-------|-------|-------|-------|
| National Poverty Gap Rate | 31.1% | 31.2% | 30.9% | 29.5% | 27.8% | 28.2% |
| Western Cape | 28.1% | 28.2% | 27.9% | 26.7% | 25.2% | 25.6% |
| Eastern Cape | 32.2% | 32.3% | 32.0% | 30.4% | 28.6% | 28.9% |
| Northern Cape | 29.8% | 29.7% | 29.2% | 27.7% | 25.9% | 26.2% |
| Free State | 30.3% | 30.5% | 30.2% | 28.7% | 26.8% | 27.4% |
| KwaZulu-Natal | 32.1% | 32.3% | 32.0% | 30.5% | 28.7% | 29.1% |
| North-West | 30.8% | 30.9% | 30.6% | 29.2% | 27.5% | 28.0% |
| Gauteng | 29.2% | 29.5% | 29.3% | 28.2% | 26.7% | 27.4% |
| Mpumalanga | 31.4% | 31.6% | 31.2% | 29.7% | 27.9% | 28.3% |
| Limpopo | 32.0% | 32.2% | 31.8% | 30.2% | 28.3% | 28.7% |

Source: Global Insight, 2015

The national poverty gap has declined steadily across the country over the period from 2007-2012, with national poverty in 2012 ranging around 28.1%. Interestingly enough, it seems as if the poverty gap across the country was steadily declining from 2007 to 2011. However, from 2012 the poverty gap appears to be on a steady increased once again.

The high poverty levels in Limpopo, KZN and E.C. reflect the extent to which these provinces are rural with low levels of economic activity in these rural areas. Urban – rural poverty differences are a legacy of our apartheid history which privileged economic development spatially.

For the five provinces profiled, poverty incidence is high among households with younger heads, it drops for the 25-34 age cohort and then rises steadily thereafter.

Multi-Dimensional Nature of Poverty in South Africa

Globally there is recognition of the importance of measuring poverty multi-dimensionally as income measures don't give us a sufficient understanding of the quality of life and nature and extent of poverty experienced by households. The South African Multidimensional Poverty Index, introduced by STATSSA in 2014 in South Africa is informed by internationally accepted norms (Alkire and Forster, 2011) covering four dimensions of health, education, living standards and economic activity and for each of these dimensions and number of indicators have been outlined e.g. for health the indicator is child mortality, while the indicator for economic activity is the unemployment rate. The SAMPI assessment found that provinces of EC, KZN and LP had the highest headcount poverty Gini- Coefficient. The Gini coefficient/index measures the level of inequality in terms of distribution of income amongst the country's population with a value of 0 reflecting perfect equality. The Gini coefficient is a summary statistic of income inequality, which varies from 0 to 1, with 0 values reflecting a state of perfect equality while a value of 1 reflects perfect inequality. In practice, this coefficient is likely to lie in a range of 0.25 to 0.70 as at 2014 the national index was 0, 64 (Global Insight, 2014).

Table 1: Gini Coefficient by Province 2007-2012

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Western Cape | 0.60 | 0.60 | 0.59 | 0.59 | 0.59 | 0.60 | 0.61 |
| Eastern Cape | 0.64 | 0.62 | 0.62 | 0.61 | 0.61 | 0.62 | 0.62 |
| Northern Cape | 0.62 | 0.60 | 0.59 | 0.58 | 0.58 | 0.59 | 0.59 |
| Free State | 0.63 | 0.62 | 0.61 | 0.61 | 0.60 | 0.61 | 0.61 |
| KwaZulu-Natal | 0.64 | 0.63 | 0.63 | 0.62 | 0.62 | 0.63 | 0.63 |
| North-West | 0.62 | 0.61 | 0.60 | 0.60 | 0.60 | 0.60 | 0.61 |
| Gauteng | 0.65 | 0.65 | 0.64 | 0.64 | 0.64 | 0.65 | 0.65 |
| Mpumalanga | 0.64 | 0.63 | 0.62 | 0.62 | 0.62 | 0.62 | 0.62 |
| Limpopo | 0.62 | 0.61 | 0.60 | 0.59 | 0.59 | 0.59 | 0.60 |
| National Total | 0.65 | 0.64 | 0.64 | 0.63 | 0.63 | 0.64 | 0.64 |

Source: Global Insight, 2015

In 2007, Western Cape displayed the lowest levels of inequality (0.60), while Gauteng displayed the highest levels of inequality (0.65). This levels of inequality nationally displayed steady decline between 2007- 2011. However, in 2012 the levels of inequality started to increase once again, with the national Gini-coefficient going up to from 0.63 to 0.64 between, 2011-2012. This trend displays an increase in the levels of poverty over this time period.

5.4 UNEMPLOYMENT AND EMPLOYMENT TRENDS

At the end of 2012 approximately 4.5-million people in South Africa were looking for work, of which 3-million (or 67, 8%) have been looking for work for a period of 1 year or longer (Stats SA, 2012). A report by BusinessTech (2012), has named South Africa as a country with the 8th highest rate of unemployment in the world.

Table 2: Unemployment Rate and Youth Unemployment for SA (2007-2012)

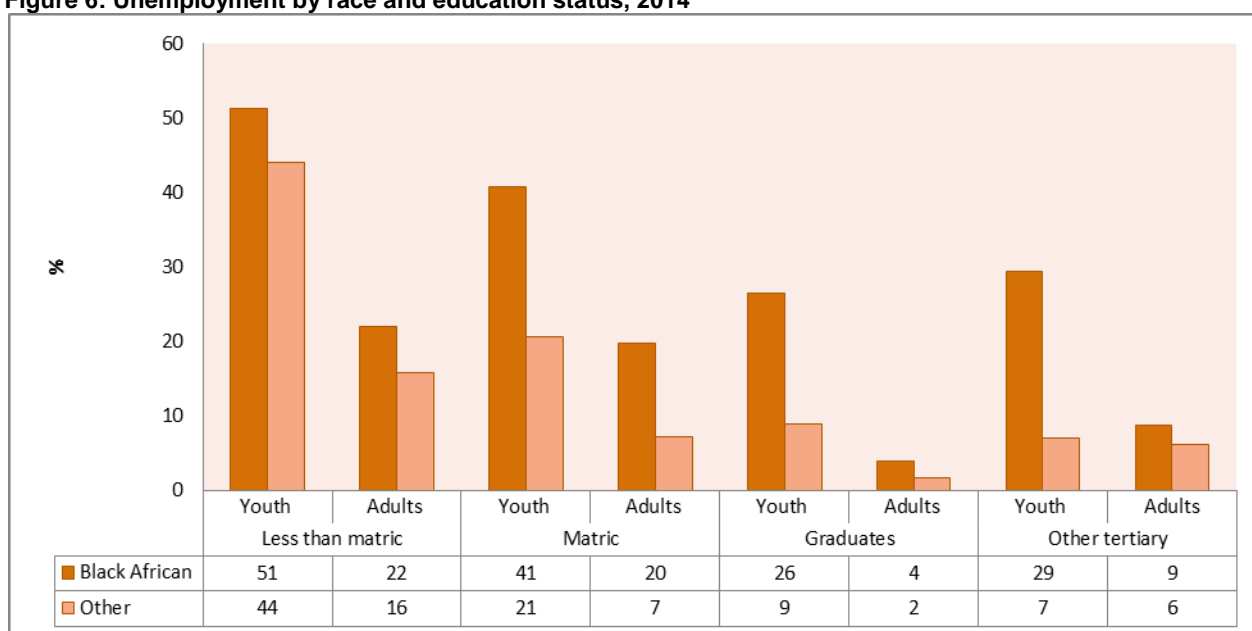
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------|------|------|------|------|------|------|
| Unemployment rate | 22.3 | 22.8 | 23.9 | 24.9 | 24.7 | 25.1 |
| Youth Unemployment | 46.5 | 45.5 | 48.1 | 50.5 | 49.8 | 51.5 |

Source: StatsSA, 2012

Unemployment continues to pose a significant challenge in South Africa. Unemployment in the country has displayed an upward trend between 2007- 2012, where it reached a level of 25.1%, at the end of 2012. However, four of the country's nine provinces reported a drop in unemployment levels between 2007- 2012. The biggest decrease in the unemployment rate was observed in Limpopo (1.7 %), Mpumalanga (1.4%) and KwaZulu-Natal (0.7%).

Unemployment in South Africa is strongly correlated with race and educational levels with black youth in South Africa constituting the largest group unemployed and thus the country ranks 6th highest in the world in terms of youth unemployment.

Figure 6: Unemployment by race and education status, 2014



Source: QLFS (2014), Statistics South Africa

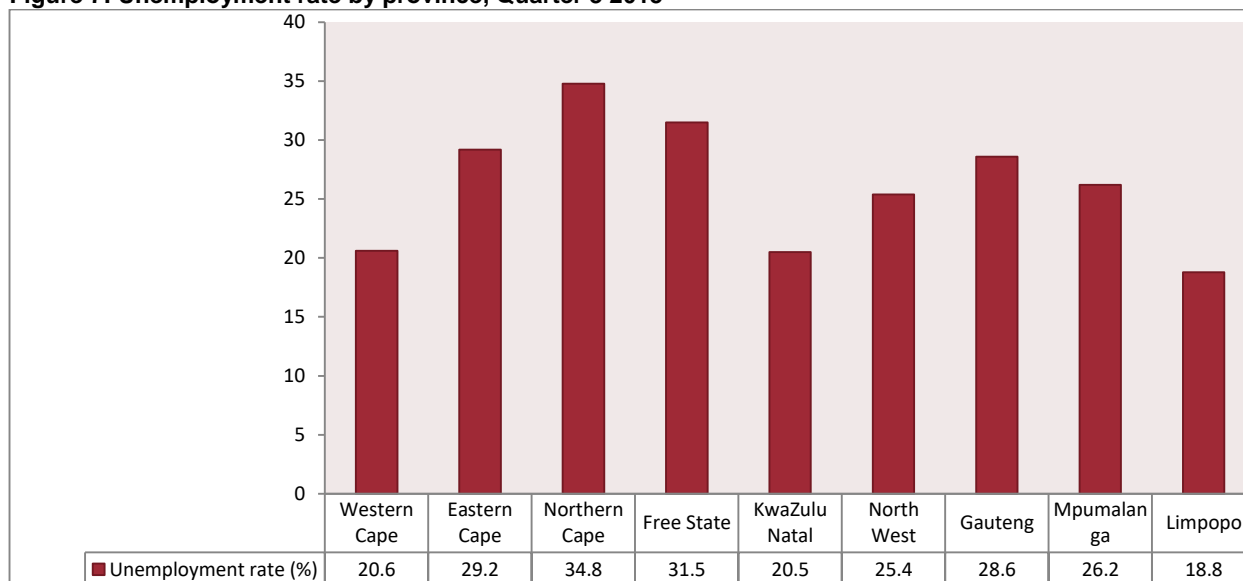
Table 3: Unemployment by Gender in South Africa

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Unemployed Female | 26.4 | 25.8 | 25.5 | 27 | 27.2 | 27.1 |
| Unemployed Males | 18.8 | 19.7 | 21.9 | 22.8 | 22.6 | 22.8 |

Source: StatSA, 2012

During the period under review, there was a higher level of unemployment amongst Females in South Africa than males. Unemployment amongst female was as high as 27.1 % in 2012 and only 22.8% for males in the same period.

Figure 7: Unemployment rate by province, Quarter 3 2015

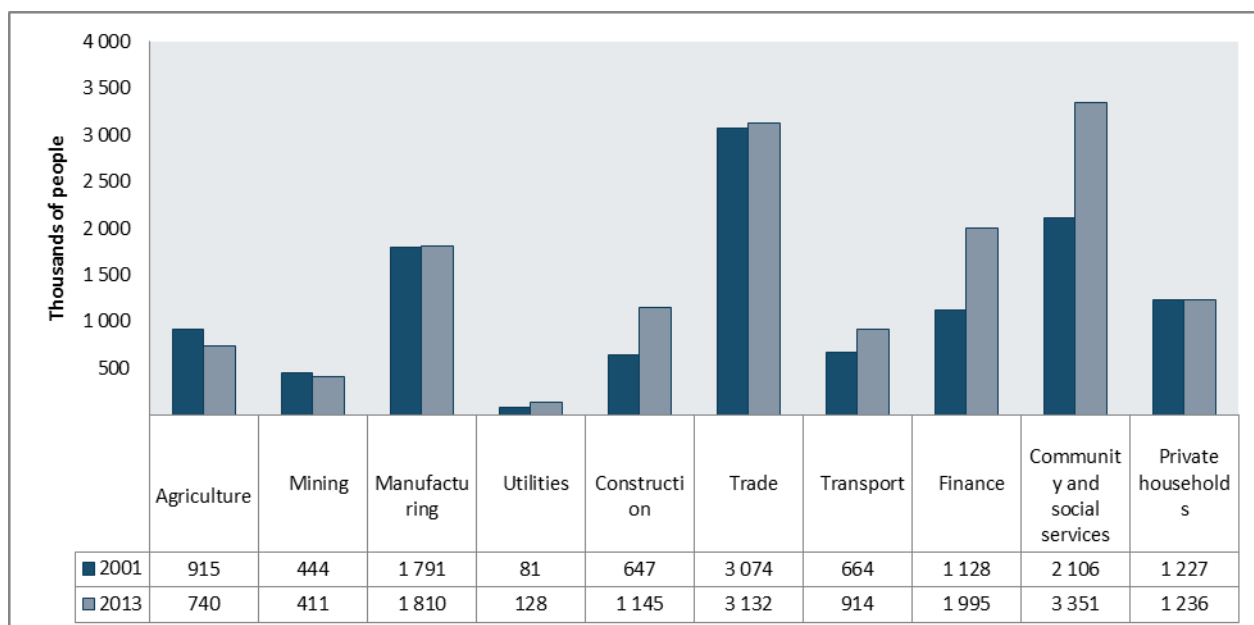


Source: Statistics South Africa Quarterly Labour Force Survey, Quarter 3, 2015

5.4.1 Employment Trends

There has been modest growth in employment between 2001 and 2013 within particular sectors of the economy namely construction, manufacturing, transport and finance and a substantially large increase in growth in the community and social services sector as figure 11 illustrates. This sector is largely female dominated and includes employment in the social services sector and includes work such as home based care and early childhood development, which is often, low or under paid and precarious in nature.

Figure 8: Employment by sector, 2001 and 2013



Source: LFS (2001 - 2007); QLFS (2008 - 2013), Statistics South Africa

5.5 HUMAN DEVELOPMENT INDEX

The Human Development Index (HDI) is an index which is used to measure the well-being of a population, which measures three main elements namely life expectancy, literacy level and standard of living. The HDI scale ranges from 0 to 1, with a score of 0 being the least developed and score of 1 indicating full development (McGillivray, 1991).

Figure 9: Human Development Index South Africa 2008-2013



Source: Global Insight, 2015

In 2007 Eastern Cape was the least developed province in the country, displaying an HDI of 0.50, while Western Cape displayed highest level of development (0.67). Over the period 2007-2013, all nine provinces showed an improvement in the human development index, with Kwa- Zulu Natal (0.57) replacing the Eastern Cape (0.58) as the least developed province in the country and the Western Cape (0.72) retaining its position as the most developed province in the country.

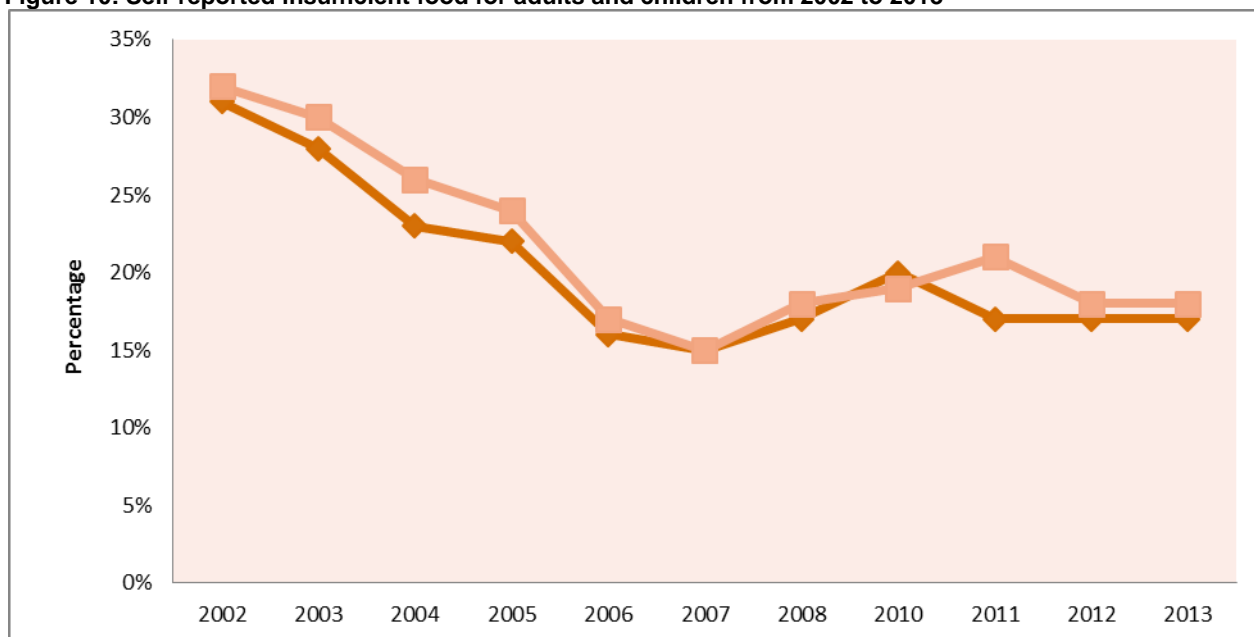
5.6 HOUSEHOLD FOOD SECURITY STATUS

While South Africa is food secure at a national level, the same cannot be said for household level food and nutrition security. National food security is commonly associated with economy-wide production of food (total agro-food output from farming) whereas household food security places greater emphasis on food access, sufficiency and quality for household members. South Africa has made considerable progress towards enhancing household food security since 2002, however nutrition security remains a serious problem.

South Africa is one of the top 20 countries with the highest burden of under nutrition. According to Stats SA [Stats SA: GHS, 2009] 2.8 million households are vulnerable to food insecurity [11, 5 million individuals] with over 72% of this population group resides in rural areas. This burden of under nutrition is spread along racial and socio-economic lines with 56% of black people living in poverty compared to, 36% of coloured, 15% of Indian and 7% of white.

A contributing factor is that about a quarter (24, 5%) of the economically active population is unemployed as majority of South Africans rely on income to acquire food arising out of a historical neglect of subsistence food production.

Figure 10: Self-reported insufficient food for adults and children from 2002 to 2013



Source: General Household Survey from 2002-2013, Statistics South Africa

Food insecure households typically have lower dietary diversity. Research suggests that majority of SA's population diet is comprised mainly of refined maize flour and wheat products, in some instance this being 100% of food intake. This explains low nutrition intake in that average South African consumes less than 4 of 9 food groups against the dietary diversity norm of 7 out of 9. More importantly is the fact that such a diet has a negative impact including predisposing people to higher rates of disability, lower energy and immunity levels, increased risk of chronic illness and lower educational attainment levels. Most at risk are children, pregnant and breastfeeding women and those living with TB and HIV/AIDS. Chronic illnesses such as TB and HIV/AIDS can significantly compromise household food insecurity through

reducing available productive labour, depleting reserves, redirecting income towards other expenses but also exposing those with lower immunity to greater risk of infection.

At the national level, stunting (inadequate growth in height) affects 1 out of 5 children (18%), with higher levels of stunting in rural areas (24,5%), urban informal areas (18,5%) and tribal authority areas (9,5%). Approximately 1 in 10 children (9,3%) present as underweight, both these measures reflecting the severity of child under-nutrition in SA. Micro-nutrient deficiency is also of concern with one out of four women nationally having poor vitamin A status and about a third of women and children are iron deficient (SANHANES, 2012).

5.7 CONCLUSION

The national socio-economic profile provides a graphic description of the triple challenge of poverty, inequality and unemployment confronting South Africa. It identifies those considered amongst the most vulnerable including women, children, youth, unemployed and rural dwellers. It provides compelling argument for implementing poverty eradication initiatives which seek to enhance poor people's endowments more especially in relation to economic inclusion and human capital development. It supports also the prioritization of a focus of grant funding to address food security, income generation and early childhood development.

6 IMPACT ASSESSMENT FRAMEWORK AND METHODOLOGY

6.1 INTRODUCTION

An Impact assessment for poverty eradication is fundamentally about assessing change. It aims to develop an understanding of what change occurred as a result of *participation in and exposure to the intervention*. It seeks to provide answers to among others questions:

- What change occurred?
- Who was affected by the change?
- What factors contributed to this change?
- Has the change been sustained?

A definition of impact which informs the development of this evaluation framework is found in the OECD Development Assistance Committee (DAC) Principles for Evaluation of Development Assistance (2010, p24) and which states that impact is “...*positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.*”

Impact evaluations are driven by a conceptual framework which informs and shapes the design of the evaluation. It provides an overview of the rationale for the approaches and methods adopted and has three key elements namely:

- Articulates a theory of change
- It specifies the units of analysis and levels at which the impact is assessed
- It also identifies the types of impacts which it seeks to assess.

6.2 THEORY OF CHANGE: FRAMING THE LOGIC FOR NDA GRANT FUNDING OF POVERTY ALLEVIATION INTERVENTIONS 2007-2012

A theory of change (TOC) is a road map which outlines how the NDA Grant Funding interventions were expected to enhance the quality of life outcomes for participants. It maps out the causal pathway of what is required from a programme (inputs, activities) in order to achieve planned outputs and bring about change or achieve a given long-term goal or impact. It holds implicitly the notion of a change for the better, with a range of mixed outcomes recorded including less misery, more care, and greater inclusion socially and economically

As indicated earlier the program logic for grant funding was never explicitly developed at programme inception and to guide this assessment a TOC was constructed motivated by the following:

- Regardless of whether an explicit theory of change was constructed at inception or not, assessing a programme in the absence of one is difficult with respect to determining whether outcomes for grant funding were achieved in a manner consistent with the intended aims and objectives;
- Constructing a TOC helped to define specific questions particularly in respect of those elements of the TOC for which there was no substantive evidence; defined the variables for inclusion during data collection and it highlighted contextual factors which had to be taken cognizance of in respect of data collection and data analysis.

Poverty interventions have clear socio-economic distributional consequences in the implementation of public policy. The developmental objectives as outlined by the NDA for the period 2007-2012 were to contribute to the eradication of poverty and thereby promote human development. It does this through CSO's as the channel of intervention by providing funding and support as well as through leveraging of strategic partnerships towards this goal. Through its funding and capacity development interventions the NDA sought a number of outcomes three of which are significant for this study namely to:

- create vibrant, equitable, sustainable rural communities that contribute to food security for all;
- create decent employment through inclusive economic growth;
- enhance quality basic education.

The **causal pathways** through which the NDA supported interventions are connected with their ultimate goals are long and complex. In many instances the interventions can only directly influence intermediary outcomes (indicated as short to medium term outcomes) which then contribute to the long term outcomes indicated above.

The suggested narrative theory of change for the NDA impact Assessment study is as follows:

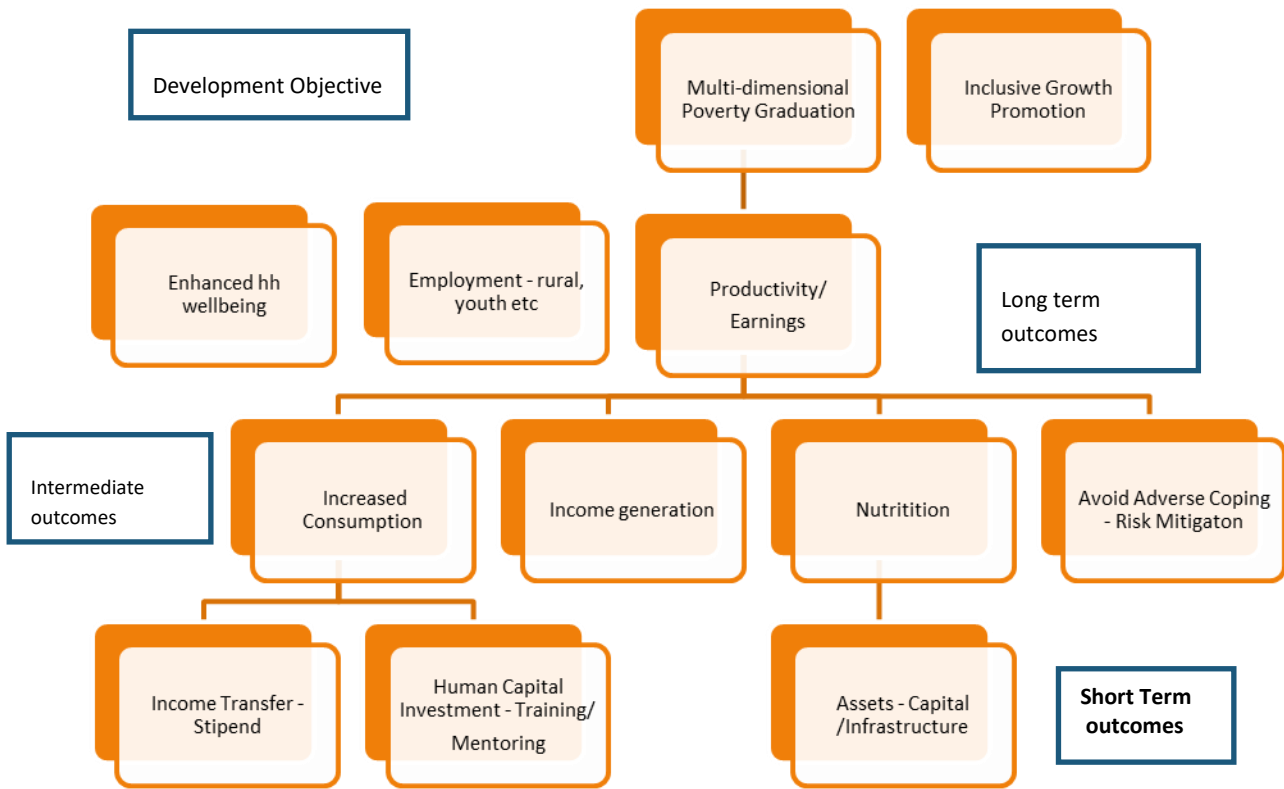
- ❖ Through programme formulation the NDA will identify and cultivate champions towards achieving its overarching vision. This means if conditions are right, namely when actors (CSO's) are supported (e.g. through capacity development and funding), change can occur.
- ❖ The NDA provides funding and support to CSO's to implement income generation, food security and early childhood development programmes which are aimed at impacting on poverty and the provisioning of services to the poor.
- ❖ NDA is committed to working collectively with partners to achieve shared aims and objectives around poverty alleviation and hence they coalesce around a shared agenda,
- ❖ As a result the NDA will provide quality of life enhancing services to the poor through CSO's and in this way enable **"the poor"** to move up the development ladder.

During the review period the NDA strategically targeted youth, women, the unemployed, households in poverty, rural poor (farm workers and farm dwellers) and vulnerable groups (children, elderly and disabled).

6.2.1 Pathways to Change For Individual and Household Beneficiaries

Although there are common pathways to change across each of the three thematic focus areas there are some distinctions as indicated below. Importantly it must be recognized that this impact evaluation focuses on multiple levels and hence the pathways to change have been articulated for individual beneficiaries and their households, the civil society organisations who will access support from the NDA and finally the NDA itself in achieving its mandate. Each of these pathways is outlined below.

Figure 11: Causal Pathways to Change: Income Generation and Commercial Agricultural Production (Food Security) for Individual and Household Beneficiaries



The pathway out of poverty through income generation is premised on increasing productivity and increased access to markets. These will reap benefits of increased producer/farmer enterprise income and non-reliance on external support for wealth generation. This turn will lead to increased household income and that will contribute to household wellbeing.

The overarching premise of the food security pathway is that food insecurity impedes physical, emotional and cognitive development. By providing consumption support through increased access to food it enables households to stabilize food consumption levels.

Figure 12: Causal Pathway to Change: Food Security (for household subsistence) for individual and household beneficiaries

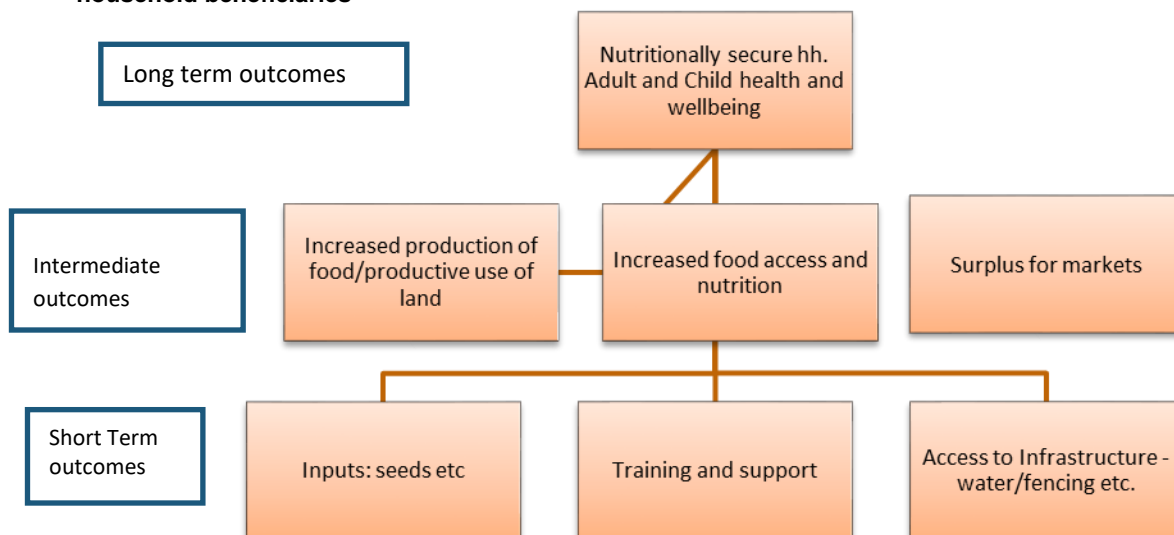
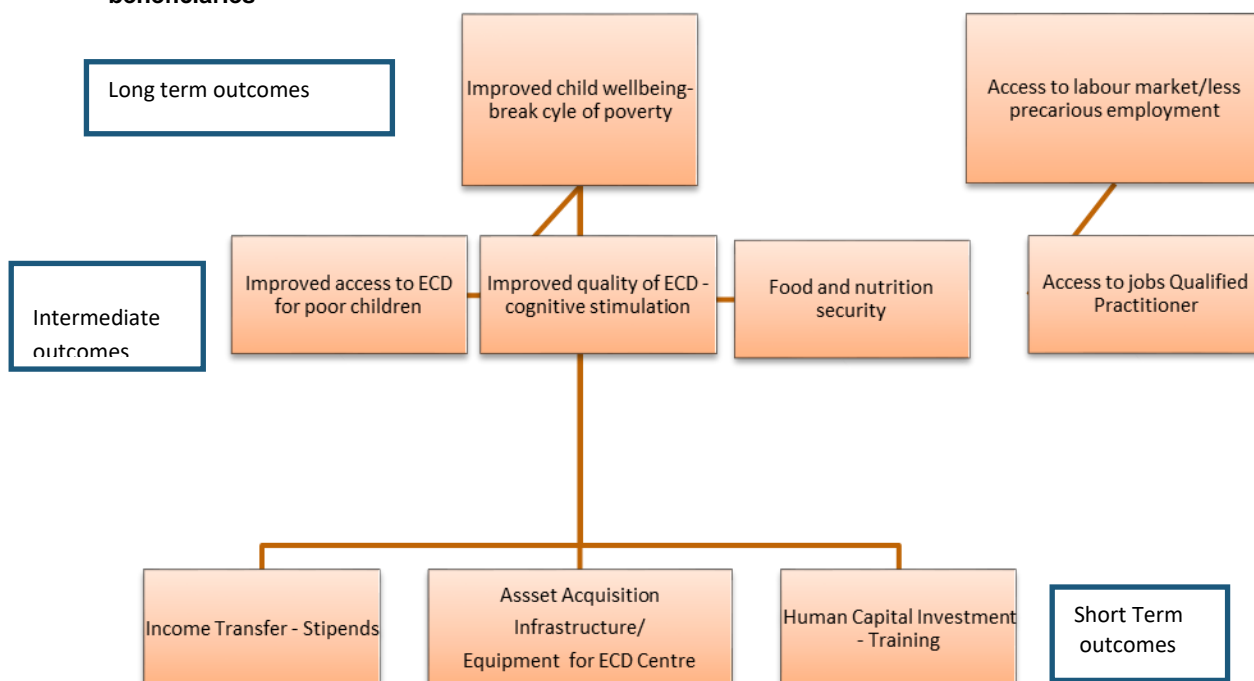


Figure 13: Causal Pathway to Change: Early Childhood Development for individual and household beneficiaries



Gender is an important component in respect of the causal pathways in ECD as it provides entry into the labour market for poor, often rural women with minimal education to entry into the community and social services sector almost immediately with few entry barriers and that through accessing educational opportunities this enables to move to higher levels of ECD training and this has strong impacts on their job search and wages. This is especially relevant in the context of employment in the community and social service sector is highly feminized and that ECD is one of the state’s strategic priorities and hence finds synergy with gender empowerment and job creation imperatives (Motala, 2013).

Across all thematic focus areas the long term outcomes for individuals exposed to and participation in NDA supported interventions are outlined below.

Participation in NDA funded project leads to an increase in the beneficiaries control over and/or ownership of resources (physical and financial) within the household economic portfolio.

- increase in control over savings, loans, and income; and
- increase in ownership of property and assets.

Participation leads to increased self-esteem and self-confidence and, in turn, increased mobility and interactions at the household and community levels.

- increased sense of own contribution and own ability;
- increased mobility (within public spaces and within markets);
- increased participation in household decision-making; (particularly for women)
- increased participation in activities outside the home.

Participation leads to a well-defined economic vision for the future, to future-oriented activities, and to a more secure position from which to face the future.

- more hopes and plans for the future;
- fewer worries and fears about the future;
- increase in future-oriented activities; and
- increased economic independence and/or ability to manage on one's own.

6.2.2 Pathway to Change for Civil Society Organisations

For the CSO the short term outcomes will be access to equipment, mentoring, business skills acquisition. In the medium term it is expected to professionalize the SMME and promote market linkages. In the long term it will mean transition from survivalist to high level productivity and as such towards Inclusive Growth for poor.

The goal here is for survivalist or emerging CSO's to be transformed and which provide the platform for engaged and active citizenry, are responsive to local needs, promote innovation and models of practice which could be scaled up and leverage resources and support from a wide stakeholder base within and outside of the state.

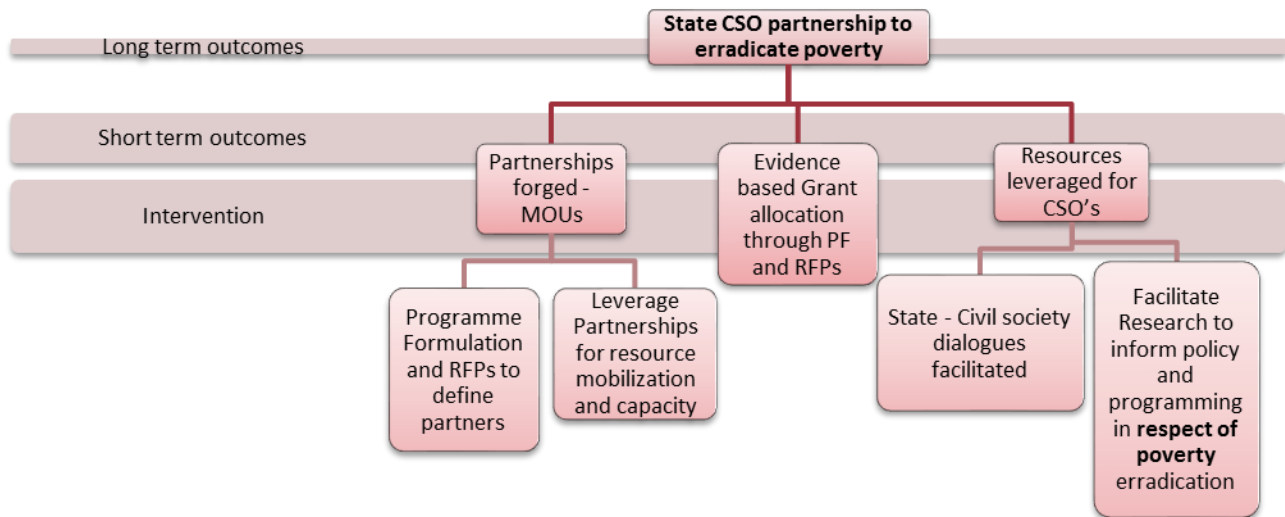
Figure 14: Pathway to Change for CSO's



6.2.3 Pathway to Change for the NDA

The NDA has indicated its intention to become the premier development agency in South Africa. The indicators for what would serve as measurement are unclear. The research team gleaned from the various reports and plans a few indicators that could assist with measuring this changed pathway.

Figure 15: Pathway to Change: NDA as the Premier Development Agency



The key challenge in terms of leveraging strategic partnerships is to be able to understand and isolate the specific “sphere of influence” which could empirically and realistically be attributed to the NDA’s organizational efforts. O’Flynn (2010) suggests that in such instances while it may be impossible for any single agency to claim attribution for successful change when working collectively or contributing towards the same goal, the way to overcome this is to document the specific institutions **contribution to, rather than ownership of**, the changes observed.

The NDA intervention was intended to achieve these outcomes through the delivery of the programme across the 9 provinces and three thematic focus areas namely Income generation, food security and ECD.

6.3 EVALUATION FRAMEWORK AND METHODOLOGY

This section outlines the evaluation framework for the NDA Impact Evaluation Study 2007-2012. Ideally such a framework is developed at the outset of the programme and allows for the fine-tuning of objectives, the inclusion of indicators for success and guidance on what data to collect (Quainoo, 2010). Due to the inability to locate a detailed theory of change and logic model for the NDA Funded Poverty Alleviation Programme 2007-2012, this framework has been informed by:

- The stated goals (potential long-term outcome) and the objectives and targets as outlined by the NDA in various Strategic Plans covering the period of the impact evaluation from 2007 – 2012;
- NDA’s Impact Evaluation Protocol for this study which served as the Terms of Reference for the HSRCs proposal; an
- An extensive literature review drawing on both local and international experiences of evaluating similar anti-poverty interventions in a developing context.

- Recognition that poverty in South Africa is one of the triple challenges, of poverty, unemployment and inequality, that our country currently confronts and in respect of which SA was unable to meet its MDG target for 2015.

The evaluation framework for this NDA Impact assessment study embraced the four main dimensions of evaluation practice as elaborated in the National Evaluation Policy Framework (NEPF) 2011 namely:

- Improving policy or programme performance by providing feedback to managers;
- Improving accountability for where public spending is going and the difference it is making;
- Improving decision-making e.g. on what is working or not working;
- Increasing knowledge about what works and what does not work with regards to public policy, plan, programme or project.

6.4 NDA GRANT FUNDING 2007 – 2012 IMPACT ASSESSMENT EVALUATION DESIGN

The design of an evaluation involves making decisions about why the evaluation is being conducted, what ethical guidelines need to be followed, what data collection approaches will be utilized, what resources are available to conduct the evaluation and importantly how the data will be analysed. It also requires some consideration to how evaluation findings will be utilized. Importantly all these decisions need to have a coherent logic that links these elements together.

Whilst RCTs allow the determination of causality in impact evaluations the reality in South Africa is that projects are often implemented without an experimental design in mind. This complicates the job of the evaluator when it comes to determining the impact of an intervention. In light of this current thinking on impact evaluations has shifted considerably from the traditional approach which viewed RCTs and establishing counterfactuals as the “gold standard” in evaluation (Deaton, 1995; Samson et al, 2015). It has been increasingly noted that such approaches are not always or easily utilized as it requires a strict adherence to randomized approaches (Chinembiri et al, 2013) and other complexities including time, budget and the fact that many evaluations are commissioned ex post the intervention makes it critical to consider *alternatives to the conventional statistical counterfactual* (American Evaluation Association, 2009). The AEA explored the following questions;

- How can project or program outcomes and impacts be assessed when it is not possible to construct a statistically matched control group?
- What alternatives are there to the conventional, statistical counterfactual?
- When and how can they be used?
- How adequately can they assess/eliminate alternative explanations of the changes observed in the target population?
- Which of the approaches can be used to assess the outcomes of complex, national level and multi-donor programs?

The evaluation design standard can be assessed in respect of four accepted attributes (Sandars et al, 1994⁴) espoused and elaborated below:

- Utility : serving the information needs of intended users
- Feasibility : Be realistic
- Propriety : ensure ethical compliance and due regard to not harming those involved
- Accuracy : That the evaluation findings are comprehensive and grounded in evidence.

6.4.1 Utilization Focused Evaluation Practice

With respect to the issue of 'evaluation use' the HSRC is committed to the principle of "utilization focused evaluation" where the intended users of the evaluation findings are consulted on and participate in the decisions about the methods to be adopted and the indicators to be measured. Research evidence suggests that these intended users are more likely to use evaluation findings and implement actions arising from the evaluation if they have ownership over the evaluation design. This is not a new innovation but is rooted in the notion that evaluators who 'parachute' into an evaluation with limited insights may not be able to gain contextual or situational sensitivity to issues which those deeply involved in the work can provide. A related principle was that that the evaluation process and methods should be **empowering** to those who are being evaluated.

These principles were operationalized from project inception through regular engagements with the Project Steering Committee (PSC) established for the Impact Study, comprised of key stakeholders from the NDA. In addition a national workshop was convened with national and provincial representatives of the NDA with the aim of securing their inputs and perspectives in shaping the evaluation framework design and a subsequent workshop was held to present preliminary findings in order to verify the findings and importantly to provide insights to informing and contributing to the recommendations for the study. This was noted as critical to the determination of recommendations largely due to the time lapse of 3 years between the period of the review 2007-2012 and when the evaluation was commissioned during which time the NDA may have made changes to its operational or programme design.

6.4.2 Theory Based Evaluation

As outlined early in this section the evaluation design was based on a theory based design which placed emphasis on detailing the assumptions (intervention logic and pathways to change) on which the NDA programme was based.

This theory based approach to evaluations seeks to explain the changes that have been recorded with pre-existing theories or clearly articulated causal pathways which were identified. A precondition for this is that it demands a level of pre-understanding of how a programme actually works. Core features of such an evaluation approach are as follows:

- It explores questions of what works, but also why and how;
- It unpacks the relationship between treatment and outcomes, taking contextual factors into account.

⁴ Sandars (1994) The Joint Commission on Standards for Educational Evaluation

It includes two key elements namely the conceptual frame (the causal model pathway) and the empirical data collection and analysis which explores how the intended or observed outcomes emerged. The theory of change pathways in respect of the NDA funded interventions have been articulated earlier in this section.

The theory of change pathway in respect of the NDA study was drawn from the stakeholder engagement as well as the desk top review of available documentation.

6.4.3 Multi and Mixed Methods Research Design

The study adopted a mixed and multi-method research design to improve the quality, validity and reliability of the evaluation findings (Rossi, et al., 2004; Denzin, 1978) in recognition of the complexity of this evaluation study. A mixed approach draws on the strengths of quantitative data collection by way of a purpose built household survey and an organizational, asset and financial assessment instrument and the use of a range of qualitative methods including key informant interviews and focus groups. In addition a literature review and secondary analysis of available documentation was undertaken.

Adopting both qualitative and quantitative methods has enabled the study to generate a richer pool of data and statistically reliable measures of the magnitude of impact and provide greater depth of understanding of the reasons why the programme was or was not effective and what needs to be adapted to make it more effective (Garbarino and Holland, 2009).

Combining of qualitative and quantitative evaluation methodologies has been shown to add value to research findings and in particular to compensate for the specific shortcomings arising from the single use of methods. It enables an analysis of poverty as a dynamic process rather than a static outcome with the potential to generate sophisticated, robust and timely data and analysis especially when combined with quantitative instruments which have greater coverage and generalizability. This is particularly relevant for triangulation, either in terms of finding convergence or dissonance in the findings.

The argument for using qualitative approaches to enhance quantitative research is based on the notion that such an approach will deepen insights into how the data was constructed; the range of variables explored and provide a richer explanation of outliers and unusual findings. Similarly it is argued that using quantitative methods can add value to qualitative research with respect to defining the selection of case studies to be explored and for generalizing of findings to a wider group.

The **sequencing** of design and methods (both qualitative and quantitative) was determined by the evaluation team, based on the information that was already available for beneficiaries and beneficiary households (to facilitate efficiency, effectiveness and impact assessment), and taking into account the context of the evaluation and the sequence of data requirements (read in conjunction with 'data collection methods' that have been outlined in the section that follows). This involved initially a desktop literature review and secondary data analysis. The primary data collection methods both quantitative and qualitative were applied non-sequentially largely as a cost containment measure although ideally the quantitative methods would have been applied first and would have likely informed the content of qualitative data collection.

6.4.4 Attribution of Causality to the NDA supported intervention

The most challenging methodological issue that confronts impact assessment and poverty analysis is that of attribution or causality. Attribution seeks to assess to what extent is the outcome a direct result of the contribution made by a specific person or organisation. The intention being to establish that the NDA Intervention was responsible for any change in the circumstances of participants (poverty alleviation) and which requires comparing the conditions of the target beneficiaries of the programme with an estimate of what their condition prior to their participation would have been either directly or indirectly.

In experimental impact evaluation studies this attribution is measured through an assessment of the counterfactual group which is randomly selected. This is the control/untreated group, necessitated by the desire to avoid positive bias, when only focusing on NDA funded beneficiary populations (Shahidur et al, 2010). Although the lack of a counterfactual eliminates the ability to statistically establish causality, simply interviewing project beneficiaries invariably leads to a systematic positive bias. This problem can be resolved by introducing a comparison group that was not exposed to the NDA specific intervention. The comparison projects for this study were defined as CSO's which had not accessed NDA funding but who had been recipients of other donor support. To identify comparison projects matching methodology was applied, the main criteria being that the comparison projects should be:

- located in areas with similar socio-demographic profile as NDA funded projects;
- share the thematic focus of NDA funded interventions;
- CSO's had to have been funded by another institution;
- be funded during the 2007-2012 period.

These criteria were applied in the selection of comparison projects across all provinces with a sample size of 3 comparison projects per province, a total sample size of 27 comparison projects.

While it is recognized that it is not likely to get a completely accurate assessment of attribution another method that was integrated into the study design was to be aware of a seek information about other relevant stakeholders who may have contributed to the outcome. This was addressed through key informant interviews with beneficiaries and site manager, document reviews and financial assessment reviews. In addition where possible it was deemed appropriate to interview these external stakeholders (contributors) in order to understand the nature and scale of their contribution and its relevance to the outcomes being assessed.

A key challenge in respect of attribution related to the absence of baseline data for beneficiaries or for CSO's participating in the NDA funded intervention. Baseline data is important for comparing outcomes and impacts of beneficiaries over time and as a result of exposure to the intervention. Knowledge about what the initial conditions were assists in drawing inferences as the changes observed. To address this challenge the study identified a number of approaches including review of available project records, key informant interviews and recall by beneficiaries through the household survey instrument which asked questions about the situation prior to, during and after the intervention.

Equally important was that of recall bias given the time lapse between intervention and assessment.

6.4.5 Evaluation Questions

The specific questions as outlined in the NDA's Impact Assessment Protocol provided a guide to the impact assessment study:

- Do NDA funded projects for civil society organisations for poverty alleviation (food security, income generation, early childhood development) result in the organisations growth and sustainability in terms of increased funding or income sources, diversification of their products and services, use of new technologies and employment levels?
- Do they have a positive effect on the organization in terms of improved organizational management skills, financial management skills, ability to access markets for their products and changes in their livelihood status?
- Do these interventions improve the organization's profit margins and ability to save profits and or invest in less risky markets?
- Do these interventions make a positive different on beneficiaries and their family's lives in terms of poverty levels – are they most likely to basic meals (3 times a day), children at school, ownership of home etc.?
- What is the cost effectiveness of such programmes and can the programme be sustainable in current scale and when rolled out?
- What policies need to be in place to support programmes of this nature and how could poor people and development agencies influence policy making at national government level?

6.5 INDICATORS FOR MEASURING OUTCOMES IN RELATION TO THE SPECIFIC OBJECTIVES OF THE NDA IMPACT ASSESSMENT STUDY 2007-2012

Based on the Theory of Change the specific methodologies which were utilized for each of the impact evaluation objectives are outlined in the section that follows.

Objective 1: To evaluate the impact of NDA Funded Development and Poverty Interventions in terms of the alleviation of poverty and enhancing livelihoods and wellbeing of targeted beneficiaries

The focus in this objective is on assessing the impact of NDA Funded Poverty and Developmental Projects on the livelihood and wellbeing outcomes of individual beneficiaries and their households. The major objective of NDA funded interventions is to transform the livelihoods of beneficiaries involved in NDA funded projects through:

- generating employment and/or income generating opportunities for the local poor and unemployed, especially those with little or no prospect of getting permanent long-term jobs;
- enhancing labour market outcomes of targeted beneficiaries through provision of skills development, work experience and accredited training;
- improving the food security status of targeted beneficiaries;
- intervening in and breaking the cycle of intergenerational poverty through targeting quality interventions to young children and their families.

Targeting benefits to the poor

One of the key issues to assess in the poverty impact evaluation is targeting (Holmes et al., 2013). An analysis of the **incidence of programme participation** related to the distribution of programme benefits and the **extent** to which the poor participate in the programme is key in assessing the efficacy of programme targeting, the extent to which programmes reach poor households and their impact on poverty (ibid). Targeting can be measured in terms of spatial dimensions and social dimensions. Each of these is outlined below:

Spatial targeting which is primarily used to target communities deemed to be poor or vulnerable and with targeting being directed to NDA stated priority areas namely ISRD, Urban nodes etc.? To assess targeting of interventions the study would analyse the location of funded projects against the spatial targeting outlined in strategic plans as well as to assess NDA resource allocations and project spending patterns in relation to poverty distribution provincially.

Socioeconomic Targeting which is used for targeting specifically vulnerable groups such as the unemployed and marginalized, particularly the **unskilled**, including women (in particular women-headed households), youth and the disabled. The indicators for measuring changes to multi-dimensional poverty status of beneficiaries and households would include the following:

Table 4: Poverty Impact Indicators

Poverty Impact Indicators

- Food security (consumption)
 - Human capital (health, education)
 - Social capital
 - Human capital investments
 - Income poverty (headcount, depth, severity)
 - Asset ownership
 - Increase in household consumption
 - Possible savings or multiplier effects
 - Adverse coping strategy mitigation
 - Impact of access to community assets
-

Source: (Holmes et al., 2013; Prenzushi, 2000; McCord, 2004)

The following information sources and measures guided the development of the household questionnaire and the focus group schedule.

Table 5: Information Sources and Measures for Poverty Impact Analysis

| <i>Information Required</i> | <i>Measures</i> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Demographic composition of households Employment status of household members Levels and sources of household income Expenditure patterns of households Health status of households Asset status of households Nutritional and Educational status of children in households Households ability to manage poverty risk over time Correlation with other income generating or subsistence activities (future end of programme study?) | <ul style="list-style-type: none"> Age, gender, education, race composition of household and household structure Full-time/ part-time, self-employed, formal/informal, unemployed, length of time unemployed. Wage income, remittances, grants, capital income, subsistence farming Perceived changes in consumption of goods and services Perceptions of health changes before and after the intervention Changes in asset accumulation School attendance before and after the intervention and the incidence of going hungry before and after the intervention Whether access to credit and financial services has changed as a consequence of the intervention and acquisition of assets Whether beneficiaries or other household members enter employment or self-employment after exiting the programme |

Source: Altman et al (2004)

Objective 2: To evaluate the impact of NDA funding on CSO's in terms of their growth, sustainability, efficiency and effectiveness in managing interventions and in the delivery of quality services.

This objective was focussed on assessing the changes in capacity of the funded CSO arising from NDA funding and support.

As there are no universally accepted frameworks for organisational capacity assessment this study has drawn from a rich literature base of organisational capacity assessment methodologies pioneered by international development agencies including USAID⁵ to conduct this assessment.

Organisational Capacity Assessment tools (OCA) generally focus on a number of interrelated domains namely:

- Strategic Performance and Leadership – the extent to which the institutions track record, experience and its design of the intervention as aligned to the objectives of the NDA funded programme.
- Operational Capacity (including human resources, infrastructure and systems) which facilitates programme implementation.
- Assessment of external environment and Institutional linkages – the extent to which it is supportive of what the organisation is intending to accomplish.
- Monitoring and Evaluation – aimed at providing the evidence base to strengthen implementation and to intervene where necessary towards ensuring that outcomes are achieved.
- Programme Sustainability

⁵ www.fhi360.org

These domains guided the development of key informant instruments.

Tables 4 and 5 map the study objectives to the dimensions of assessment and the nature of data collection to gather relevant evidence.

Table 6: Matching Objectives to units of analysis and data collection instruments

| <i>Study Objective</i> | <i>Dimension of assessment</i> | <i>Unit of Analysis</i> | <i>Who is the target for data collection?</i> | <i>Data collection Instrument</i> |
|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| i. Individual CS organisations funded by the NDA during the review period in relation to growth and sustainability; | ▪ Growth | CSO | Project Manager | KII |
| | ▪ Sustainability | | Financial Manager | Cost benefit Analysis Template Secondary Document Analysis Organisational Assessment instrument |
| ii. Improved CSO's management processes used to run the organisation; | ▪ management processes (management skills and financial management skills, capacity building) ▪ cost effectiveness and efficiency | | Project Manager/ Board? | KII Document review |
| iii. Increase sources of funding, income and savings levels for the organisation; | ▪ sources of funding, ▪ income, ▪ savings levels, | | Project Manager/ Finance Manager | KII Review of Financial Records Document review Focus group |
| iv. Improved quality of services offered by the organisations. | ▪ quality of services ▪ diversification of their products and services, ▪ use of new technologies ▪ employment levels ▪ access to markets, | | External stakeholders government/community leaders/private sector/non-governmental organisations Consumers of service? define this | KII |

Table 7: Recommended guide for data collection for Objective 2

| <i>Sampling Guide</i> | <i>Data Sources/Data Collection Tools</i> | <i>Stakeholders</i> | <i>Indicators For Efficiency And Effectiveness</i> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Location of the project • Type of asset created or service rendered • Cost structure • Duration • Type of implementing arrangement | <ul style="list-style-type: none"> • Review of Project documents (monthly reports, final project close-out reports, project review summaries) • Review of management Information Systems • Key informant Interviews with relevant stakeholders e.g. govt., CSO and private sector stakeholders • Project level management questionnaires • Cost Benefit Data Template • Environmental Scan Template for addressing confounding variable | <ul style="list-style-type: none"> • CSO Managers for each project • CSO Project Staff • Consultants, Contractors, Partners • NDA official at Provincial level | <p>Efficiency and Effectiveness may be assessed in the following terms:</p> <ul style="list-style-type: none"> • The capacity to spend budgetary allocations; • Institutional growth... assessment in terms of staffing, outreach, scale of programme intervention etc. • The verifiable monitoring and reporting of NDA Funded Projects performance in terms of the primary objectives of the NDA • Provision of products and services at good quality; (quality indicators) • Infrastructure developed and social needs met which otherwise would not be met • Sustainability of institution in terms of resource base, staff skills and experience, partnerships, ability to leverage resources etc. • management processes (management skills and financial management skills, capacity building) • sources of funding, • income, savings levels |

Evidence from efficiency analysis studies suggests that a reliance on project reports and documents would not yield all the necessary information required (Haddad and Adato, 2001). To address this challenge a **project-level questionnaire** to gather information was designed and administered **to Project Manager for each project**.

Gender: A Mediating Variable

Across the two objectives a mediating variable identified is gender. This has been identified as it influences the strength of the relationship between participation in an NDA funded intervention and the impacts arising thereof in different ways for men and women. It is widely accepted that achieving gender equity objectives is key to advancing inclusive and sustainable development and hence a gendered conceptual framework will be incorporated into the design of this study (Chen et al, 1995). The framework is based on unpacking the 4 critically identified pathways through which change is anticipated to occur for both men and women namely:

- Material = Changes in access to and control over material resources.
 - Cognitive = Changes in levels of knowledge, skills, and awareness of wider environment.
 - Perceptual = Changes in self-perception on the part of the woman plus changes in the perception of the woman by others.
- Relational = Changes in contractual agreements and bargaining power in various types of relationships

In view of women being a key target for NDA funded programmes the study sought to understand the gender nuanced impacts of the NDA intervention through ensuring that women were included in the sample as well as gendered questions about impact were included in various instruments.

6.6 RESEARCH METHODS AND INSTRUMENTS

The following methodologies were utilized in respect of this study.

6.6.1 Desk-top review

A literature review preceded the development of the evaluation framework. This drew on local and international literature on understanding frameworks for implementing and assessing anti-poverty programmes as well as literature on effective evaluation methodologies.

The desk top review also included an analysis of **reports from the NDA in respect of their programmatic work such as annual reports, strategic plans and then in respect of each funded project documents such as** grant agreements, progress reports, due diligence assessments and mid and end project evaluation records among others.

6.6.2 Secondary Analysis of NDA Data

Administrative data is collected, stored and used for accountability and operational purposes and less for research. Such data represents a valuable and rich source of data which if well mined can contribute to important findings. The fact that they have been collected over a long period also presents an opportunity for drawing baseline inferences and for tracking change over time. Assessing long term impacts are often challenging in primary research due to recall bias challenges

and will allow researchers to assess impacts not evident in the short term. This does not imply that admin data is not susceptible to bias or error. This includes bias introduced as a result of differential data collection systems across the provinces or across programme areas.

The NDA had reportedly collected such data for the projects implemented and the intention had been to analyse these as a contribution to triangulation of study findings. This involved an assessment of the suitability and relevance of the data set collected in terms of how and why the data was collected and the range of dimensions covered. A primary consideration influencing the extent to which the data could be utilized was access to comprehensive records for projects. The research team proposed to undertake a limited review of available administrative data in order to complement qualitative data gathering activities.

6.6.3 Household Survey and Questionnaire

A household survey was conducted with the key beneficiary for both NDA and comparison sites, beneficiaries being classified as those directly involved in the NDA funded intervention as project participants as opposed to indirect beneficiaries who have mentioned The household questionnaire was based on the dimensions listed earlier in Table 7 was developed and administered to both NDA beneficiaries and on non-beneficiaries. The survey instrument was a digital cell phone based data collection system.

6.6.4 Key Informant Interviews (KIIs) and interview schedule

Key informant interviews were conducted with a select sample of stakeholders at national, provincial and site level. National stakeholders were identified through a stakeholder analysis framework in consultation with the NDA (Refer to Stakeholder Framework Annexure).

At **National and Provincial Level KIIs** the stakeholder groups identified were:

- National Department of Social Development as the main shareholder for the NDA
- The National Department of Treasury
- Civil society organisations
- NDA national and provincial managers including the CEO, Executive Directors, Senior Managers, PMs and DMDs.
- Governance level: NDA Board Chair
- Parliamentary Portfolio Committee representatives.

A semi structured interview schedule was developed for external stakeholders as well as for internal NDA stakeholders.

Project level KIIs

At project level interviews were to be conducted with the Project Manager of the CSO. This could be defined as the Director of the CSO, the actual project manager and if it was a cooperative then the lead person who was identified as the contact person on the grant agreement with the NDA.

In addition interviews would be conducted at the site with project partner agency representatives either from government, private sector or civil society. Project partners were broadly defined as

other stakeholders who had contributed to the CSO's function either through grants being awarded or support being provided or to whom a service was delivered e.g. training.

For both these stakeholder groups interview schedules were developed.

6.6.5 Project Level Focus Groups

Focus groups comprised of between 5-8 participants purposively selected in relation to the nature of the intervention. The following focus groups are envisaged

- Beneficiary Focus Group
- Non Beneficiary Focus Group (comparison group)
- Consumer Focus Group

The focus group with representatives of community and non-profit organisations operating in that community was aimed at assessing the impact of the asset developed or the services provided to that community.

6.6.6 GIS Mapping

Geographic information systems (GIS) mapping was aimed at assessing the spatial distribution of NDA funded projects across South Africa in relation to poverty targeting. GIS is defined as a computer-based tool for capturing, analysing, modelling and displaying geographic data. The power of GIS lies in its ability to handle both spatial and non-spatial data.

To map NDA funded projects to key targeted areas, several data sources were used. First, the Municipal Consolidated Project Municipalities (which was used by NDA) was matched to all local municipalities in the country which were classified as *vulnerable or non-vulnerable*.

Project Consolidate municipalities it was noted faced major development and service development challenges compared to others. Their unemployment rate is higher than other local municipalities

6.7 SAMPLING FRAMEWORK

The target population for this sampling exercise was the entire population of NDA Funded projects as provided from the NDA database for the period 2007 to 2012, from which a sample of projects, beneficiaries and beneficiary households was drawn. The NDA database for this period was in excess of 400 projects and provided provincial and district location for each project as well as the thematic focus of the project funded. The Evaluation Protocol limited the focus of the study to three thematic areas funded by the NDA namely food security, income generation/economic development and early childhood development. After excluding projects that did not fall into the thematic areas or the period of the review the NDA database revealed 345 funded projects.

Figure 16: Database of NDA Funded Projects for the period 2007 - 2012 distributed by Province and by thematic focus area.

| | <i>EC</i> | <i>FS</i> | <i>GP</i> | <i>KZN</i> | <i>LP</i> | <i>MP</i> | <i>NC</i> | <i>NW</i> | <i>WC</i> | <i>Total</i> |
|---------------------------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|--------------|
| ECD | 3 | 2 | 0 | 2 | 3 | 3 | 1 | 2 | 0 | 16 |
| Food Security | 6 | 18 | 19 | 13 | 7 | 4 | 11 | 14 | 11 | 103 |
| Income Generation/ Economic Dev | 28 | 28 | 21 | 27 | 29 | 30 | 16 | 24 | 22 | 225 |
| Total | 37 | 48 | 40 | 42 | 39 | 37 | 28 | 40 | 33 | 345 |

The **sampling framework** adopted was informed by requirements in the Impact Assessment Protocol that a stratified sampling approach was necessary.

The protocol indicated that sampling should be based on proportional representative of projects by province as this was the funding allocation model of the NDA based on equitable share allocations⁶. Hence a multi-staged and proportionate stratified sample approach was designed and approved by the NDA PSC.

6.7.1 Sample Stratification

The **first level of stratification** was for funded projects by province.

The **second level of stratification** was by thematic focus area namely Food Security (FS), Income Generation/Economic Development (IG) and Early Childhood Development (ECD). A proportional sample of Food security and income generation was then selected from each of the provinces taking into consideration the number of projects per thematic area per province.

Although a **third level of stratification** was considered it was not applied, this third level was in respect of the spatial location of projects (urban and rural) as well as across the different time periods when the projects were implemented (2007-2012). The consensus was that through the randomization of the income generation and the food security projects the final sample would likely allow for diversity of the projects across these dimensions.

The final CSO sample size was determined as 75 projects at a margin of error of 10% and a confidence level of 95% distributed across all nine provinces. While not an ideal margin of error, pragmatic considerations of cost and time informed this decision.

The equi-proportional sampling approach was not applied to the ECD projects, given how few there were and the concern that a very small sample would not provide robust and comparative data for analysis. Upon further inspection it is noted that the ECD thematic area, had only 16 projects in total compared with the food security and Income generation thematic focus areas with 103 and 225 projects respectively.

⁶ This information was provided during a PSC meeting in June 2015.

Figure 17: Final Sample at 10% margin of error and 95% confidence level

| | <i>EC</i> | <i>FS</i> | <i>GP</i> | <i>KZN</i> | <i>LP</i> | <i>MP</i> | <i>NC</i> | <i>NW</i> | <i>WC</i> | <i>Total</i> |
|--------------------------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|--------------|
| ECD | 3 | 2 | 0 | 2 | 3 | 3 | 2 | 2 | 0 | 16 |
| Food Security | 1 | 3 | 3 | 2 | 1 | 1 | 2 | 3 | 2 | 18 |
| Income Generation/Economic Dev | 5 | 5 | 4 | 5 | 5 | 6 | 3 | 4 | 4 | 41 |
| Total | 9 | 10 | 7 | 9 | 9 | 10 | 6 | 9 | 6 | 75 |

6.7.2 Comparison Group

Identifying comparison group projects was originally intended to be supported through engagements with the CSO project manager who would have most likely been aware of other projects in the area. In addition it had been hoped that the NDA Development Managers would have assisted with identifying key institutions they networked with including provincial and local government partners. This did not prove very effective as it involved a long and complex set of protocols being observed. During the pilot the fieldwork team undertook scoping exercises and through that process identified potential comparison projects. Given the time constraints of the project this approach was adopted and was complemented by h consultations with the CSO manager and where possible with the local councillor. The fieldwork teams ensured that the selection of comparison projects adhered to the criteria stipulated including selecting projects and beneficiaries from communities with similar livelihoods profiles. However this is not a guarantee for a match in the two groups and hence observable differences need to be treated with caution.

6.7.3 Exclusion and Replacement Criteria

The exclusion criteria which applied were:

- Projects that fall outside the evaluation period of the study 2007-2012. In respect of projects funded in 2012 the exclusion criteria will be all projects which are funded from April 2012 as it would not allow for the projects to have been implemented for at least 9 months.
- Projects that fall outside the three thematic areas of focus for this study.
- Projects that have closed down and have no traceable owners and beneficiaries
- Projects were owners refuses to consent to taking part in the study

The three latter exclusion criteria were likely to be only identified at the time of the fieldwork. The fieldwork teams were provided with substitution lists for randomly replacing projects which were initially selected and subsequently excluded. This was to ensure that selection bias was minimized.

6.7.4 Inclusion of Write Back Projects in the Study Sample

“Write backs” is the terminology used by the NDA (NDA, Nov 2012⁷) to refer to projects where approval for a grant to be allocated was taken and subsequently withdrawn. Among the reasons for “write backs” provided by the NDA included the following:

⁷ This information is drawn from a synthesis paper dated November 2012 and titled NDA funded and write back projects.

- Projects (CSO's) did not comply with contractual obligations;
- If there has been a lapse in payments of more than 12 months (in terms of tranches paid);
- Projects no longer in operation;
- Project leaders untraceable;
- Poor or ineffective leadership in the implementation of the project. This could include poor governance, lack of technical capacity to implement and management capacity;
- Misappropriation of funding.

For the period 2007 to 2012 there were 62 confirmed write back projects predominantly in Limpopo, Eastern Cape, Free State, Gauteng, Mpumalanga and Western Cape. For the study a non-purposive sample of 6 projects was identified for inclusion. The intention had been to interview the project manager for the write back and review documentation provided by the NDA.

Motivation for inclusion of “Write Back” Projects in Sample

As previously stated the goal of an impact assessment is to estimate the effect of an intervention on a particular group. The question it asks is what would have happened if the intervention had not materialized? A paper by Tedeschi *et al* (2007) posited that not including “dropouts” in the study sample overestimated the impact of a particular intervention and therefore introduced bias into the assessment. The key argument they made was that people self-selected themselves to participate in a programme/intervention i.e. they choose to become involved in the intervention. To redress this bias it was proposed to include dropouts in the dataset for analysis. By applying this approach to a micro-credit scheme in Peru in 1999 Alexandra Tedeschi *et al* were able to demonstrate that the inclusion of drop outs lowered the estimated impact of the intervention. It is thus proposed that write back projects are included in the study sample to reduce potential bias. A non-purposive sample of 6 write back projects was agreed on for this study.

Other considerations informing the final sample size

A final factor influencing the sample size determination are pragmatic considerations in respect of resources and time available for the implementation of the evaluation without compromising the validity or reliability of data collected.

6.7.5 Final Realized Sample for CSO's and Beneficiary households

A total of 69 NDA funded CSO's out of a target of 75 and 17 of 27 comparison CSO'S were profiled in this study. Of the NDA funded CSO's realized in the final sample, 12 were focussed on ECD funded interventions, 18 were food security funded interventions and the remaining 39 were income generation funded interventions.

Figure 18: Total realized sample of NDA and Non-NDA beneficiaries in respect of the Household Survey

| No of Beneficiaries | NDA | | Non NDAs | | Total | |
|---------------------|--------|--------|----------|--------|--------|--------|
| | Sample | Actual | Sample | Actual | Sample | Actual |
| | 300 | 257 | 54 | 37 | 354 | 294 |

Source: HSRC-NDA Evaluation Study 2015

Several factors influenced the realised sample size. The equi-proportional sampling of projects across provinces as well as the challenges experienced in securing access to beneficiaries for various reasons as highlighted in the pilot fieldwork report. This included the fact that some of the participants were no longer associated with the CSO and therefore their whereabouts could not be traced.

The original sample size was selected at a 10% margin of error and as indicated above this sample size was not realized. However, because the sample was randomly selected the results are still representative of the entire population of projects funded during that time period.

6.7.6 Study Settings

The study was conducted across all nine provinces as per the random sampling of income generation and food security projects and a purposive selection of ECD projects in provinces where these were being implemented. The final sample represents projects located in a variety of spatial settings, broadly representative of the landscape of South Africa. Areas covered included:

- Urban sites including those in formal and informal settlements, metro areas as well as peri-urban areas;
- Rural sites including traditional authority areas and small towns.

6.8 RESEARCH ETHICS APPROVAL

All research with human subjects requires ethical approval. The study applied for and was granted ethical approval from the HSRCs Research Ethics Committee in May 2015 [REC 10/20/05/15].

6.9 PILOT STUDY

Pilot studies are a fundamental component of any primary data collection research project. The objectives of conducting this pilot study were:

- To assess the challenges of recruiting beneficiaries particularly for projects which had been funded more than 6 years ago;
- To test the viability of accessing financial and other records from the funded CSO's;
- To test the adequacy of the various instruments designed namely the key informant schedules and focus groups guides;
- To assess if the research protocol is effective.

The pilot study was conducted nationally across 8 of the 9 provinces and covered both NDA funded projects (8) and Comparison projects (3) during July 2015. The pilot study brought to the fore a number of critical issues that needed to be addressed in respect of the logistical arrangements for fieldwork, amendments to the instruments both quantitative and qualitative as well as additional training for the fieldworkers in identification of comparison sites. Details of the findings were reported in the pilot study report submitted to the PSC.

6.10 DATA ANALYSIS

6.10.1 Quantitative Data Analysis

Quantitative data collection and capturing was undertaken using smartphone based technology. Most of the data cleaning, preparation and analysis was conducted using the statistical package STATA. Use of STATA and other analysis techniques allowed the research team to investigate and understand the distribution of impacts across the different beneficiary groups, that is, NDA beneficiaries and non-beneficiary households. Where appropriate relevant statistical tests were conducted on key variables and tests of association were conducted on categorical variables.

6.10.2 Qualitative Data Analysis

Qualitative data was captured on digital recorders and audio recordings were translated (where necessary) and transcribed. The data was analysed using relevant software packages which enabled the research team to make sense and meaning of the thematic content and more importantly to sort data by thematic areas linked to the study objectives. The research team collected large amounts of data from individual and focus group interviews that proved challenging to analyse, filter and categorize. This was particularly challenging due to the multiple variables being assessed and the cross cutting nature of many issues being explored.

6.10.3 Triangulation as a key approach to data analysis

Broadly defined **triangulation** refers to the use of multiple methods both qualitative and quantitative for assessing a particular dimension with the aim of enhancing the credibility of the study findings.

Triangulation is suggested (Erzberger et al, 1997) as enabling more precise analysis of data as it helps to identify whether there is **convergence, complementarity or dissonance** among the findings. They suggest that findings are convergent when the validity of research results is confirmed if the different methods used produce convergent findings in respect of a dimension. Complementarity of findings emerges when the data produced provides a composite picture of the findings which one result alone would not have produced and finally there may be dissonance with findings when the different methods provide completely contradictory evidence.

Other forms of triangulation which were applied included **methodological triangulation** (the convergence of data from multiple sources both quantitative and qualitative) at the level of research design and data collection, **data triangulation** (the convergence of multiple data sources) mainly for data validation, **theoretical triangulation** (use of multiple theories for supporting or refuting findings) and finally **analysis triangulation** (use of different methods for analysing the same sets of data (Denzin, 1978).

6.11 PROJECT STEERING COMMITTEE

To guide the planning, implementation and analysis of the research a Project Steering Committee (PSC) was established by the NDA with written Terms of Reference to guide the role of the PSC. PSC members were selected by the M and E Directorate of the NDA and comprised of officials from the M and E Directorate as well as from other key directorates within the NDA. The PSC met 5 times

during the period from March to December 2015. In addition the HSRC research team and NDA PSC members via teleconferences and emails throughout the study duration and this enabled strategic inputs to be made by the NDA on draft documents circulated. PSC members were also invited to and attended the fieldworker training workshop.

Participation on the PSC was however not optimal with limited and irregular participation of NDA stakeholders from outside of the NDAs M and E Directorate, despite efforts to provide timeous notice of meetings.

6.12 INTERNAL WORKSHOPS WITH NDA STAKEHOLDERS

In July 2015 the HSRC facilitated a workshop with national and provincial NDA managers aimed at providing them with insights into the study aims and objectives and to securing their support with the fieldwork processes. It also served as a platform for stakeholders to provide inputs into the key questions that the study was seeking to explore and to assist in constructing a theory of change in relation to NDA interventions for the 2007-2012 review period. The workshop was critical in enabling the research team to gain insights not easily found in the available documentation and it also paved the way for the provincial level fieldwork.

A second mini workshop was held during the Quarterly Review Meeting in January 2016 where draft findings were presented for verification and substantiation and for enabling the identification of strategic recommendations to be included in the final report.

6.13 STUDY LIMITATIONS AND CHALLENGES

As with any research of this scale challenges in implementing the research were experienced based on key assumptions which informed the design and planning of the study.

- Although the study embraced a utilization focussed evaluation approach, participation of NDA stakeholders, particularly senior management (excluding those in the Research and M and E Directorate) was uneven over the course of the study. Participation was largely limited to the two workshops conducted and to key informant interviews.
- Time and complexity of compiling a composite master sample list of projects from which the projects would be sampled. The key issue was the discrepancies in project categorization between national office and provinces. The research team took the decision to use the nationally defined categories for classifying the projects according to themes.
- Access to background data on projects was uneven and limited in the main. For a few projects the team was able to access a range of documents related to the project including the grant agreement, due diligence reports, monitoring visit reports and correspondence between the NDA and the CSO. However majority of the sampled files accessed did not have this comprehensive set of background documents.
- A number of the current provincial officials were not in their current positions during the review period and as such represent a loss of institutional memory at a provincial level as there was little evidence of a strong culture of documenting experiences.
- A number of the sampled CSO's could not be traced due to outdated contact details. Despite this the study reached 69 of the 75 targeted CSO's. However in a number of these sites the

core person who had implemented the project could not be traced. Hence the research team relied on information from other members which in some instances was weak.

- The non-response rate on the financial and organizational assessment is extremely high with only 15 responses received and even then there were many non-responses to specific questions providing incomplete data. Attempts to address this included repeated contacts with the CSO, including during the fieldwork visits and post visit communication. As a result the study has accessed very minimal data to generate accurate assessments of trends in relation the CSO's growth, financial sustainability and the extent to which the CSO's had been able to save..
- In terms of randomised selection of beneficiaries the challenge was in was to access beneficiary lists and then to sample beneficiaries from that list. Records were unavailable and where these could be found were often incomplete. . This was a recurring theme across a large number of sites and the fieldwork team had to rely on site managers and available beneficiaries to help identify and contact beneficiaries for the study. This resulted in a lower than expected response rate in respect of the count for beneficiaries in the household survey and non-random selection of beneficiaries.
- The lack of baseline socio-economic data on NDA funded CSO's and beneficiaries has been highlighted earlier in this report. Reliance on recall has its limitations and as such the reliability of this data is noted.
- Securing interviews with some senior stakeholders at national and provincial level proved to be a particular challenge. Despite numerous efforts HSRC was unable to secure interviews with one provincial NDA manager and a senior national NDA manager. These efforts included extending the time available for interviews and seeking NDA management support to gain access to these stakeholders. Similarly key external stakeholders could not be reached.
- The ability to isolate the NDAs specific contribution to the CSO and to attribute these to the inputs made by the NDA has remained a challenge. This was in the context of CSO's accessing support in cash or kind from other sources. The ability to control for confounding variables is critical to ensuring that error in attribution of change is limited. The research team attempted to account for this through triangulation of data from key informants.
- The entry points to communities and introductions to the CSO's were facilitated by the NDA provincial offices. Although some provincial offices responded timeously others didn't resulting in delays in getting into the field in specific provinces.
- Despite clear communication (both verbal and documented) about the purpose of the study, a number of beneficiaries interpreted this study as a form of audit or a due diligence exercise which could leverage additional funding for their institutions. This resulted in reluctance to disclose problems and challenges for some stakeholders as this would likely threaten the possibility of further funding while for other it raised expectations. The fieldworkers attempted to address this through briefing sessions and it did improve participation rates.
- The fieldwork costs exceeded the projections for a number of reasons predominantly arising from the challenges in establishing contact with sampled CSO's, lost fieldwork days when respondents were uncontactable despite prior arrangements, and the additional costs of hire of 4 x 4 vehicles for a much larger number of sites than originally planned.

The research team is, confident that despite these limitations and challenges experienced the final realized sample and data analysed represent a reasonably accurate picture of the impact of NDA funding that can be generated in the context of recall challenges and other related limitations.

7 RESULTS: ASSESSING POVERTY IMPACTS OF GRANT FUNDING FOR BENEFICIARY HOUSEHOLD SOCIO-ECONOMIC STATUS

This section reports on the results assessing the wellbeing impact of NDA grant funding and support to beneficiaries and their households. It addresses the question raised in the NDA Impact Assessment Terms of Reference *“Do these interventions make a positive difference on beneficiaries and their family’s lives in terms of poverty levels – are they most likely to basic meals (3 times a day), children at school, ownership of home etc.?”*

The section commences with a profile of the demographic characteristics of both NDA beneficiaries and non-beneficiaries (comparison group). Profiling of poverty has shifted fundamentally from earlier simple money metric dimensions to embracing the notion of multiple deprivations (Noble et al. 2006). The dimensions covered in such measures include income and material deprivation, employment deprivation, education deprivation, health deprivation and living environment deprivation (with a focus on access to services) among others (Chitiga-Mabugu et al. 2014). In the remaining sections of this chapter the impact of participation in the project is assessed against multiple deprivations indicators both money metric and non-money metric.

Sections 6.2 and 6.3, profile the impact of participation in respect of money metric indicators of poverty while the remaining sections from 6.4 onwards cover the non-money metric dimensions of poverty.

7.1 DEMOGRAPHIC CHARACTERISTICS OF BENEFICIARIES AND HOUSEHOLDS ON NDA FUNDED PROJECTS

The effects of participation in and exposure to NDA funded programmes is presented in terms of an analysis of NDA beneficiaries as well as non-beneficiaries (comparison group). As elaborated in the methodology section of this report, comparison groups were profiled in the study to reduce errors arising from positive bias by focusing only on beneficiaries who have been exposed to NDA support. The limitations of using a comparison group instead of a control group are well understood, and have been discussed above.

Table 8: Distribution of Beneficiaries per Province, (NDA=257, Non-NDA=37)

| | WC | EC | NC | FS | KZN | NW | GP | MP | LP | Total |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| NDA | 20 | 32 | 14 | 35 | 35 | 27 | 24 | 25 | 45 | 257 |
| | 8% | 12% | 5% | 14% | 14% | 11% | 9% | 10% | 18% | 100% |
| Non-NDA | 5 | 3 | 4 | 2 | 4 | 5 | 6 | 2 | 6 | 37 |
| | 14% | 8% | 11% | 5% | 11% | 14% | 16% | 5% | 16% | 100% |
| Total | 25 | 35 | 18 | 37 | 39 | 32 | 30 | 27 | 51 | 294 |
| | 9% | 12% | 6% | 13% | 13% | 11% | 10% | 9% | 17% | 100% |

7.1.1 Grant Commencement and Termination

Although the scope of the study was on projects funded during the 2007-2012 period study found 7% of sampled projects had commenced and terminated prior to 2007. The possible error in respect of inclusion of these projects could be attributed to any of the following reasons:

- The reliance on project beneficiaries to provide commencement and termination information with the concomitant recall bias outlined earlier.
- The absence of available documentation from the NDA to triangulate this evidence.
- The concerns about the accuracy of the NDA database.

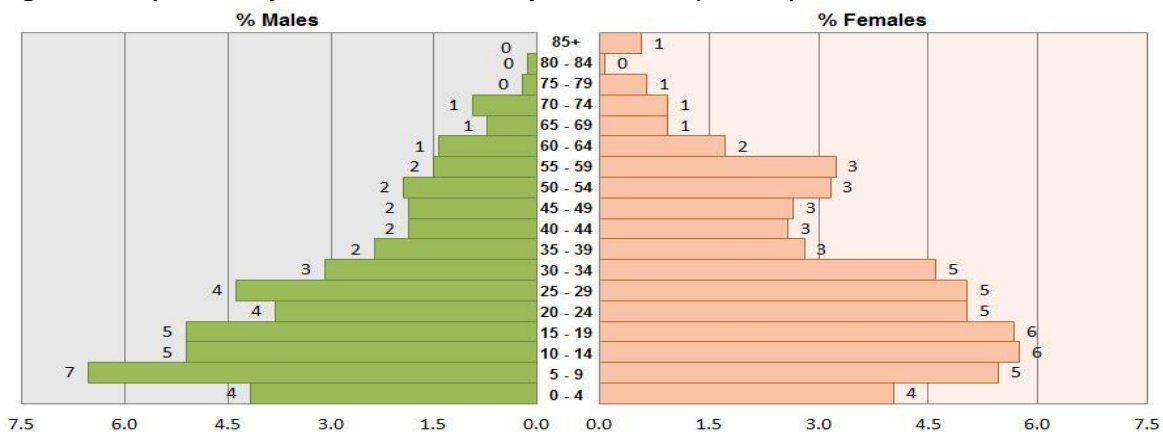
Due to this reasons, especially the first one, the study assumed that information as captured in the NDA management information system was correct as it would have gone under the necessary checks. As such these projects where included in the sample, sensitivity checks were conducted to assess the impact of including or excluding them. This revealed that the changes in some of the means and variances was relatively insignificant and would not greatly influence the final results.

7.1.2 Household demographic profiles

An analysis of the household characteristics of the study sample is important for assessing the appropriateness of the targeting of NDA funding and for assessing the poverty outcomes of exposure grant funding support for these households. The study sample comprised of 294 (NDA and non-NDA) beneficiary households with a total of 1612 household members with the highest number of households to be found in KZN (326) followed by Limpopo (276) and Eastern Cape (187).

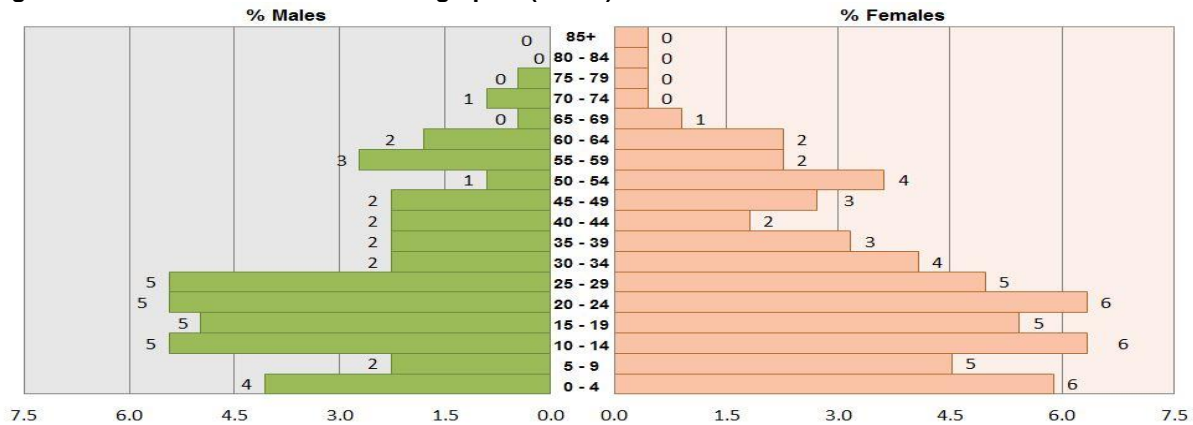
This section discusses the demographic profile of the sample by first looking at the population pyramids for the two types of beneficiary households. The population pyramid is a convenient tool for enhancing our understanding of key demographic characteristics of these households. The population profile of a region gives a good indication of its stage of development. Figure 19 and t reveals that the NDA beneficiary household pyramid displays characteristics of a developing country namely a higher birth and death rate. The population pyramid reveals that there were 42 children in these households below the economically productive age of 18 years and only 6 individuals over the retirement age of 65. The remainder of the sample formed part of the economically active population.

Figure 19: Population Pyramid NDA Beneficiary Households (n=1,393)



Source: Constructed from HSRC NDA Survey (2015)

Figure 20: Non-NDA Households Demographic (n=221)



Source: Constructed from HSRC NDA Survey (2015)

Of the 37 Non- NDA projects funded, 221 individuals of the beneficiary households display similar trends. A larger portion of the population (38) being under the age of 18 and being mostly female, while they have a small portion (4) of the household comprising of over 60 years old. The remainder of the population is comprised of economically active age population. However, in this economically active age band females make up a large portion of the household, which could indicate a higher out migration by males from these localities.

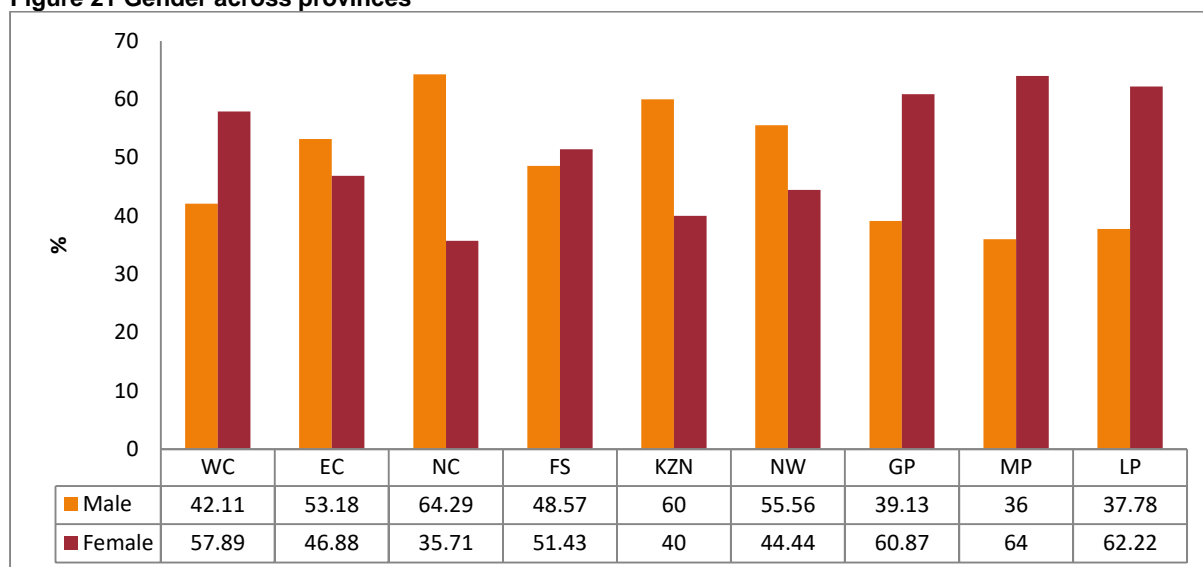
The Pyramid above suggest that the study population has characteristics of a region that is in its expansive stage. The shape of these pyramids is characteristic of a population that is in the lower stages of development. Its tapering head is indicative of a relatively short life expectancy due to a high death rate, which seems to be relatively higher for males than for females, more so in the non-NDA sub-sample. These observed differences in life expectancy would suggest the presence of more female-headed households and relatively high dependency ratios. Alternatively, the significant drop in the male population might be explained by a high outward migration amongst males.

7.1.3 Sample population composition by gender and province

The population composition shows that both types of beneficiary households have relatively similar sex ratios at the population level. However, these differ when we consider the sex ratios of those household members identified as project beneficiaries, both on NDA and Non-NDA projects, with NDA funded projects having more female beneficiaries (71%) relative to Non-NDA funded projects (65%).

On a provincial level, the portion of male beneficiaries were larger in Eastern Cape (53%), Northern Cape (64%), KZN (60%) and North West (56%). The figure below presents the gender balance across the provinces.

Figure 21 Gender across provinces



Source: Constructed from HSRC NDA Survey (2015)

7.1.4 Median, Dependency Ratio and Aging Index

A population is considered to be young when it has a median of less than 20; its transitional if it is between 20 and 29 and aging when the median is above 30 (Shryock et al⁸,1976). Both populations are in the transitional stage with median ages of 25, see Table 9, this represents a relatively young population. This median is identical to the national median age of 25 (Census, 2011). The mean age is also the same across the two beneficiary household types and relatively higher for females than males. The relatively young age of the population is also confirmed by the aging index and the relatively high dependency ratios of 57.69 for NDA beneficiary households and 49.32 for non-NDA households. The aging index is used to plan for the provision of services for the two age groups (children and old people) that make up the dependent members of these communities. For both populations the index is close to 5 old people for every 100 children, this figure is relatively low in comparison to the national average of 17⁹.

Table 9, also shows that the age group, 15 – 34 years, makes up the largest proportion of the sample, 37% and 39%, for NDA beneficiary households and Non-NDA beneficiary households, respectively. This was followed by 27% of beneficiaries were in the 35 to 64 age cohort. The findings for both NDA and non NDA beneficiaries’ households with high child dependency ratios (NDA 31% and non NDA 29

⁸ Shryock et al. (1976) The methods and materials of demography. U.S. Bureau of Census, Washington

⁹ Stats SA Mid-year estimates 2015: Mid-year population estimates 2015. Statistical release P0302. Pretoria: Statistics South Africa; 2015. <http://indicators.hst.org.za/healthstats/294/data#sthash.ddjkR8Fz.dpuf>

Table 9: Key study sample demographic statistics

| | <i>Total NDA</i> | <i>Male NDA</i> | <i>Female NDA</i> | <i>Total Non-NDA</i> | <i>Male Non-NDA</i> | <i>Female Non-NDA</i> |
|-------------------------|----------------------|---------------------|-----------------------|--------------------------|-------------------------|---------------------------|
| Total | 1,393 | 629 | 764 | 221 | 97 | 124 |
| Mean age | 28.58 | 26.54 | 30.26 | 28.9 | 28.79 | 28.99 |
| Median age | 24.65 | 22.22 | 26.5 | 24.71 | 24.79 | 24.64 |
| Sex ratio | 82.3 | | | 78.2 | | |
| Dependency ratio | 56.69 | 65.09 | 50.39 | 49.32 | 44.78 | 53.09 |
| Aging index | 5.17 | 4.45 | 5.76 | 4.52 | 4.12 | 4.84 |
| (%) 0-14 | 31% | 35% | 28% | 29% | 27% | 30% |
| (%) 15-34 | 37% | 36% | 37% | 39% | 41% | 37% |
| (%) 35-64 | 27% | 24% | 29% | 28% | 28% | 28% |
| (%) 65+ | 5% | 4% | 6% | 5% | 4% | 5% |

Source: Computed from HSRC-EPD NDA Survey (2015)

In as far as the youth remain an at risk population with respect to challenges around labour market entry, future research should begin to unravel some of the barriers to the participation of young people in these projects. The literature review provides a limited window into the conflict between young people's aspirations and food security related work which is largely rural and low paying.

There are 257 NDA beneficiary households with a total of 1391 members, with an average household size of 5 this is in contrast to 37 non-NDA households with 221 household members and an average family size of 6 (see Table, below). At the income levels report in this study we would expect households with relatively large populations to be below the poverty line.

Table 10: Household size statistics

| | <i>Total Households</i> | <i>Total Household Members</i> | <i>Average Household Size</i> | <i>Min</i> | <i>Max</i> | <i>Std Dev.</i> |
|---------|-----------------------------|----------------------------------------|---------------------------------------|------------|------------|-----------------|
| NDA | 257 | 1391 | 5.4 | 1 | 23 | 3.0 |
| Non-NDA | 37 | 221 | 6.0 | 1 | 13 | 3.5 |
| Total | 294 | 1612 | 5.5 | 1 | 23 | 3.0 |

Source: HSRC-EPD NDA Impact Evaluation Study Survey (2015)

The average household size for NDA and Non-NDA beneficiaries was 5.5. KwaZulu-Natal had a significantly higher number of household members of 8.4 individuals per household followed by Western Cape with 6. These average household sizes have implications for the estimation of household per capita income and expenditure and thus by extension household poverty and welfare.

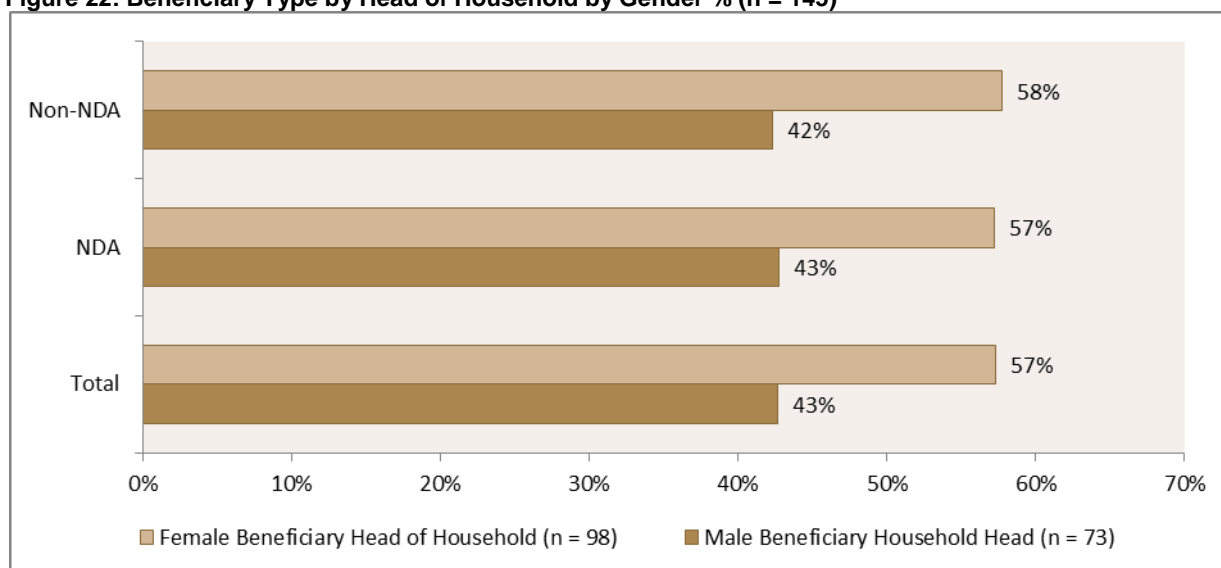
Table 11: Average Household Size by Province

| | <i>N</i> | <i>sum</i> | <i>Mean</i> | <i>min</i> | <i>Max</i> | <i>range</i> | <i>Sd</i> |
|-----------------|------------|-------------|-------------|------------|------------|--------------|--------------|
| Western Cape | 25 | 150 | 6.0 | 1 | 12 | 11 | 2.828 |
| Eastern Cape | 35 | 187 | 5.3 | 1 | 13 | 12 | 2.600 |
| Northern Cape | 18 | 99 | 5.5 | 3 | 12 | 9 | 2.662 |
| Free State | 37 | 121 | 3.3 | 1 | 12 | 11 | 2.219 |
| KwaZulu - Natal | 39 | 326 | 8.4 | 3 | 23 | 20 | 4.042 |
| North West | 32 | 173 | 5.4 | 1 | 11 | 10 | 2.993 |
| Gauteng | 30 | 147 | 4.9 | 1 | 9 | 8 | 1.626 |
| Mpumalanga | 27 | 133 | 4.9 | 1 | 10 | 9 | 2.659 |
| Limpopo | 51 | 276 | 5.4 | 2 | 13 | 11 | 2.401 |
| <i>Total</i> | <i>294</i> | <i>1612</i> | <i>5.5</i> | <i>1</i> | <i>23</i> | <i>22</i> | <i>3.034</i> |

Source: HSRC-EPD NDA Impact Evaluation Study Survey (2015)

Figure 22 shows the proportion of heads of households who are also beneficiaries on the funded project. The results indicate that on average for both NDA (57%) and non-NDA households (58%) a higher % of the sample are female-headed households. The composition of NDA beneficiaries by gender supports one of the targeting criteria of NDA, namely women, particularly as female headed households tend to be poorer (Ngandu, 2010) with STATSSA reporting that 52% of poor households were female headed (StatsSA, 2011).

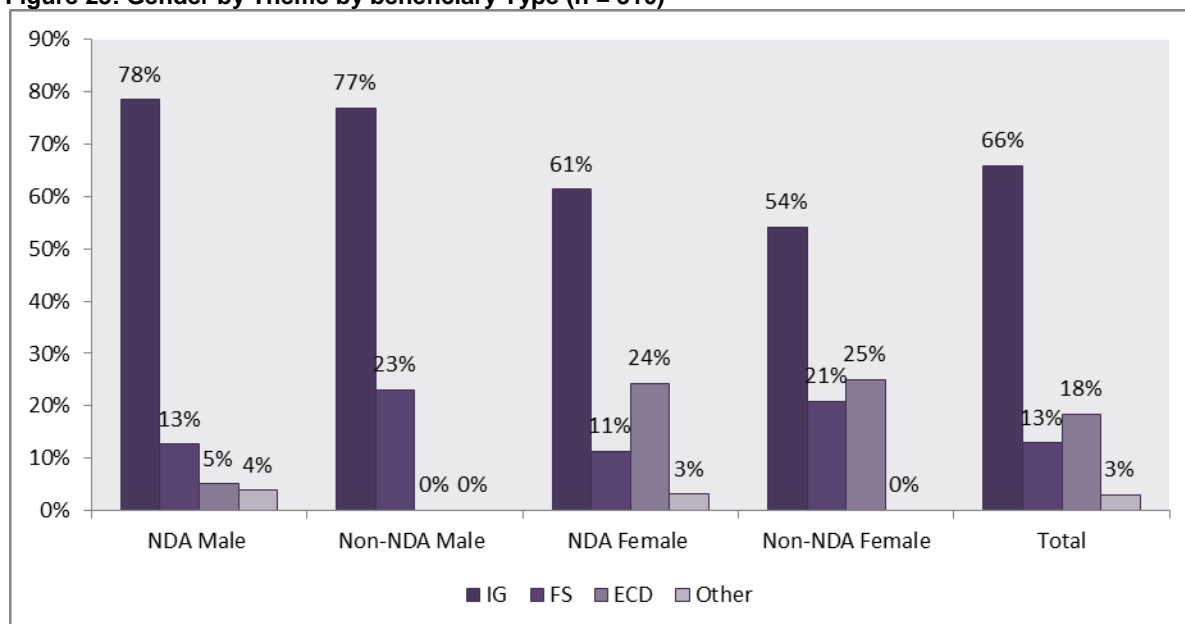
Figure 22: Beneficiary Type by Head of Household by Gender % (n = 145)



Source: HSRC-EPD NDA Impact Evaluation Study Survey (2015)

The figure below shows that more men were to be found in income generating projects for both NDA and Non-NDA beneficiaries compared to women, whilst women tended to dominate in ECD and FS projects.

Figure 23: Gender by Theme by beneficiary Type (n = 310)



Source: HSRC-EPD, NDA Survey (2015)

The above representation of gender by thematic focus hides the fact that, in absolute terms there are more women in income generation projects than men, see Table 12. For example, with respect to NDA beneficiaries there are 66% women in income generation and for Non-NDA this number drops slightly to 57%. A similar pattern can be observed in food security, this is in contrast to ECD where there is a disproportionately higher number of women for both types of beneficiaries.

Table 12: Gender by Theme by beneficiary Type

| | NDA | | | | | | Non-NDA | | | | | |
|--------------|------|------|--------|-------|-------|-------|---------|------|--------|------|-------|------|
| | Male | | Female | | Total | | Male | | Female | | Total | |
| IG | 34% | (62) | 66% | (119) | 100% | (181) | 43% | (10) | 57% | (13) | 100% | (23) |
| FS | 31% | (10) | 69% | (22) | 100% | (32) | 38% | (3) | 63% | (5) | 100% | (8) |
| ECD | 8% | (4) | 92% | (47) | 100% | (51) | 0% | 0 | 100% | (6) | 100% | (6) |
| Other | 33% | (3) | 67% | (6) | 100% | (9) | 0% | 0 | 0% | 0 | 0% | 0 |
| Total | 29% | (79) | 71% | (194) | 100% | (273) | 35% | (13) | 65% | (24) | 100% | (37) |

Source: Constructed from HSRC-EPD NDA Survey (2015)

In so far as evidence which reveals lower levels of participation of women in income generating projects it can be surmised that this is a function of low levels of education, lack of access to credit and inadequate entrepreneurship support among other impediments which influence women's participation. As such the observed gender profile of women on NDA funded projects represents a positive outcome of its interventions¹⁰.

¹⁰ Iringo, C. W. (2007). *Women's participation in income generating activities for poverty alleviation*. Southern New Hampshire University. Retrieved from <http://academicarchive.snhu.edu/handle/10474/366> Accessed: 01-12-2015

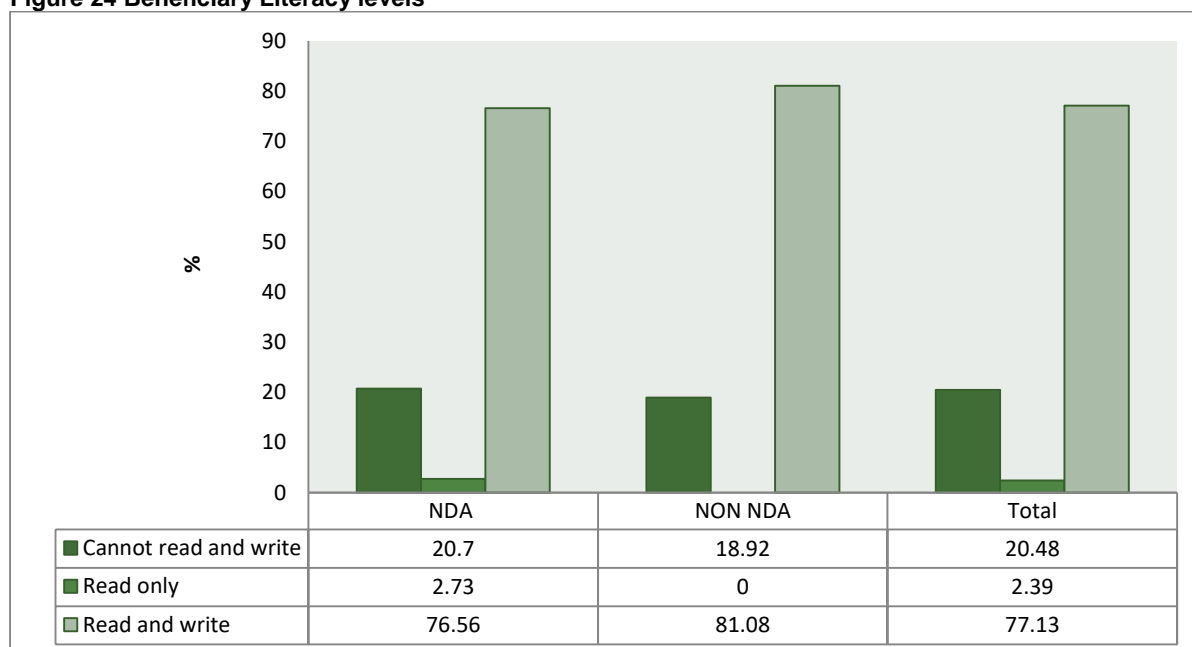
7.1.5 Racial Profile of Beneficiary Households

Poverty in South Africa is heavily skewed racially, with 40% of all black African headed households and 22% of coloured headed households living in poverty in 2011 (STATSSA, 2011). Importantly black African households accounted for 94% of all poor households. The study sample reflecting 91% of beneficiaries being black African and 9% coloured reflects positively in terms of targeting.

7.1.6 Education and Literacy Profile of Beneficiaries

Reading, writing and numeracy are accepted as key building blocks for employment and entrepreneurship and are closely aligned to the attainment of basic education. There is a substantial body of research that documents evidence of the contribution of education and literacy levels specifically to reducing hunger and food insecurity, contributing to increased productivity, reducing child and maternal mortality rates and fostering resilience.

Figure 24 Beneficiary Literacy levels



Source: HSRC-NDA Impact Evaluation Study Survey (2015)

About a fifth (21%) of the NDA beneficiaries could be deemed functionally illiterate (cannot read and write) which is slightly higher than the national average illiteracy rate of 17% (StatsSA, GHS, 2002-2011). The largely similar literacy levels between NDA and non NDA funded beneficiaries indicates that the comparison group was well matched.

When literacy levels of beneficiaries were compared across funded thematic focus areas we find that illiteracy rates are significantly higher for beneficiaries involved in food security interventions at 33% compared to ECD (20%) and Income Generation (18%). This in all likelihood reflects the low educational entry requirements for work in the agricultural activities.

7.1.6.1 Highest level of education of beneficiaries

The National Development Plan: Vision 2030 has identified education and training as foundational pillars for the attainment of goals in respect of poverty eradication, inequality reduction and cutting the unemployment rate by 6% by 2030 (NPC, 2012, page 296).

The study reveals that on average 11% of beneficiaries had never attended school, 25% had only accessed primary education and 21% had completed matric. Educational access of beneficiaries across thematic areas reveals that ECD beneficiaries appeared to have slightly higher levels of access to education compared with food security and income generation beneficiaries. The overall picture is of beneficiary's educational levels being low with only a fifth of beneficiaries having a matric or higher educational qualification. Evidence suggests that a positive relationship exists in relationship to matriculants access to the labour market and to earnings (Hofmeyer et al, 2013). According to QLFS data (StatsSA, 2014) low skilled people are over represented among the unemployed. It can thus be inferred that targeting this group for NDA funded support is appropriate.

7.1.7 Infrastructure and access to services status of beneficiaries

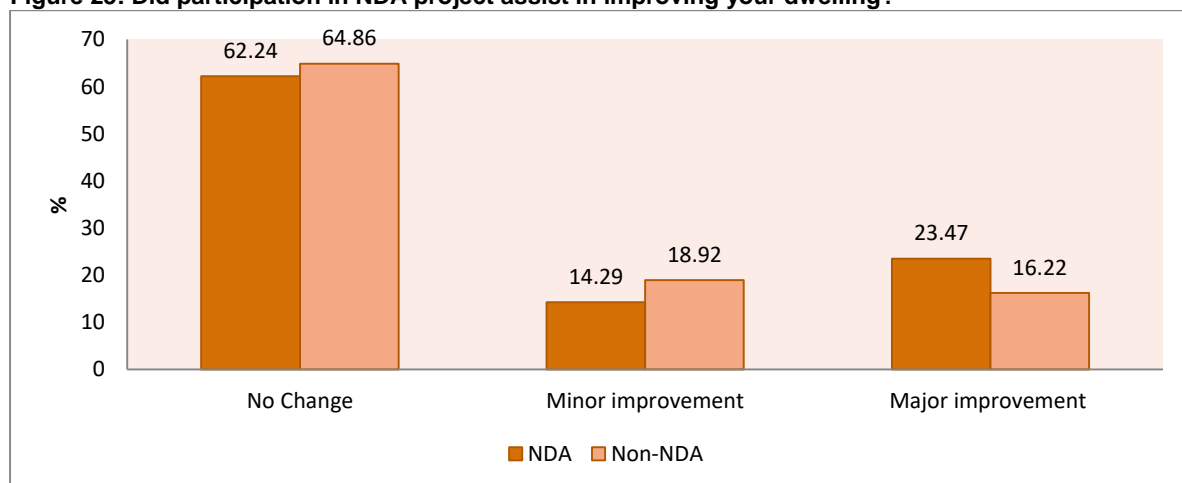
The current trend towards multi-dimensional indicators of poverty emphasises the material conditions of people as an important determinant of socio-economic status. This section looks at a few indicators that are frequently assessed in most multi-dimensional measures of poverty.

7.1.7.1 Dwelling Type of beneficiary households

An overwhelming majority of beneficiaries (75 % of NDA and 88 % of non- NDA) participants lived in formal housing structures, followed by 7% living in traditional dwellings and 5% living in informal dwellings. Provincially the more rural provinces of KZN, and EC had between 12% and 17% of beneficiaries living in mud dwellings and both KZN and GP had between 14% and 17% of beneficiaries living in informal settlements.

The study explored the impact of participation on household dwelling improvements and found that the just under a quarter of beneficiaries (23.47%) reported major impact compared with 16% of non-beneficiaries.

Figure 25: Did participation in NDA project assist in improving your dwelling?



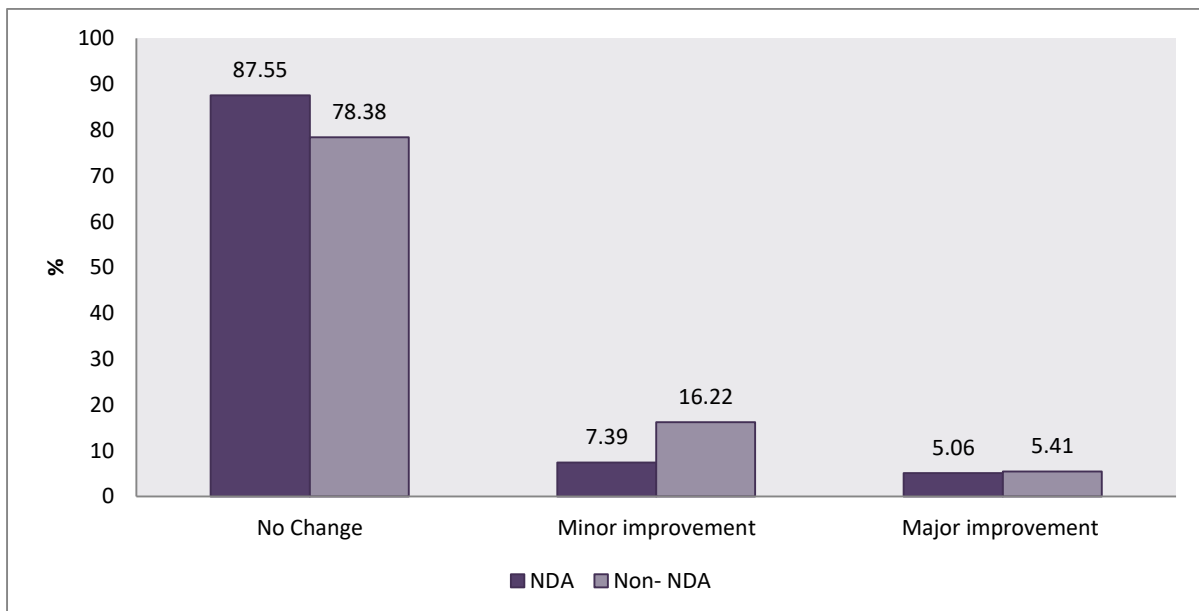
Source: HSRC-NDA Evaluation Study 2015

The relatively high percentage reporting no change could be indicative of the size of the wage transfers on projects which may have been only sufficient to meet basic household consumption needs. When interpreting this data it is important to remember that “improvements” to traditional or informal dwelling do not cost as much as it would to bring about improvements to a formal house.

7.1.7.2 Beneficiary household access to Water

More than a third of (35 %) of NDA participants had access to piped water in their dwelling and a further quarter (23 %) of NDA participants had access to piped water in their yard. 22% reported access water from a communal water source. Not unsurprisingly 60% of food security participants had access to piped water in their dwelling; almost double that for both income generation and ECD participants, clearly a factor predisposing their households from participating in food security interventions.

Figure 26: Did participation in the project improve access to water?



Source: HSRC-NDA Evaluation Study 2015

Participation in the project appeared not to have impacted on improved access to water. Only 5% of participants acknowledged participation in the project contributing to major improvement in their access to water after project participation.

An EC food production report reported that lack of access to water compounded by the drought had impacted the sustainability of their project.

7.1.7.3 Beneficiary household access to Energy

Majority of households had access to electricity (NDA - 83.66 % and non-NDA - 78.38%). This pattern pertained for participants across thematic focus areas and provincially, with access generally above 75% with two exceptions, FS (69%) and KZN (63%). Improvements in access to electricity were not attributable to the NDA intervention.

7.1.7.4 Beneficiary household access to Sanitation

Just over a third of NDA (33.85%) and under half of non-NDA (45.95) beneficiaries had access to a flush toilet that was connected to a sewer. Here again participation in the project played no significant role in enhancing access to sanitation.

7.1.7.5 Beneficiary household access to telephones

Access to a landline was high for both groups at 60% for NDA and 82% for non NDA participants. Project participation did not appear to make a discernible difference to landline access for beneficiaries, but it did make a significant difference in their access to cellphones.

The high levels of beneficiary household access to basic household infrastructure is probably indicative of the state's efforts to roll out access to such infrastructure through its free basic services programmes.

7.2 HOUSEHOLD INCOME AND EXPENDITURE PATTERNS

7.2.1 Beneficiary household income sources

The study sought to understand the income patterns of beneficiary households during the review period 2007-2012; and to compare this with income sources for these households at present. A key limitation outlined in the methodology section is the issue of recall bias given the time lag for the period of recall which in some instances was more than 5-6 years.

Figure 27: Comparison of income sources in NDA and non-NDA beneficiary households between 2007 and 2012 and currently (2015) (Note respondents were asked to select all categories that apply)

| Income Source | NDA Beneficiaries (n = 257) | | Non-NDA Beneficiaries (n = 37) | |
|--------------------------------------------------------|-----------------------------|---------------|--------------------------------|---------------|
| | 2007-2012 | 2015 | 2007-2012 | 2015 |
| Salaries and wages | 46.69% | 49.03% | 45.95% | 45.95% |
| Maintenance and allowances from divorced spouses | 0.00% | 0.39% | 0.00% | 0.00% |
| Care dependency grant | 0.39% | 0.78% | 2.70% | 2.70% |
| Child support grant | 38.91% | 46.69% | 56.76% | 56.76% |
| Disability grant | 6.61% | 9.34% | 10.81% | 16.22% |
| Foster child grant | 1.17% | 1.17% | 0.00% | 0.00% |
| Grant-in-aid | 0.39% | 1.17% | 5.41% | 0.00% |
| Old age grant | 20.23% | 28.40% | 18.92% | 40.54% |
| War veteran's grant | 0.00% | 0.78% | 2.70% | 0.00% |
| Support from relatives | 3.89% | 3.89% | 0.00% | 0.00% |
| Income from formal business | 4.28% | 2.72% | 2.70% | 2.70% |
| Income from informal business | 5.84% | 7.00% | 5.41% | 2.70% |
| Income from letting of fixed property | 0.39% | 0.39% | 0.00% | 0.00% |
| Income from part-time job | 1.17% | 1.95% | 0.00% | 0.00% |
| Income from subsistence farming | 0.39% | 1.17% | 2.70% | 5.41% |
| Loans (cash loan, bank etc.) | 0.78% | 0.00% | 0.00% | 0.00% |
| Profit from business or commercial farming | 4.67% | 5.06% | 8.11% | 5.41% |
| Regular allowances received from non-household members | 0.39% | 0.78% | 0.00% | 2.70% |
| Regular receipts from pension | 0.00% | 0.78% | 5.41% | 0.00% |
| Income/stipend from project | 24.90% | 14.79% | 8.11% | 5.41% |
| Others | 5.45% | 6.23% | 2.70% | 0.00% |

Source: HSRC-EPD NDA Impact Evaluation Study Survey (2015)

Comparison of income sources between the grant period and current reveals a few salient trends:

- Income from salaries marginally increased for NDA beneficiaries
- Child Support grant income increased by 8% - probably reflecting more children in the household
- The old age pension increased by 8% in NDA beneficiary households and by over 20% in non NDA beneficiary households. The increase is clearly due to household members reaching pensionable age. It's not clear what maybe driving the sizeable increase for non-beneficiary households.
- The almost 200% increase in income from subsistence farming recorded for NDA beneficiary households is encouraging, even though its contribution to household income is very minimal.
- Income from project participation reflects a substantial drop for NDA beneficiaries. This can be attributed to the termination of projects or and for those projects that hadn't closed, the cessation of the stipend since although some projects were still operational although production had stop.

When income sources across the two periods were compared by thematic focus areas the only discernible pattern was the drop in project related income for beneficiaries particularly for Income Generation Beneficiaries (<50%) and food security beneficiaries (<30%).

The following important trends are noted in comparison between NDA and non NDA beneficiaries from the table above:

- Income from project participation was four times higher for NDA beneficiaries (20%) compared on non NDA beneficiaries (5%) during the period under review.
- Income from wages and salaries had dropped by 4% for NDA beneficiary households between the review period and currently, while for non NDA beneficiary households this had increased by 11%. This could be as a result of the fact that the non-NDA beneficiaries where still involved with comparison project.
- During the review period non NDA beneficiaries (51%) were significantly more reliant on grant incomes than NDA beneficiary households (28%). However NDA beneficiary households in 2015 appeared to increased reliance on grants as the main source of income by 11%. Although direct causality cannot be ascertained this pattern might suggest the impact of post project decreases in waged income.

Table 13: Project Income or Stipends as the main source of income for households

| | <i>Income Generation</i> | | <i>Food Security</i> | | <i>ECD</i> | |
|---------------|--------------------------|--------------|----------------------|--------------|------------|--------------|
| | <i>Men</i> | <i>Women</i> | <i>Men</i> | <i>Women</i> | <i>Men</i> | <i>Women</i> |
| NDA 2007-2012 | 22% | 23% | 15% | 18% | 12% | 12% |
| NDA 2015 | 0% | 11% | 12% | 8% | 10% | 14% |

Source: HSRC-NDA Impact Evaluation Study Survey (2015)

From the above it can be seen that across themes and gender the reliance on the project participation as the main source income for households between 2007-2012 and 2015 had reduced across themes and gender, the exception being women's participating in ECD.

Figure 28: Comparison of income sources in NDA beneficiary households by theme between 2007 and 2012 and current (2015)

| Main income source | IG (n = 168) | | FS (n = 30) | | ECD (n = 50) | | Other (n = 9) | |
|-----------------------------|--------------|--------|-------------|--------|--------------|--------|---------------|--------|
| | 2007 - 2012 | 2015 | 2007 - 2012 | 2015 | 2007 - 2012 | 2015 | 2007 - 2012 | 2015 |
| Salaries and wages | 33.33% | 27.98% | 30.00% | 26.67% | 50.00% | 48.00% | 66.67% | 55.56% |
| Grant | 28.57% | 45.24% | 36.67% | 40.00% | 28.00% | 26.00% | 0.00% | 0.00% |
| Income/stipend from project | 23.21% | 9.52% | 13.33% | 6.67% | 12.00% | 12.00% | 33.33% | 33.33% |
| Support from relative | 0.60% | 0.60% | 6.67% | 3.33% | 4.00% | 6.00% | 0.00% | 11.11% |
| Other sources of income | 14.29% | 16.67% | 13.33% | 23.33% | 6.00% | 8.00% | 0.00% | 0.00% |

Source: HSRC-NDA Impact Evaluation Study Survey (2015)

The following important trends are noted from the table above:

- Income from project participation was the main income source for IG project beneficiaries (20%) compared with those participating in the other two themes (FS = 13% and ECD = 12%) during the review period. In 2015 however, this percentage had dropped to 10% reporting it as the main income source for IG project beneficiaries compared to 7% and 12% for FS and ECD beneficiaries respectively.
- Grant income was reported as the main income source for at least 25% of all beneficiary households across all themes in both periods 2007 – 2012 and 2015. During 2007 -2012 it was reported as a main income source for FS beneficiaries (37%) compared to IG and ECD beneficiaries (29% and 28% respectively). By 2015 this figure had escalated with 45% of IG beneficiaries reporting it as the main source of income compared to FS and ECD beneficiaries (40% and 26%, respectively).

7.2.1.1 Households gross monthly income

Figure 29: Gross monthly income (2007 - 2012) for NDA and non-NDA beneficiary households (% of responses)

| <i>Combined total monthly HH income 2007 - 2012</i> | <i>NDA (n = 257)</i> | <i>Non-NDA (n = 37)</i> | <i>Total (n = 294)</i> |
|-----------------------------------------------------|----------------------|-------------------------|------------------------|
| No income | 1.95 | 5.41 | 2.38 |
| R1 - R500 | 6.23 | 5.41 | 6.12 |
| R501 - R1,000 | 8.56 | 8.11 | 8.50 |
| R1,001 - R1,500 | 12.06 | 13.51 | 12.24 |
| R1,501 - R2,000 | 11.67 | 16.22 | 12.24 |
| R2,001 - R2,500 | 10.12 | 5.41 | 9.52 |
| R2,501 - R3,000 | 8.95 | 2.70 | 8.16 |
| R3,001- R3,500 | 3.89 | 0.00 | 3.40 |
| R3,501 - R4,500 | 5.84 | 8.11 | 6.12 |
| R4,501 - R5,500 | 4.67 | 2.70 | 4.42 |
| R5,501 - R6,500 | 2.33 | 0.00 | 2.04 |
| R6,501 - R7,500 | 2.33 | 2.70 | 2.38 |
| R7,501 - R8,500 | 1.17 | 2.70 | 1.36 |
| R8,501 - R9,500 | 1.17 | 0.00 | 1.02 |
| R9,501 - R10,500 | 0.39 | 0.00 | 0.34 |
| R10,501 - R12,500 | 0.78 | 2.70 | 1.02 |
| R12,501 - R14,500 | 0.78 | 5.41 | 1.36 |
| R14,501 - R16,500 | 1.56 | 2.70 | 1.70 |
| R16,501 - R18,500 | 0.00 | 5.41 | 0.68 |
| R20,501 - R30,500 | 1.56 | 0.00 | 1.36 |
| Can't remember | 10.89 | 8.11 | 10.54 |
| Refuse to answer | 3.11 | 2.70 | 3.06 |
| Total | 100.00 | 100.00 | 100.00 |

Source: HSRC-NDA Impact Evaluation Study Survey (2015)

- No discernible difference between all beneficiaries at the R1,001 - R1,500 income level
- % of NDA beneficiary household with income levels in the R 2000 to R 3500 range were almost double that of non NDA beneficiaries

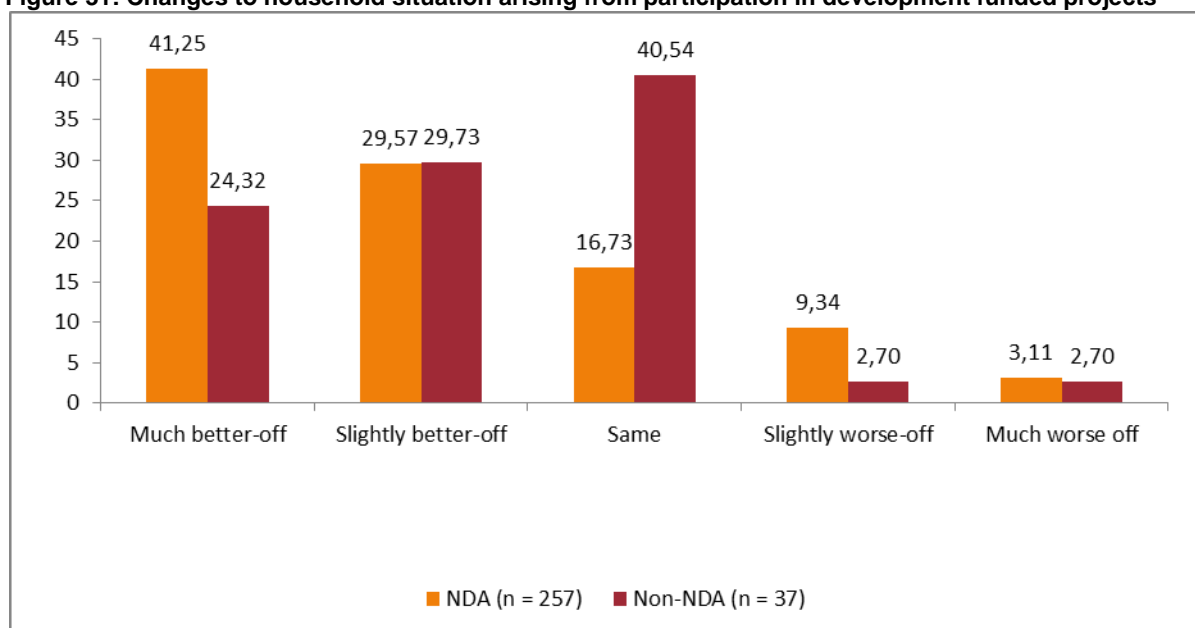
Figure 30: Gross monthly income (2007 – 2012) for NDA households (by theme) (%)

| Combined total monthly HH income 2007 - 2012 | IG (n = 168) | FS (n = 30) | ECD (n = 50) | Other (n = 9) | Total (n = 257) |
|----------------------------------------------|---------------|---------------|---------------|---------------|-----------------|
| No income | 0.60 | 3.33 | 4.00 | 11.11 | 1.95 |
| R1 - R500 | 5.95 | 13.33 | 2.00 | 11.11 | 6.23 |
| R501 - R1,000 | 9.52 | 6.67 | 6.00 | 11.11 | 8.56 |
| R1,001 - R1,500 | 13.69 | 6.67 | 12.00 | 0.00 | 12.06 |
| R1,501 - R2,000 | 6.55 | 23.33 | 24.00 | 0.00 | 11.67 |
| R2,001 - R2,500 | 10.71 | 3.33 | 10.00 | 22.22 | 10.12 |
| R2,501 - R3,000 | 10.71 | 3.33 | 8.00 | 0.00 | 8.95 |
| R3,001- R3,500 | 2.98 | 0.00 | 8.00 | 11.11 | 3.89 |
| R3,501 - R4,500 | 8.33 | 0.00 | 2.00 | 0.00 | 5.84 |
| R4,501 - R5,500 | 5.36 | 6.67 | 2.00 | 0.00 | 4.67 |
| R5,501 - R6,500 | 3.57 | 0.00 | 0.00 | 0.00 | 2.33 |
| R6,501 - R7,500 | 2.38 | 3.33 | 2.00 | 0.00 | 2.33 |
| R7,501 - R8,500 | 0.60 | 3.33 | 2.00 | 0.00 | 1.17 |
| R8,501 - R9,500 | 1.19 | 0.00 | 0.00 | 11.11 | 1.17 |
| R9,501 - R10,500 | 0.60 | 0.00 | 0.00 | 0.00 | 0.39 |
| R10,501 - R12,500 | 0.00 | 0.00 | 4.00 | 0.00 | 0.78 |
| R12,501 - R14,500 | 0.60 | 0.00 | 2.00 | 0.00 | 0.78 |
| R14,501 - R16,500 | 1.79 | 0.00 | 0.00 | 11.11 | 1.56 |
| R20,501 - R30,500 | 0.60 | 0.00 | 6.00 | 0.00 | 1.56 |
| Can't remember | 12.50 | 16.67 | 2.00 | 11.11 | 10.89 |
| Refuse to answer | 1.79 | 10.00 | 4.00 | 0.00 | 3.11 |
| Total | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

Source: HSRC-NDA Evaluation Study 2015

To analyse the impact of the project on the household, respondents were asked if the household situation has changed since project commencement. Majority (41.25%) of NDA project beneficiaries reported being *much better off* as a result of participation while 24% of non-NDA beneficiaries claimed the same.

Figure 31: Changes to household situation arising from participation in development funded projects



Source: HSRC-NDA Evaluation Study 2015

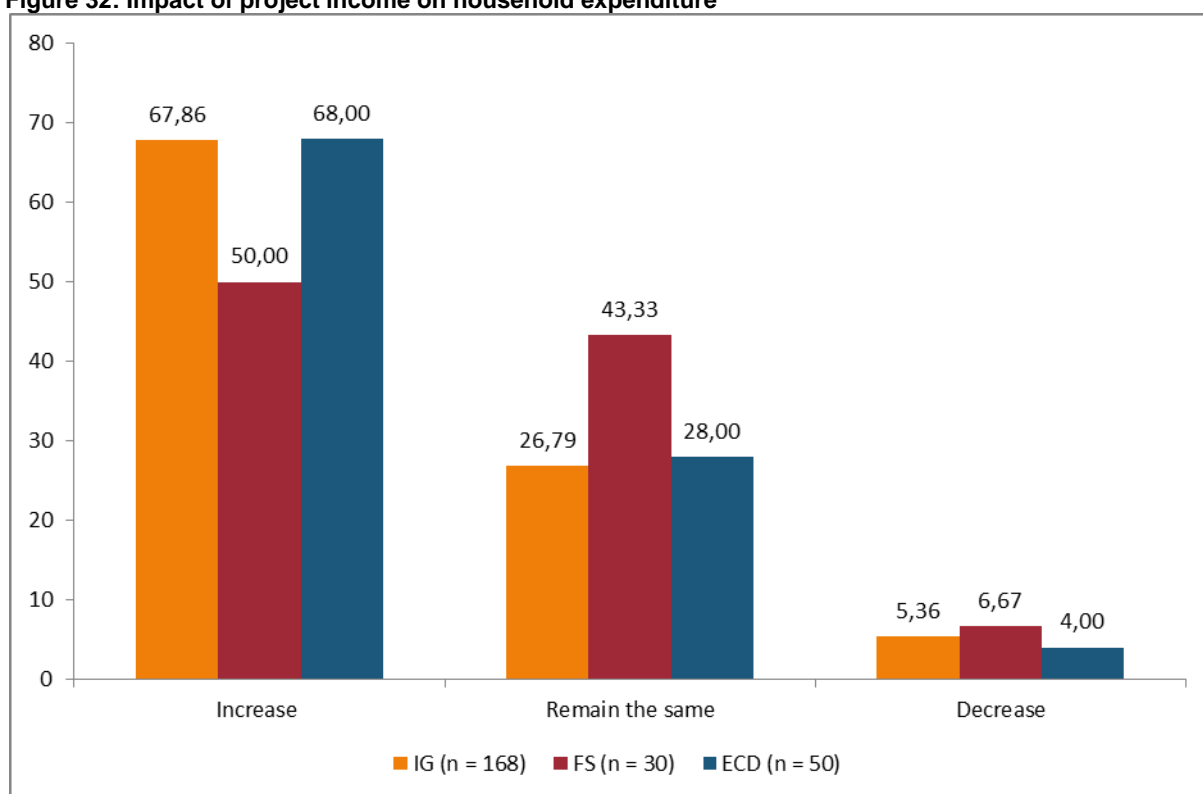
In response to the question is household income had increased arising from participation.66% of At a thematic level the positive impact of participation on household income was mostly discernible for IG and ECD beneficiary households (68%) compared to 50% of FS beneficiaries.

Table 14: Impact of Project Participation on Household Income

| <i>During the time you worked on the project did your HH income?</i> | <i>NDA</i> | <i>Non-NDA</i> | <i>Total</i> |
|----------------------------------------------------------------------|------------|----------------|--------------|
| Increase | 65.76 | 45.95 | 63.27 |
| Remain the same | 29.18 | 45.95 | 31.29 |
| Decrease | 5.06 | 8.11 | 5.44 |
| Total | 100 | 100 | 100 |

Source: HSRC-NDA Evaluation Study 2015

Figure 32: Impact of project income on household expenditure



Source: HSRC-NDA Evaluation Study 2015

During the beneficiary focus group discussions, most beneficiaries agreed that they could not have achieved what they had without the NDA funding. Most of the projects profiled in the study were in existence prior to receiving the NDA grant operating on a small scale, while some were not generating an income at all.

Beneficiaries reported the payment of the stipend as beneficial. However once grant funding had terminated the CSO's were unable to pay salaries and as a result staff losses occurred.

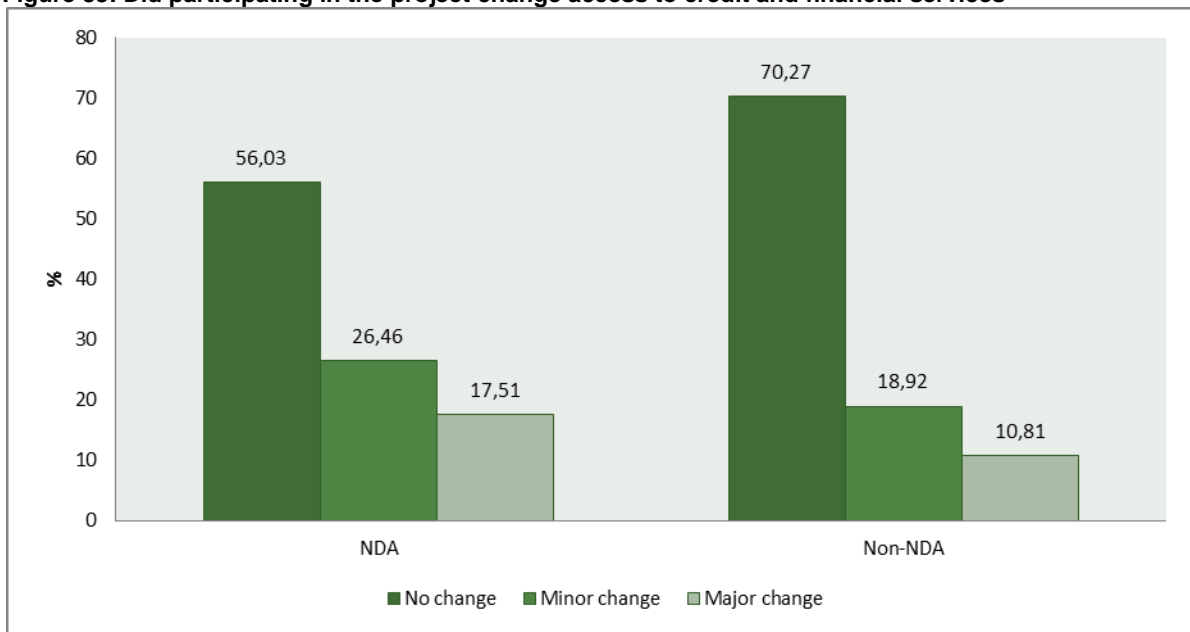
Many beneficiaries reported that their lives prior to participation in the project had been bleak, as they were unemployed and had no income. Participation in the project had markedly improved the

quality of their lives in that they enjoyed better access to food and money. Sadly, most reported that their situation reverted to its former state once the project funding came to an end.

7.2.2 Beneficiary household access to credit

Households which are resource poor are restrained in their ability to undertake productive investments. Poor households are deemed high risk and therefore do not access formal credit markets with ease. There is a wealth of research evidence that points to the positive relationship between access to credit and ability of poor households to mitigate shocks and to address consumption smoothing needs

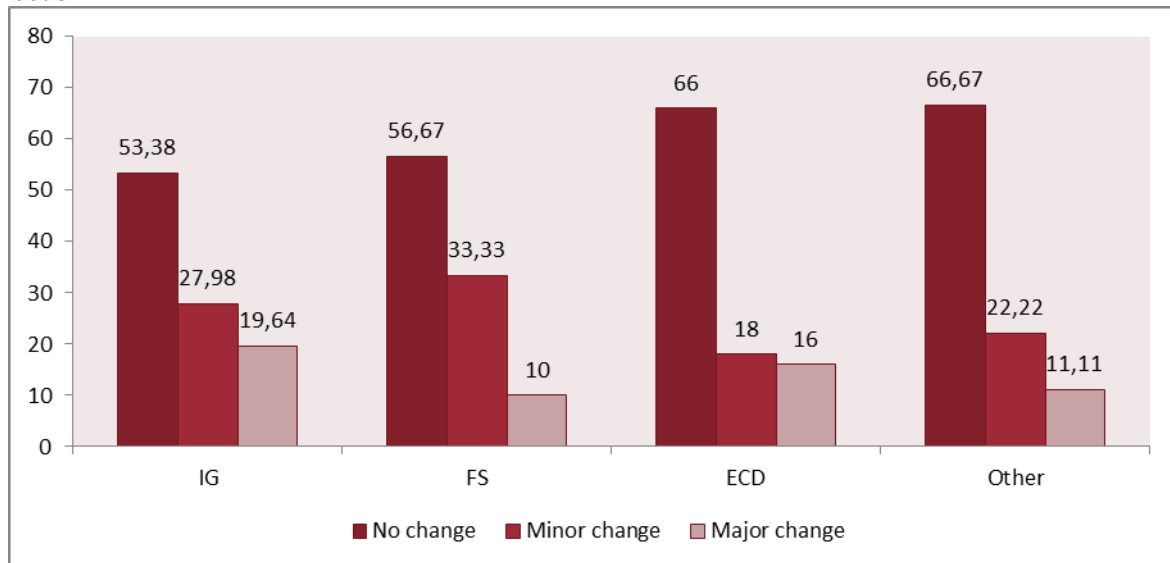
Figure 33: Did participating in the project change access to credit and financial services



Source: HSRC-NDA Evaluation Study 2015

Just under a fifth of NDA beneficiaries (18%) reported that participation in the project had played a major role in their access to credit and financial services, compared with 11% of non-NDA beneficiaries.

Figure 34: Did participating in the project change access to credit and financial services by thematic focus

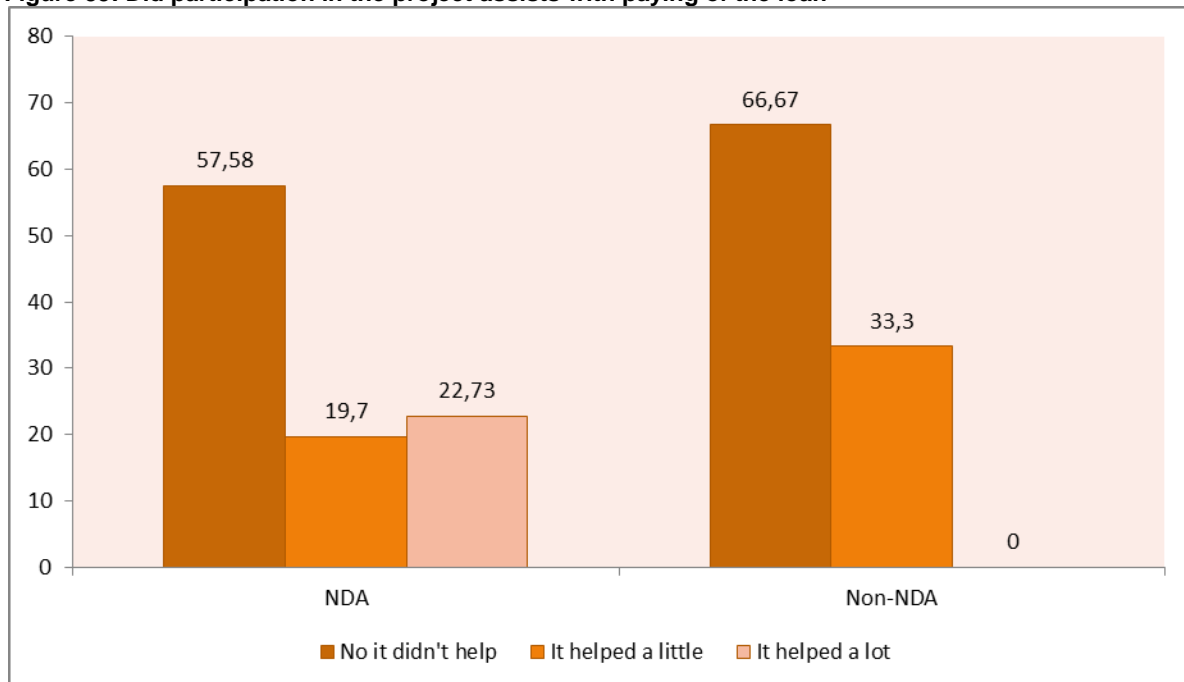


Source: HSRC-NDA Evaluation Study 2015

Sectoral analysis suggests that a fifth of those participating in NDA Income generating projects, (20%) reported major changes in accessing financial services during participation, followed by 16% of beneficiaries involved in ECD reporting the same.

The findings suggest that participation in anti-poverty programmes had improved access to credit differentially across provinces with highest percentages reported by Mpumalanga beneficiaries (36%) followed by KZN and Gauteng (29%) and compared with only 5% in Western Cape.

Figure 35: Did participation in the project assists with paying of the loan



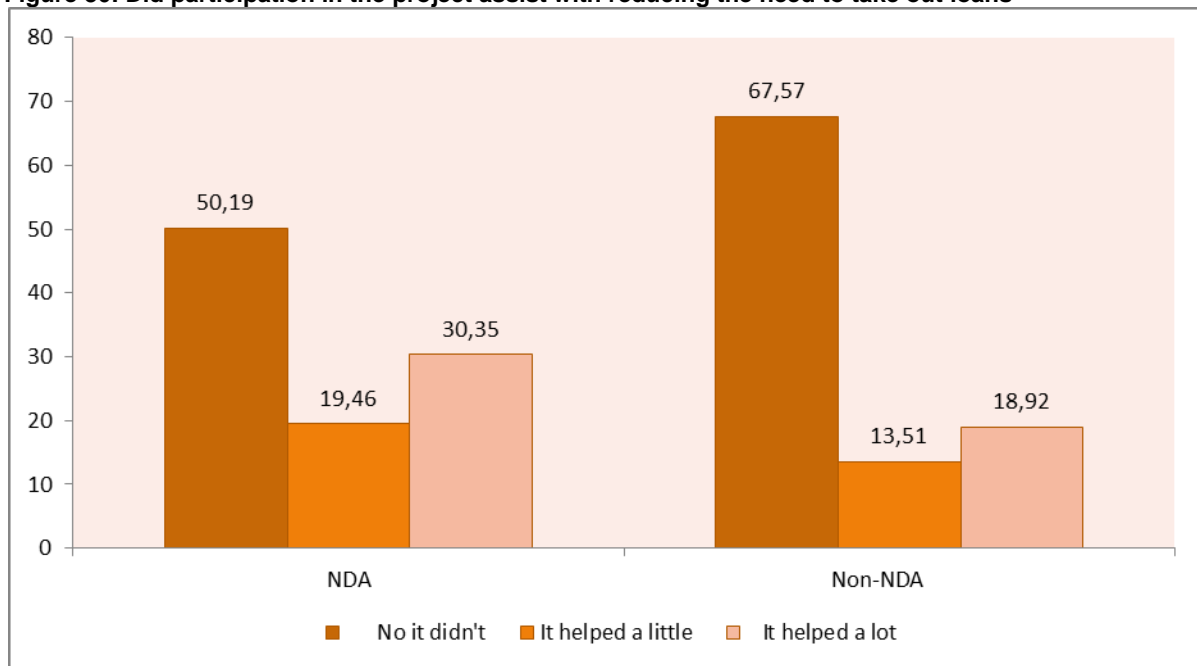
Source: HSRC-NDA Evaluation Study 2015

Just under a quarter of (23%) NDA beneficiaries reported that participating in the project had made considerable difference with loan repayments of loans compared with none of the comparison

group beneficiaries reporting the same. At a thematic level the interesting finding is that participation in ECD appeared to contribute substantially to loan repayments as reported by 38% of beneficiaries.

An emerging pattern from the above analysis suggests that participation in food security interventions did not appear to positively impact access to credit services.

Figure 36: Did participation in the project assist with reducing the need to take out loans



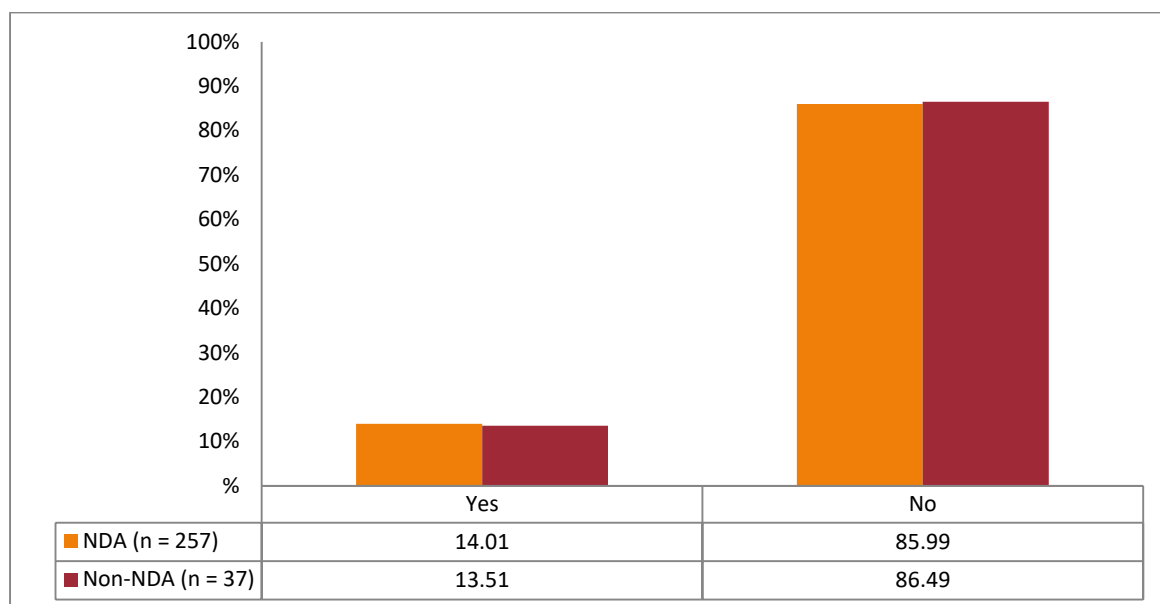
Source: HSRC-NDA Evaluation Study 2015

Loans are taken out to address deficits related to consumption, to respond to lifecycle events such as funerals and weddings, to address emergency needs (health crisis) or loss of income and to advance human capital development through investments in education. 30% of NDA beneficiaries and 19% of non NDA beneficiaries had reported that participating on the grant funded projects decreased the need to take out loans.

At a thematic level approximately a third of respondents involved in ECD (28%) and in income generation (35%) indicated that participation had contributed significantly in reducing the need for loans, while only 13% of food security beneficiaries indicated this.

7.2.2.1 Household members' access to and use of credit

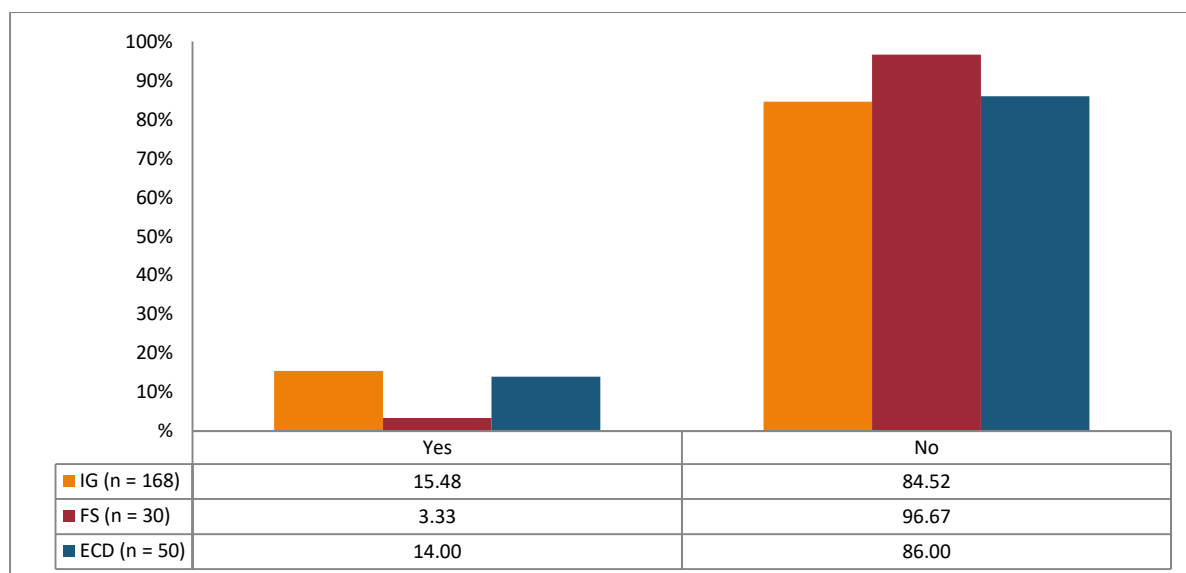
Figure 37: Household ability to contract loans or purchase on credit during exposure to the project by NDA and non NDA beneficiaries.



Source: HSRC-NDA Evaluation Study 2015

Around 14% of both NDA and non-NDA beneficiary respondents indicated that a household member had contracted a loan or bought on credit in the period they were involved in the project.

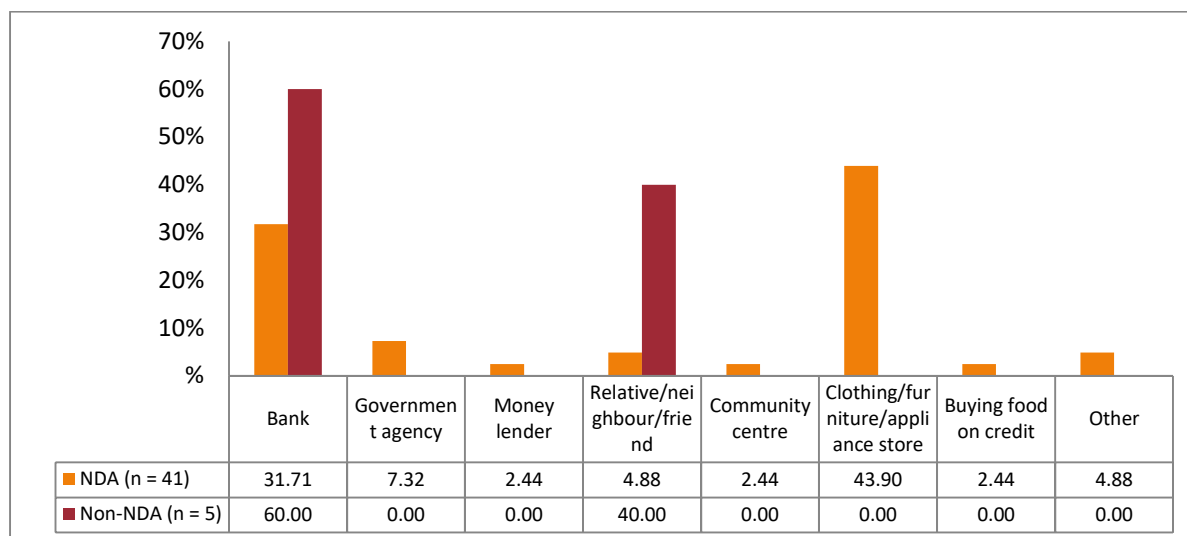
Figure 38: Household ability to contract loans or purchase on credit during exposure to the project by thematic focus



Source: HSRC-NDA Evaluation Study 2015

Very small percentage of NDA beneficiaries reported ability to contract a loan at a thematic level as reported by 15% of IG NDA respondents, 14% of ECD NDA respondents and 3% of FS NDA respondents.

Figure 39: Sources of loan or credit for NDA and non-NDA beneficiary household members



Source: HSRC-NDA Evaluation Study 2015

Banks were the main source of credit for all beneficiaries. This would imply that beneficiaries had bank accounts and were deemed to be credit worthy.

Accessing credit from clothing, furniture or appliance store was reported by 44% of NDA funded beneficiaries.

The average value of the loans or credit obtained by the household members are shown in the table below.

Table 15: Average value of loans taken out and credit obtained by household members

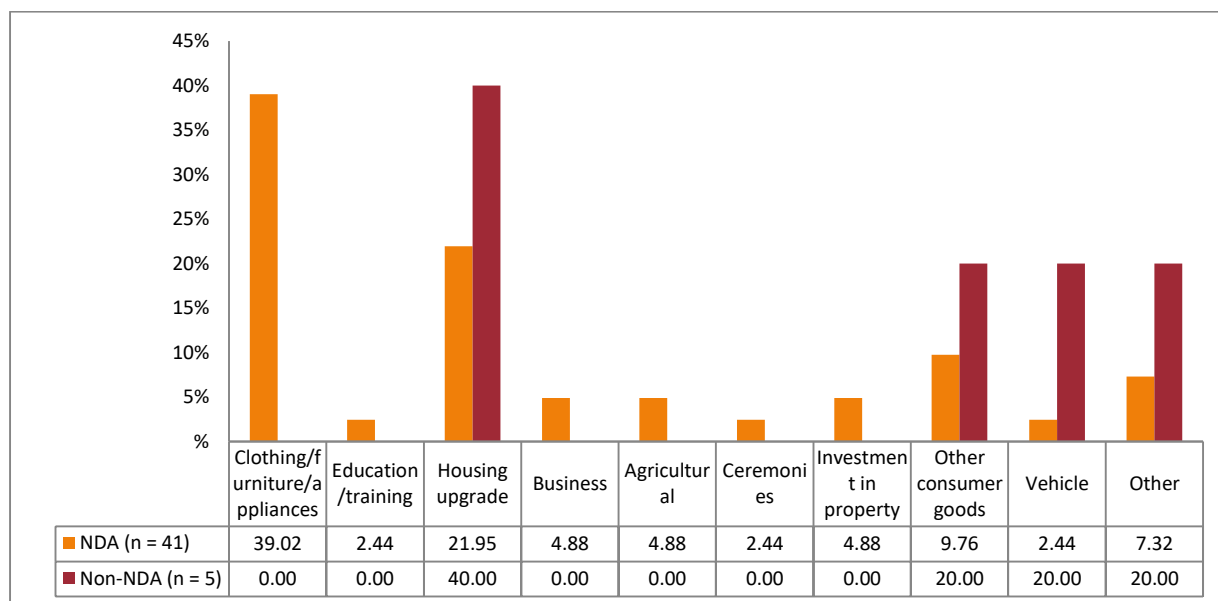
| Type of household members | Average value of loan/credit | Number of household members |
|-------------------------------------------------------------------------|------------------------------|-----------------------------|
| NDA and non-NDA household members who obtained a loan or credit | R 16 241.74 | 43 |
| NDA household members who obtained a loan or credit | R 17 339.62 | 39 |
| Non-NDA household members who obtained a loan or credit | R 5537.50 | 4 |
| IG NDA household members who obtained a loan or credit | R 21020.22 | 27 |
| FS NDA household members who obtained a loan or credit | R 5000.00 | 1 |
| ECD NDA household members who obtained a loan or credit | R 11574.88 | 9 |
| Other project theme NDA household members who obtained a loan or credit | R 5400.00 | 2 |

Source: HSRC-NDA Evaluation Study 2015

The average loan/credit value for all households was R 16 242, with the average value for . NDA households being R17 340 compared to R5338 for non-NDA households

The average loan amount for IG project them NDA household members was R21 020, almost double that for (R11 575) for ECD NDA household members.

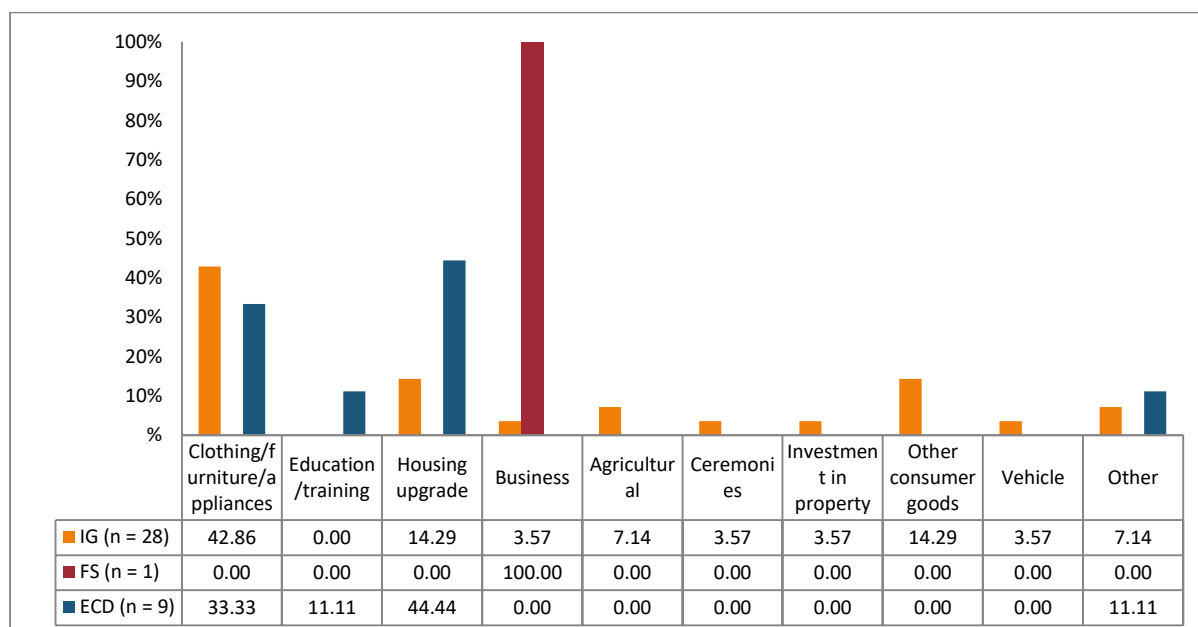
Figure 40: Purposes of loan or credit for NDA and non-NDA beneficiary household members



Source: HSRC-NDA Evaluation Study 2015

39% of the NDA household members reported obtaining a loan or credit for purchase of clothing, furniture or appliances. This is corroborated by the similar percentage who reported taking out credit from a store 22% reportedly used the loan or credit for housing upgrades, while 15% indicated the loan was for business, agriculture or investment in property, while 10% said the purpose of the loan was for other consumer goods.

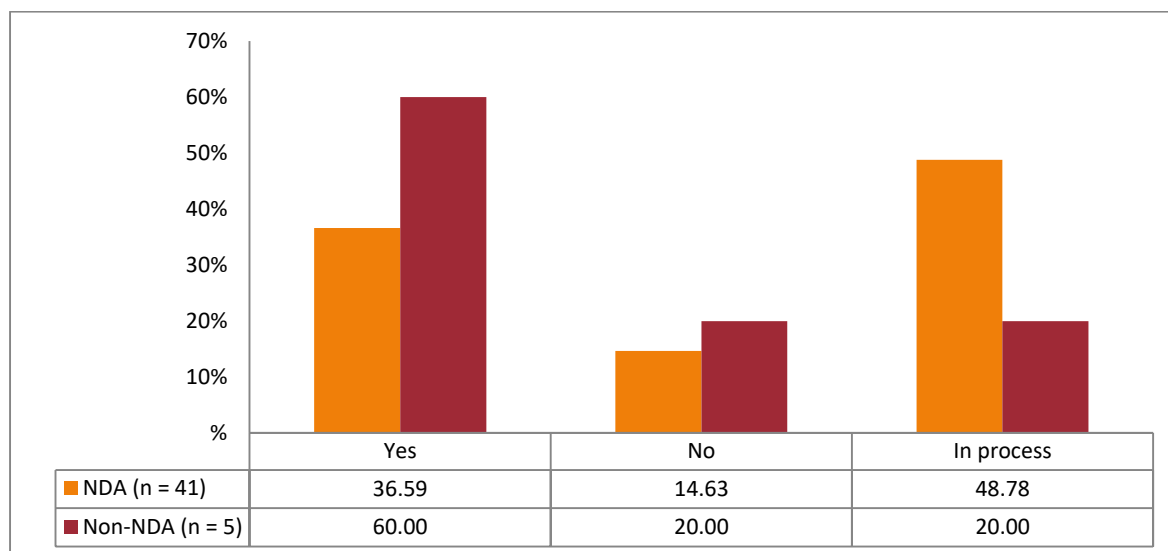
Figure 41: Purposes of loan or credit for NDA beneficiary household members by project theme



Source: HSRC-NDA Evaluation Study 2015

Of the NDA household members, 43% of IG household members and 43% of ECD household members obtained the credit for clothing, furniture or appliances. 14% of IG household members and 44% of ECD household members obtained the loan for housing upgrades.

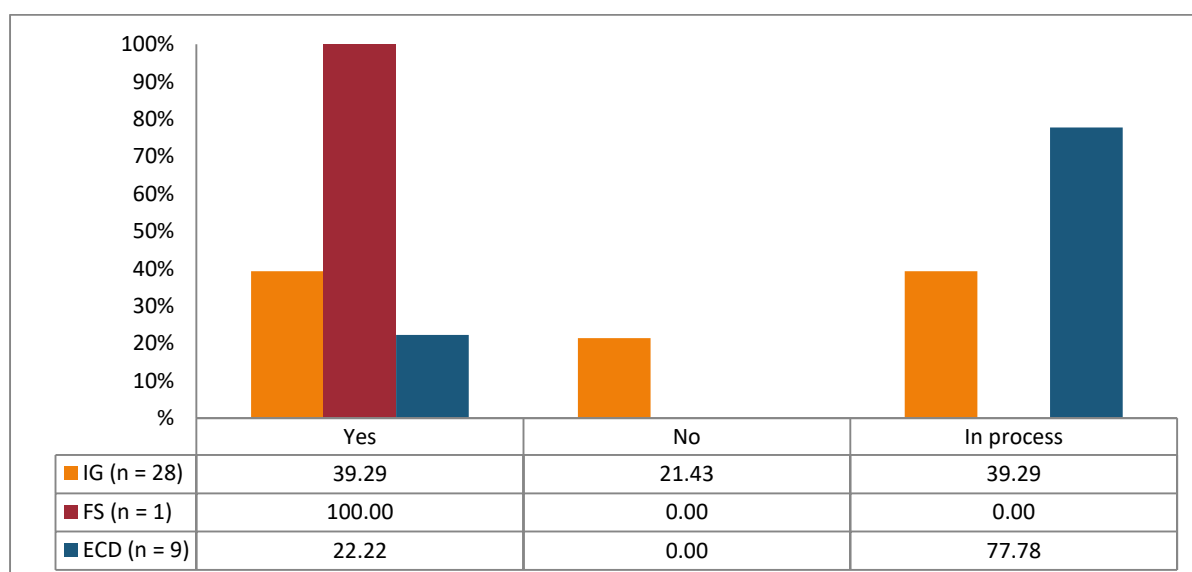
Figure 42: Loan Repayment



Source: HSRC-NDA Evaluation Study 2015

37% of the NDA household members had paid the loan back. A further 49% said that they were in the process of paying the loan back. It is difficult to conclude that participation in a development project had contributed to the repayment.

Figure 43: Loan Repayment by thematic focus



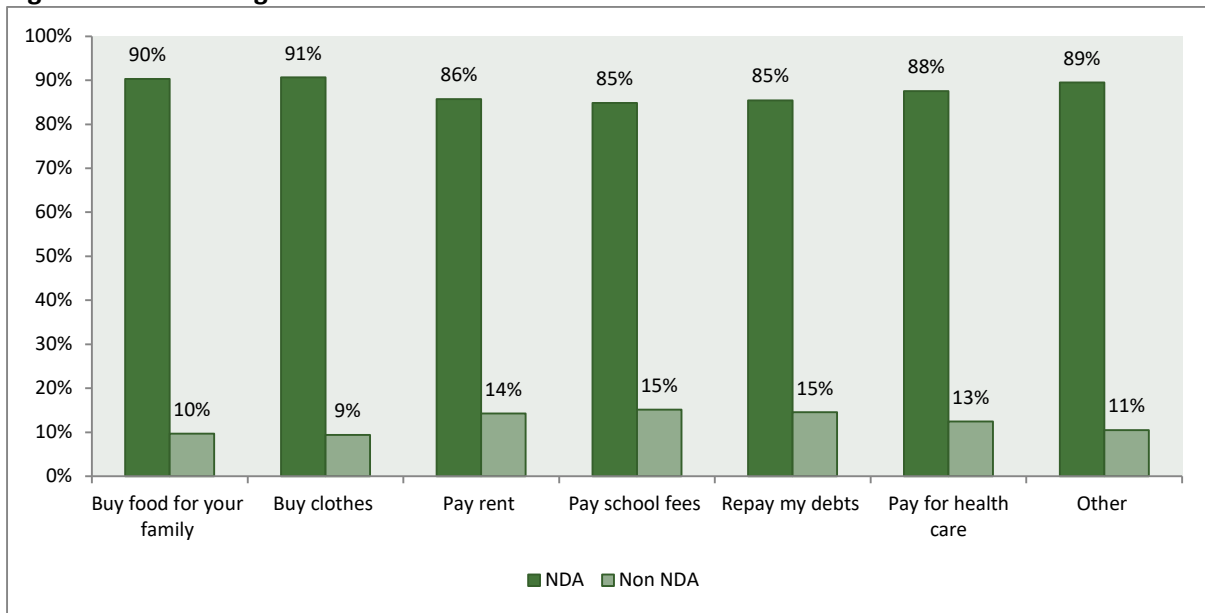
Source: HSRC-NDA Evaluation Study 2015

By project theme, 39% of IG NDA household members and 22% of ECD NDA household members reported having repaid the loan.

7.2.3 Beneficiary Household Expenditure Patterns

The expenditure of households encompasses all domestic costs (by beneficiaries) for individual needs. Among other things, this includes expenditure on goods and services, the consumption of fresh produce and basic utilities (water, electricity, garbage removal).

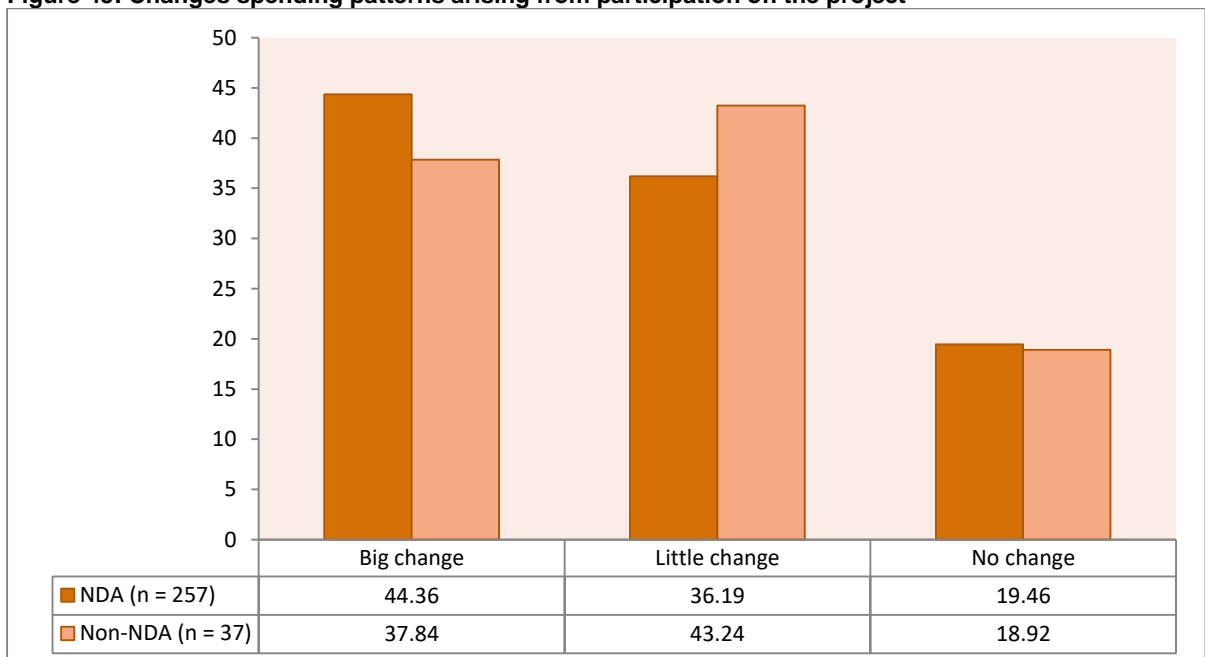
Figure 44: Use of wage income



Source: HSRC-NDA Evaluation Study 2015

Purchasing food, clothing, rental repayments, school fees, payment for health care and debt repayments were commonly reported in terms of how wage income was spent.

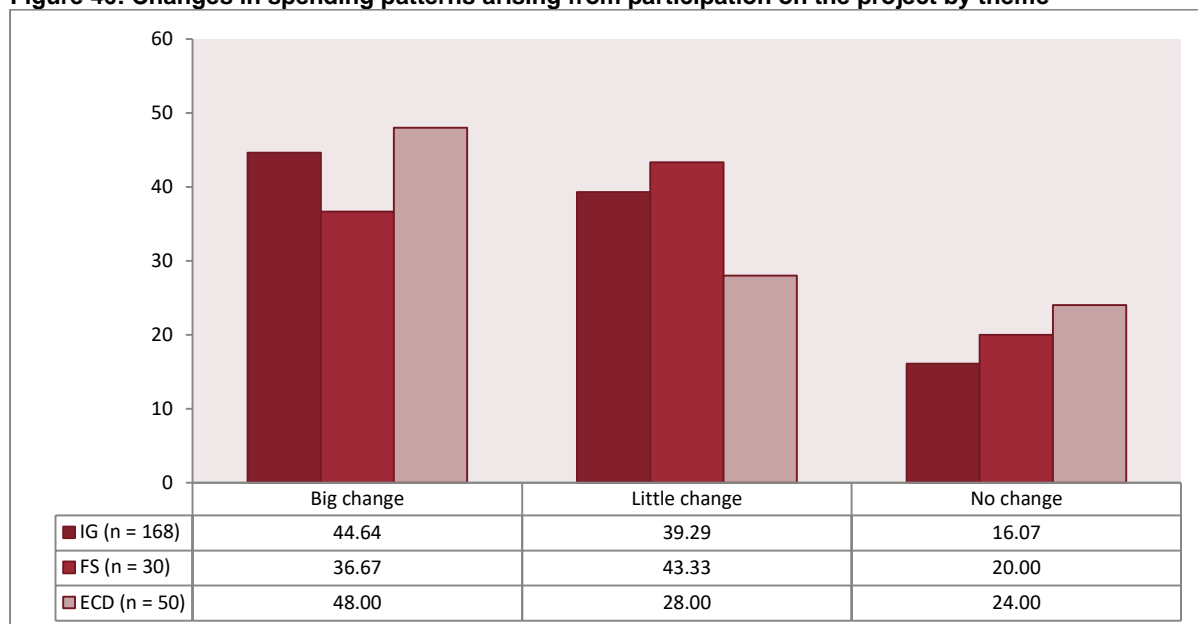
Figure 45: Changes spending patterns arising from participation on the project



Source: HSRC-NDA Evaluation Study 2015

Significant percentages of all beneficiaries reported that spending patterns had changed arising from participation in the project. 44% NDA beneficiary household respondents and 38% non-NDA beneficiary household respondents noted big change in spending patterns.

Figure 46: Changes in spending patterns arising from participation on the project by theme



Source: HSRC-NDA Evaluation Study 2015

Looking at the NDA beneficiary household responses by theme, the results were largely consistent across the themes with 45% of IG project households, 37% of FS project households and 48% of ECD project households reporting that their households had experienced big changes in spending patterns. It is interesting to note that majority of beneficiaries from IG and FS projects noted that they had experienced a positive change in spending patterns during the project. This is more so given that the main source of income was the stipends valued at between R 500- R 1500.

StatsSA found that the difference between the average annual consumption expenditure of male- and female-headed households was large with female-headed households spending R63 307 on average per annum while male-headed households spent R115 890 on average per annum (StatsSA, 2012).

7.2.4 Household expenditure patterns for food and non-food items

Analysing household expenditure patterns is a good proxy for assessing the economic situation of a household. Tracking household expenditure patterns allows for an assessment of the types of goods and services consumed by that household and the relative levels of deprivation experienced. Household expenditure patterns reflect resource limitations experienced by a households as well as choices which households make informed by household needs, demands and preferences.

The study sought to understand three important issues relating to household expenditure namely total expenditure by a household per month, total expenditure on food as a percentage of total expenditure and total expenditure on non-food items. A more nuanced analysis sought to unpack the nature of food and non-food expenditure. Of note is the reliability of information received as participants were required to

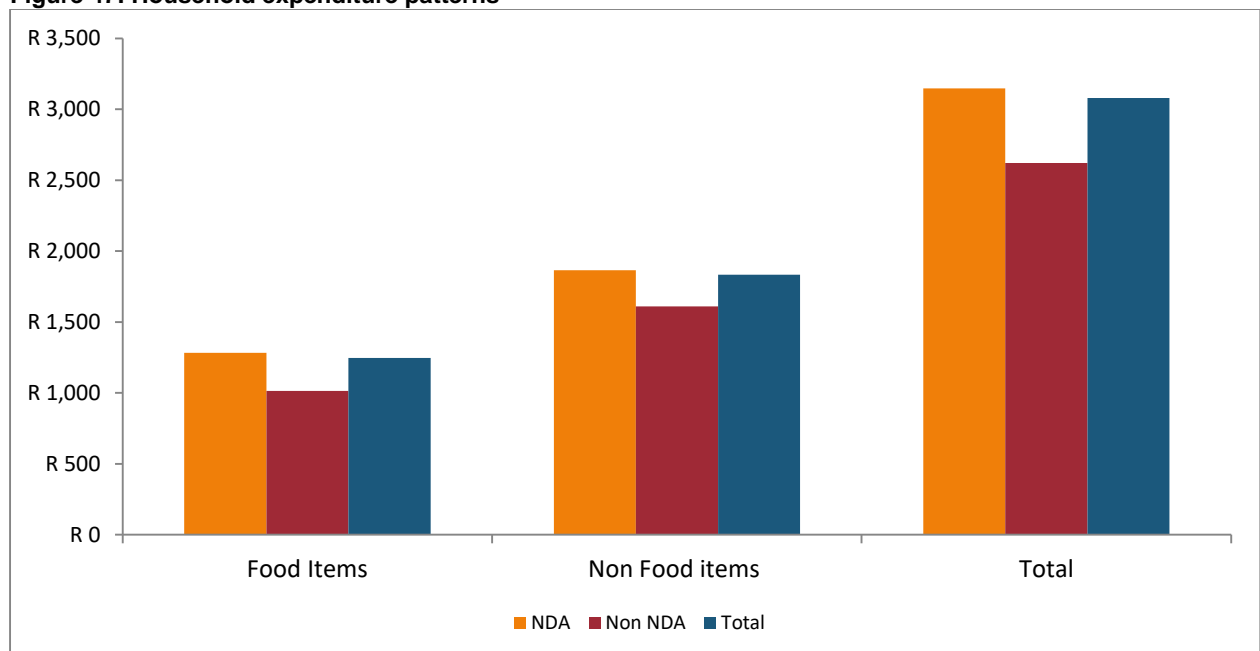
Several cautions are noted about using expenditure as a complete indicator of household consumption as outlined below:

- It does not reflect the consumption of own food produce consumed by household members;
- Nor does it reflect the consumption of food produce which may have been stocked from a previous period;
- It does not reflect intra-household allocation of resources both in terms of who buys and who consumes. An example of this would be the purchase of alcoholic beverages.
- It excludes items such as free basic services which households consume.

7.2.4.1 Total household expenditure patterns

Across all expenditure NDA beneficiary households reflected higher levels of spending compared with non NDA beneficiary households. This is interesting as earlier it as shown that non NDA households were slightly larger (average of 6 people per household) compared NDA beneficiary households average of 5.4 people per household).

Figure 47: Household expenditure patterns



Source: HSRC-NDA Evaluation Study 2015

7.2.4.2 Food Expenditure Patterns

Respondents were asked whether their households had spent money on a number of food categories in the previous six months. This was probed in relation to the different types of food purchased and the extent to which participation had made access to a particular food item more affordable. Their responses are captured in the tables that follow:

Table 16: Average monthly food expenditure for NDA and non-NDA beneficiary households

| <i>Food item</i> | <i>NDA</i> | <i>Non-NDA</i> | <i>Total</i> |
|-----------------------------------------------------------------|------------------|------------------|------------------|
| Cereals/rice/bread/mealie meal/samp/pasta | R 389.92 | R 413.68 | R 393.18 |
| Red meat (mutton, beef, pork), chicken, fish, soya products etc | R 365.84 | R 328.19 | R 361.89 |
| Bulk groceries - dried lentils, beans, nuts, canned food | R 342.11 | R 215.71 | R 324.15 |
| Dairy (milk, cheese, maas, yoghurt), oil/butter/margarine | R 163.49 | R 145.68 | R 160.94 |
| Beverages (tea, coffee, juice, soft drinks, Milo etc.) | R 107.96 | R 134.00 | R 110.66 |
| Fresh fruit and vegetables | R 172.30 | R 92.92 | R 165.19 |
| Baby foods (milk, cereals etc.) | R 433.38 | R 236.00 | R 408.08 |
| Food consumed away from home (takeaway etc.) | R 166.24 | R 170.00 | R 166.80 |
| Total food expenditure | R 1281.91 | R 1013.18 | R 1246.08 |

Source: HSRC-NDA Evaluation Study 2015

From the table above it can be seen that NDA beneficiary households spent slightly more than non-NDA households on food expenditure for the household and that non NDA households appeared to consume slightly more carbohydrates (cereal etc) than NDA household. This is often a coping strategy which address food security needs rather than nutrition security needs.

Table 17: Average monthly food expenditure by theme

| <i>Food item</i> | <i>IG</i> | <i>FS</i> | <i>ECD</i> | <i>Other</i> | <i>Total</i> |
|------------------------------------------------------------------|------------------|-----------------|------------------|------------------|------------------|
| Cereals/rice/bread/mealie meal/samp/pasta | R 355.62 | R 296.00 | R 534.05 | R 452.50 | R 389.92 |
| Red meat (mutton, beef, pork), chicken, fish, soya products etc. | R 392.74 | R 218.82 | R 337.75 | R 441.43 | R 365.84 |
| Bulk groceries - dried lentils, beans, nuts, canned food | R 263.85 | R 266.43 | R 518.38 | R 640.00 | R 342.11 |
| Dairy (milk, cheese, maas, yoghurt), oil/butter/margarine | R 156.44 | R 146.67 | R 191.71 | R 184.00 | R 163.49 |
| Beverages (tea, coffee, juice, soft drinks, Milo etc.) | R 110.08 | R 79.23 | R 108.57 | R 260.00 | R 107.96 |
| Fresh fruit and vegetables | R 191.59 | R 125.00 | R 139.68 | R 137.14 | R 172.30 |
| Baby foods (milk, cereals etc.) | R 393.04 | R 225.00 | R 582.78 | NA | R 433.38 |
| Food consumed away from home (takeaway etc.) | R 192.36 | R 112.50 | R 121.25 | NA | R 166.24 |
| Total food expenditure | R 1196.68 | R 836.14 | R 1715.93 | R 1622.00 | R 1281.91 |

Source: HSRC-NDA Evaluation Study 2015

Three important observations become apparent from the table above:

- Across all food item expenditure by FS respondents is the lowest. In respect of fresh fruit and vegetable this makes sense as they may be consuming more own produce, however this is not likely to hold true for all other food items and reflects the lowered access to cash income which is a key determinant for food access.
- ECD respondent's food expenditure is among the highest across most food items. These households also spend a considerable amount on baby foods, which represents just under a third of the total household food expenditure.

- While the data appears to suggest that there is some dietary diversity in respect of food expenditure, it is apparent that these households are not likely to achieve the level of dietary diversity necessary for nutritional wellbeing, given the spending per month on different food items.

In terms of affordability of food as a result of participation in the project the responses are shown below.

Table 18: Responses to whether food items became more affordable as a result of participation in the project for NDA and non-NDA beneficiary households (% of respondents)

| <i>Food item</i> | <i>NDA (n = 257)</i> | <i>Non-NDA (n = 37)</i> | <i>Total (n = 294)</i> |
|------------------------------------------------------------------|--------------------------|-----------------------------|----------------------------|
| Cereals/rice/bread/mealie meal/samp/pasta | 63.04 | 62.16 | 62.93 |
| Red meat (mutton, beef, pork), chicken, fish, soya products etc. | 58.75 | 40.54 | 56.46 |
| Bulk groceries - dried lentils, beans, nuts, canned food | 51.75 | 35.14 | 51.70 |
| Dairy (milk, cheese, maas, yoghurt), oil/butter/margarine | 44.36 | 37.84 | 43.54 |
| Beverages (tea, coffee, juice, soft drinks, Milo etc.) | 36.19 | 24.32 | 34.69 |
| Fresh fruit and vegetables | 43.19 | 18.92 | 40.14 |
| Baby foods (milk, cereals etc.) | 8.95 | 8.11 | 8.84 |
| Food consumed away from home (takeaway etc.) | 8.17 | 16.22 | 9.18 |
| Total | 100.00 | 100.00 | 100.00 |

Source: HSRC-NDA Evaluation Study 2015

More NDA beneficiary household respondents reported that participation in the project made food more affordable than non-NDA beneficiary household respondents. All respondents across themes (IG, FS and ECD) reported that participation in the project made food more affordable.

Table 19: Average monthly expenditure on non-food items for NDA and non-NDA beneficiary households

| <i>Non-food item</i> | <i>NDA</i> | <i>Non-NDA</i> | <i>Total</i> |
|----------------------------------------------------------|------------|----------------|--------------|
| Cigarettes and tobacco, beer, wine and spirits. | R 370.81 | R 187.50* | R 347.16 |
| Entertainment | R 360.07 | R 339.13 | R 357.92 |
| Personal items excluding school books. | R 179.44 | R 169.68 | R 178.24 |
| Cell phone account(s) and/or airtime, telephone account. | R 135.69 | R 134.45 | R 135.52 |
| Transport costs | R 481.62 | R 388.18 | R 473.20 |
| Household utilities | R 263.21 | R 222.63 | R 258.81 |
| Insurance | R 287.61 | R 542.56 | R 315.55 |
| Household goods | R 187.19 | R 276.29 | R 201.36 |
| Shoes and clothes (excluding school uniforms) | R 614.19 | R 662.00 | R 619.95 |
| Health care costs | R 801.82 | R 387.50* | R 691.33 |
| School fees and educational costs | R 1176.28 | R 1682.50* | R 1208.94 |
| Creche and childcare | R 241.52 | R 165.00* | R 233.24 |
| Lobola | R 9500.00* | NA | R 9500.00* |
| Home maintenance and repairs | R 2112.80 | R 1433.33 | R 2040.00 |
| Pets | R 700.00 | R 600.00 | R 666.67 |
| Domestics, gardeners and other household help | R 952.50* | NA | R 952.50* |
| Lotto, gambling and horse-racing | R 678.75* | NA | R 678.75* |
| Other non-food items | R 330.00* | NA | R 330.00* |

Source: HSRC-NDA Evaluation Study 2015

Housing and utility costs contribute the highest to household expenditure monthly which is in keeping with national data (IES, 2011) which indicated that 32% of total expenditure was spent on housing costs.

Average total non-food expenditure was R 1835 across all households. The average was R1 865 for NDA beneficiary households and R 1609 for non-NDA beneficiary households.

Table 20: Average monthly expenditure on non-food items for NDA beneficiary households by project theme

| <i>Non-food item</i> | <i>IG</i> | <i>FS</i> | <i>ECD</i> | <i>Other</i> | <i>Total</i> |
|----------------------------------------------------------|------------------|-----------------|------------------|------------------|------------------|
| Cigarettes and tobacco, beer, wine and spirits. | R 385.30 | NA | R 275.00* | R 300.00* | R 370.81 |
| Entertainment | R 290.91 | R 495.00* | R 508.72 | R 395.00* | R 360.07 |
| Personal items excluding school books. | R 166.96 | R 146.47 | R 220.79 | R 287.50* | R 179.44 |
| Cell phone account(s) and/or airtime, telephone account. | R 135.20 | R 148.00 | R 114.44 | R 242.00 | R 135.69 |
| Transport costs | R 511.79 | R 455.00 | R 398.80 | R 566.29 | R 481.62 |
| Household utilities | R 261.29 | R 467.00 | R 214.79 | R 262.50 | R 263.21 |
| Insurance | R 268.35 | R 482.22 | R 233.84 | R 503.86 | R 287.61 |
| Household goods | R 154.59 | NA | R 241.33 | R 450.00* | R 187.19 |
| Shoes and clothes (excluding school uniforms) | R 553.24 | NA | R 621.35 | R 1325.00* | R 614.19 |
| Health care costs | R 1210.00 | R 220.00* | R 316.67* | R 800.00* | R 801.82 |
| School fees and educational costs | R 1559.40 | R 142.50* | R 686.76 | R 700.00* | R 1176.28 |
| Creche and childcare | R 231.36 | R 220.00* | R 174.29 | R 1000.00* | R 241.52 |
| Lobola | R 9500.00* | NA | NA | NA | R 9500.00* |
| Home maintenance and repairs | R 2553.89 | R 600.00 | R 750.00 | R 2500.00 | R 2112.80 |
| Pets | R 300.00* | R 1100.00 | NA | NA | R 700.00* |
| Domestics, gardeners and other household help | R 1266.67* | NA | R 10.00* | NA | R 952.50* |
| Lotto, gambling and horse-racing | R 1350.00* | R 10.00* | R 5.00* | NA | R 678.75* |
| Other non-food items | NA | NA | NA | R 330.00* | R 330.00* |
| Total non-food expenditure | R 1988.47 | R 863.60 | R 1744.69 | R 3307.50 | R 1865.49 |

Source: HSRC-NDA Evaluation Study 2015

The key finding here is that similar to food expenditure patterns across all thematic beneficiaries IG and ECD beneficiaries spending was significantly higher than FS beneficiaries.

Across both NDA and Non NDA beneficiary households cell-phone costs, household utilities and personal items (including school books) become more affordable as a result of participation.

Table 21: Responses to whether non-food items became more affordable as a result of participation in the project for NDA and non-NDA beneficiary households (% of respondents)

| <i>Non-food item</i> | <i>NDA (n = 257)</i> | <i>Non-NDA (n = 37)</i> | <i>Total (n = 294)</i> |
|----------------------------------------------------------|--------------------------|-----------------------------|----------------------------|
| Cigarettes and tobacco, beer, wine and spirits. | 7.78 | 2.70 | 7.14 |
| Entertainment | 15.56 | 21.62 | 16.33 |
| Personal items excluding school books. | 49.81 | 54.05 | 50.34 |
| Cell phone account(s) and/or airtime, telephone account. | 50.19 | 48.65 | 50.00 |
| Transport costs | 33.07 | 18.92 | 31.29 |
| Household utilities | 41.63 | 29.73 | 40.14 |
| Insurance | 28.40 | 13.51 | 26.53 |
| Household goods | 19.84 | 5.41 | 18.03 |
| Shoes and clothes (excluding school uniforms) | 21.79 | 16.22 | 21.09 |
| Health care costs | 4.67 | 5.41 | 4.76 |
| School fees and educational costs | 13.23 | 13.51 | 13.27 |
| Creche and childcare | 4.67 | 5.41 | 4.76 |
| Lobola | 0.39 | 0.00 | 0.34 |
| Home maintenance and repairs | 8.17 | 5.41 | 7.82 |
| Pets | 0.39 | 0.00 | 0.34 |
| Domestics, gardeners and other household help | 1.17 | 0.00 | 1.02 |
| Lotto, gambling and horse-racing | 3.89 | 0.00 | 3.40 |
| Other non-food items | 9.73 | 10.81 | 9.86 |
| Total | 100.00 | 100.00 | 100.00 |

Source: HSRC-NDA Evaluation Study 2015

7.2.5 Beneficiary Household Propensity to Save

Household's ability to save reflects access to disposal income after meeting consumption needs. The relevance of assessing savings levels relates to the ability of households to reduce the effects of shocks and mitigate risks normally associated with low levels, irregular and perhaps unpredictable sources of income. Propensity to save is influenced by a number of factors including the household age dependency ratio, permanency or stability of income sources and educational levels of household members (Savings Institute of SA, 2014).

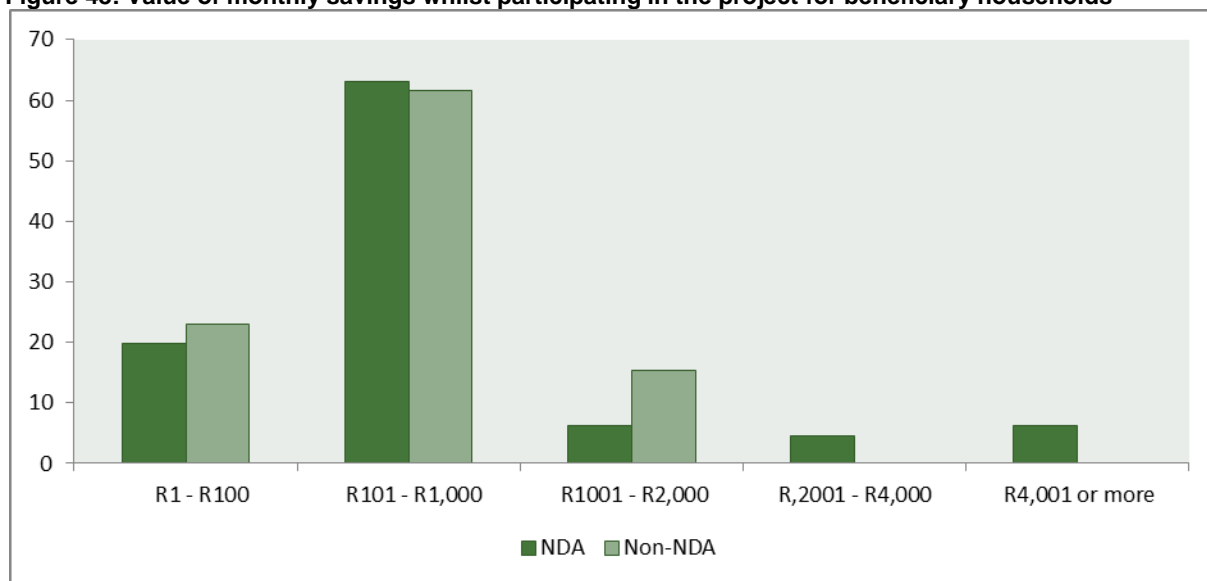
43% of NDA beneficiaries reported that they had been able to save while working on the project, which was 8% higher than that reported by (35%) non-NDA beneficiaries.

The ability to save appeared to be higher for those participating in income generating projects (47%) followed by those participating in food security projects (40%) and with 32% of ECD project beneficiaries reporting savings.

In excess of 60% of NDA and non NDA beneficiaries self-reported saving levels of between R 101 and R 1000 per month whilst participating in the project, with a further 20% reporting savings under R 100 per month as reflected in the table below. The pattern was similar for beneficiaries participating across the thematic areas (ECD, IG and FS). It was unclear whether these savings levels were sustained for the duration of their participation in the project.

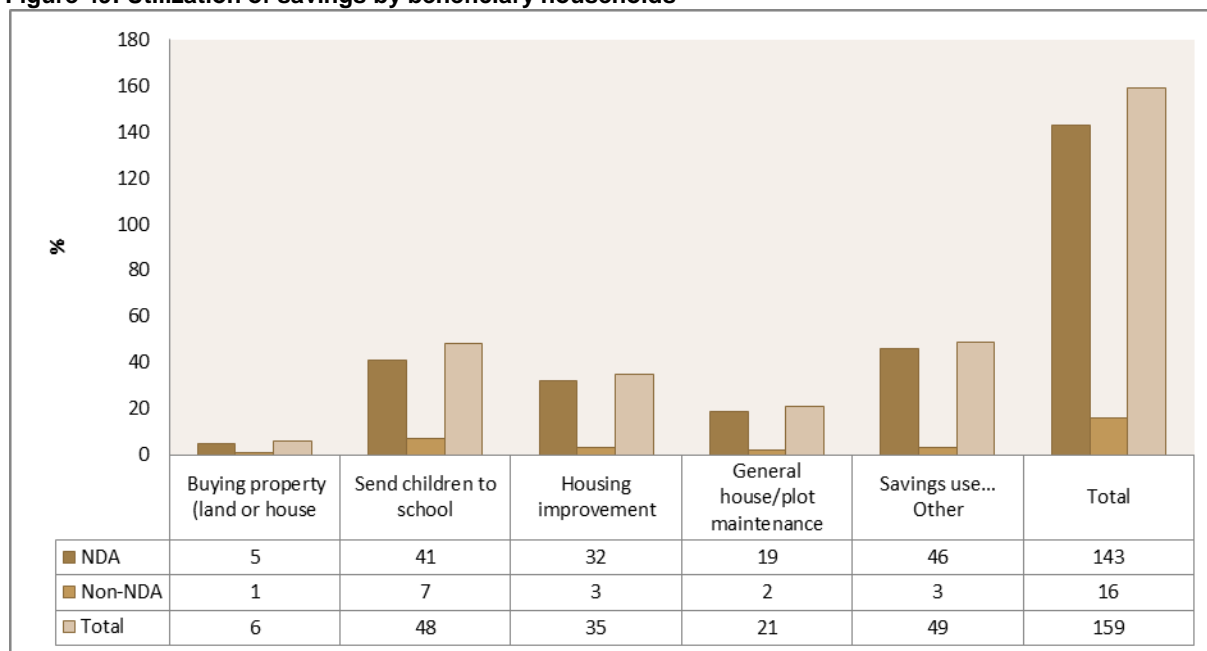
The level of savings reported appears to be significantly high compared with reported evidence of savings behaviour of low income households in SA and the related debt levels (NT, 2009).

Figure 48: Value of monthly savings whilst participating in the project for beneficiary households



Source: HSRC-NDA Evaluation Study 2015

Figure 49: Utilization of savings by beneficiary households



Source: HSRC-NDA Evaluation Study 2015

As indicated in the Figure above the four main uses of - savings by NDA beneficiaries which included the purchase of livestock (46), cover education costs for children (41), and undertake general household improvements (32). Other uses for saving included buying clothes for the family, grocery, Christmas gifts, buying blankets, saving for a rainy day and to buy seeds to plants additional crops.

There was no evidence pointing to savings being used to sustain the project. This had led to a situation where beneficiaries have little invested interest in the project and when stipends end, they see little benefit in the project and simply exit the project (FG Beneficiaries).

7.3 HOUSEHOLD SOCIO-ECONOMIC STATUS OF NDA VS. NON-NDA BENEFICIARY HOUSEHOLDS

The study uses the upper bound StatsSA (2014) poverty line (UBPL) of R620 per capita consumption expenditure for 2011 to assess the socio-economic status of NDA and Non-NDA households. For the analysis, per capita income was used due to the fact that the study did not collect comprehensive consumption data. The use of per capita income is justified when an appropriate welfare aggregate such as per capita consumption is not available. The latter can be called "the 'direct method', and it does not involve the use of any income...it could be argued that only in the absence of direct information ... can there be a case for bringing in the intermediary of income, so that the income method is at most a second best (Sen, 1981, p. 26)¹¹.

The survey asked respondents to estimate their combined monthly income during the time they were working for the project in 2010/11. It then asked a follow up question with respect to their current level (2015) of income. In order to compare the differences between the two periods the income for 2015 was deflated to 2010/11 prices. It's important to note that, in spite of the potential recall bias, the retrospective approach was also chosen due to the lack of baseline data. More importantly without this data, a comprehensive poverty assessment would not have been possible. The lack of baseline data reiterates the need for government interventions to call for baseline data on project participants to facilitate the monitoring and evaluation of these interventions.

Besides making comparisons between NDA and Non-NDA beneficiaries the following analysis can be used to determine the performance of NDA funded projects by theme, region and any other relevant dimension of assessment. To get per capita income for households in the study sample, reported total gross monthly household income was divided by household size for the two periods.

7.4 CHANGES IN AVERAGE, MEDIAN INCOME AND INEQUALITY

Table 22, shows that households on NDA projects had an average per capita income of R653 in 2010/11 during the period of grant funding. This fell to R548 in 2015, a decrease of 16%, this is in contrast to Non-NDA beneficiaries who had a higher average per capita income of R 832, but also experienced a similar decrease in income per capita in 2015 when the income fell to R705. The study is unable to provide detailed analysis of why the non NDA beneficiaries appear to be performing better in view of the absence of a counterfactual and the difficulties in determining confounding factors that may have influenced this finding. These challenges and limitations were outlined in the methodology chapter of the report.

For NDA households, these decreases are also mirrored by changes in the median, a statistic that divides the population into two equal groups. The median decreased from R375 to R335, a decrease of 11%, whilst that for Non-NDA households experienced a 4.3% increase. Since the mean is more sensitive to extreme values in the income distribution, the changes in the table indicate that over the period under review they were changes in the lowest and highest income quintiles. Changes in

¹¹ Sen, A. K. (1981). Poverty and famines: An Essay on Entitlement and Deprivation. Oxford: Clarendon Press.

the median income reflect changes in the middle of the income distribution, further decompositions, in the following sections, will explore the implications of these changes. With respect to overall inequality, the values for both groups are relatively lower than the national Gini of 69. This could indicate the fact that households in this sample have relatively equal incomes, this can be seen in the Probability Density Function (PDF), below.

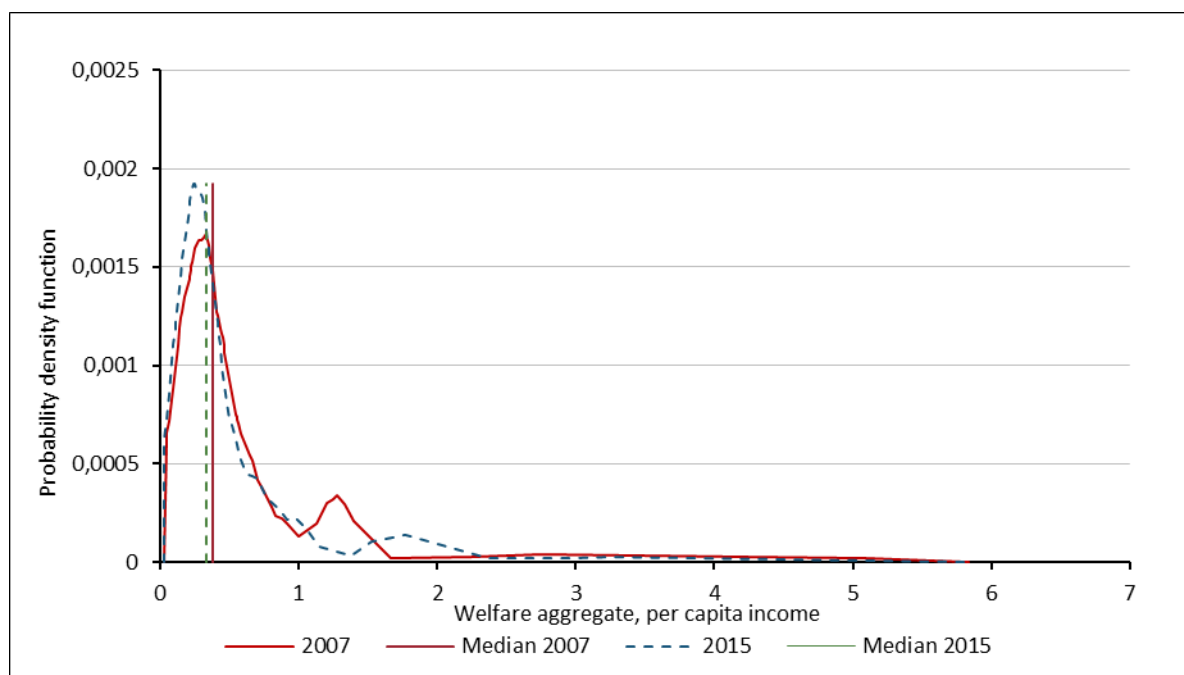
Table 22: Average, median incomes and the Gini coefficient

| | Mean 2010/11 | Mean 2015 | % Change | Median 2010/11 | Median 2015 | % Change | Gini Coefficient 2010/11 | Gini Coefficient 2015 | % Change |
|---------|--------------|-----------|----------|----------------|-------------|----------|--------------------------|-----------------------|----------|
| NDA | 653.0 | 548.1 | -16.1 | 375.1 | 334.8 | -10.7 | 52.1 | 50.6 | -1.5 |
| NON-NDA | 832.3 | 705.6 | -15.2 | 333.4 | 347.8 | 4.3 | 59.0 | 55.3 | -3.7 |
| Total | 677.1 | 569.5 | -15.9 | 375.1 | 334.8 | -10.7 | 53.6 | 51.6 | -2.0 |

Source: Computed from HSRC- NDA Survey (2015)

The PDF shows income distribution across the population and the figure below shows that most of the people are concentrated around the median at the lower end of the distribution.

Figure 50: Probability density function for NDA household



Source: Computed from HSRC- NDA Survey (2015)

7.5 POVERTY INCIDENCE, DEPTH AND SEVERITY

This section gives an indication of the changes in poverty using three measures, the poverty headcount rate which measures the proportion of the poor who are below the poverty line. The table below shows that in 2010/11 there were 72% people in NDA households that were below the poverty line relative to 71% for the Non-NDA households. Furthermore, this increased by 4% by 2015, whilst that of Non-NDA households decreased by the same magnitude. This could be explained by the fact that more Non-NDA beneficiaries were still actively participating in the projects they were involved with.

Table 23: The incidence, depth and severity of poverty

| | Poverty Headcount Rate | | | Poverty Gap (Depth) | | | Squared Poverty Gap (Severity) | | |
|----------------------------|------------------------|-------------|------------|---------------------|-------------|------------|--------------------------------|-------------|------------|
| | 2010/11 | 2015 | Change | 2010/11 | 2015 | Change | 2010/11 | 2015 | Change |
| Poverty line = R620 | | | | | | | | | |
| NDA | 71.5 | 75.4 | 3.8 | 36.8 | 41.8 | 5.0 | 23.0 | 26.9 | 4.0 |
| NON-NDA | 70.8 | 66.9 | -3.9 | 39.4 | 39.0 | -0.4 | 24.2 | 24.6 | 0.3 |
| Total | 71.4 | 74.2 | 2.8 | 37.2 | 41.4 | 4.3 | 23.1 | 26.6 | 3.5 |

Source: Computed from HSRC-EPD NDA Survey (2015)

The second measure is the poverty income gap which measures the depth of poverty by taking into account the average distance of the poor from the poverty line. The table above shows that in 2015 the depth of poverty for people in NDA beneficiary households had increased by 5%, whilst that for Non-NDA households had marginally decreased.

The third measure goes beyond both the headcount and the poverty gap, as it measures the severity of poverty. This measure is more sensitive to the poorest people in the income distribution and it shows the same trend as the other two measures, that is, the severity of poverty increased, by 4%, for NDA households.

Relative to national poverty measures both the poverty headcount and poverty gap (in the above table) are significantly higher than the ones in the table below. However, the national severity of poverty is marginally lower, these differences can be explained within the context of NDA targeting of poor nodal areas. This can be seen from the relatively high levels of these measures as reported in the table above.

Table 24: National Poverty Measures¹²

| <i>Measure of poverty</i> | <i>2011</i> |
|-----------------------------------------------------------------------------------------|-------------|
| Percentage of the population that is poor (Poverty Headcount) | 45,5% |
| Poverty gap for the UBPL = R620 | 19,6% |
| Percentage of the population living in extreme poverty (Squared Poverty Gap (Severity)) | 20,2% |

Source: StatsSA (2014)

Focusing on households of NDA beneficiaries, the above trends could suggest that the benefits that project participants enjoy during grant funding, are not sustained once the project has ended. However, given that these households seem to experience relatively lower levels of poverty during project participation, there is a need to address the issue of sustainability through the design of project interventions. The fact that the levels of poverty seem to higher than national average might simply reflect effective targeting by the NDA of poor nodal communities. More of these issues will be discussed in the sections below.

¹² StatsSA. (2014). *Poverty Trends in South Africa: An examination of absolute poverty between 2006 and 2011*. Pretoria: Government of South Africa. Retrieved from <http://beta2.statssa.gov.za/publications/Report-03-10-06/Report-03-10-06March2014.pdf>

7.5.1 Poverty Incidence, Depth and Severity by NDA Theme

With respect to socio-economic status by theme, beneficiaries participating in IG and ECD projects had relatively fewer people below the poverty line in 2010/11, R69 and 73% respectively (see table below) compared to FS beneficiaries. FS had the highest number of households below the poverty line at 83%. Both IG and FS beneficiary households experienced increases in their headcount poverty rates in 2015, 6% and 5%, respectively. In terms of the depth of poverty and its severity, FS beneficiary households had the highest levels.

Table 25: The incidence, depth and severity of poverty by NDA theme

| Poverty line = R620 | Poverty Headcount Rate | | | Poverty gap (Depth) | | | Squared Poverty Gap (Severity) | | |
|------------------------|------------------------|-------------|------------|---------------------|-------------|------------|--------------------------------|-------------|------------|
| | 2010/11 | 2015 | Change | 2010/11 | 2015 | Change | 2010/11 | 2015 | Change |
| IG | 69.3 | 74.8 | 5.5 | 36.5 | 42.8 | 6.3 | 23.4 | 28.2 | 4.8 |
| FS | 82.8 | 87.4 | 4.6 | 42.1 | 51.1 | 9.0 | 25.7 | 33.7 | 8.0 |
| ECD | 72.8 | 70.4 | -2.5 | 35.1 | 33.6 | -1.5 | 19.9 | 19.0 | -0.9 |
| Total | 71.5 | 75.4 | 3.8 | 36.8 | 41.8 | 5.0 | 23.0 | 26.9 | 4.0 |

Source: Computed from HSRC-EPD NDA Survey (2015)

Table 26, below, shows that although FS beneficiary households mean income had increased over the reference period they still remained below the poverty line of R620.

Table 26: Average, median incomes and the Gini coefficient by theme

| Theme | Mean | Mean | % Change | Median | Median | % Change | Gini | Gini | % Change |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|
| | 2010/11 | 2015 | | 2010/11 | 2015 | | Coefficient | Coefficient | |
| IG | 635.0 | 546.2 | -14.0 | 406.3 | 318.8 | -21.5 | 50.8 | 51.7 | 0.9 |
| FS | 412.5 | 458.7 | 11.2 | 350.1 | 267.9 | -23.5 | 35.4 | 53.3 | 17.9 |
| ECD | 837.2 | 603.5 | -27.9 | 375.1 | 417.4 | 11.3 | 57.6 | 43.7 | -13.8 |
| Total | 653.0 | 548.1 | -16.1 | 375.1 | 334.8 | -10.7 | 52.1 | 50.6 | -1.5 |

Source: Computed from HSRC-EPD NDA Survey (2015)

The assessment across themes shows that if the aim of the NDA is to eradicate poverty, IG projects appear to have the greatest impact followed by ECD. This finding confirms evidence outlined in the literature review that agricultural related economic interventions are not likely to contribute in a significant manner to household incomes.

7.5.1 Poverty Incidence, Depth and Severity by NDA Province

An assessment of poverty incidence, depth and severity, across provinces allows us to determine the regional performance of NDA projects. The table below shows that KZN followed by MP had the highest number of beneficiaries below the poverty line, 84% and 82% during grant funding; whilst the NC and the WC had the least number people below the poverty line at 18% and 56%, respectively. The table also shows that with the exception of EC and GP the rest of provinces experienced an increase the incidence of poverty. The same pattern is evident with respect the depth and severity of poverty. KZN had the largest poverty gap and poverty severity. The performance of KZN should be interpreted within a context where poverty levels in the province are generally high relative to other provinces.

Table 27: NDA Household poverty incidence, depth and severity by Province

| Poverty Line = R620 | Poverty Headcount Rate | | | Poverty gap (Depth) | | | Squared Poverty Gap (Severity) | | |
|---------------------|------------------------|-------------|------------|---------------------|-------------|------------|--------------------------------|-------------|------------|
| | 2010/11 | 2015 | Change | 2010/11 | 2015 | Change | 2010/11 | 2015 | Change |
| WC | 56.3 | 79.6 | 23.3 | 23.0 | 42.1 | 19.0 | 11.9 | 25.9 | 13.9 |
| EC | 80.1 | 65.8 | -14.4 | 43.0 | 34.7 | -8.3 | 26.2 | 20.9 | -5.3 |
| NC | 17.8 | 20.0 | 2.2 | 3.4 | 7.7 | 4.2 | 0.9 | 3.1 | 2.2 |
| FS | 73.2 | 83.9 | 10.7 | 40.6 | 49.6 | 9.0 | 26.3 | 33.9 | 7.6 |
| KZN | 83.5 | 89.7 | 6.2 | 50.2 | 60.5 | 10.3 | 34.8 | 44.2 | 9.4 |
| NW | 66.9 | 76.8 | 9.9 | 31.0 | 35.4 | 4.4 | 19.3 | 21.2 | 1.9 |
| GP | 72.2 | 56.2 | -16.0 | 37.5 | 35.9 | -1.5 | 21.7 | 24.3 | 2.7 |
| MP | 81.6 | 84.7 | 3.1 | 35.2 | 42.1 | 6.9 | 19.3 | 23.8 | 4.5 |
| LP | 72.4 | 79.5 | 7.1 | 39.1 | 42.7 | 3.7 | 25.7 | 27.0 | 1.4 |
| Total | 71.5 | 75.4 | 3.8 | 36.8 | 41.8 | 5.0 | 23.0 | 26.9 | 4.0 |

Source: Computed from HSRC- NDA Survey (2015)

The results for socio-economic status by region indicates that in order for the NDA to make progress with respect to its fight against poverty, it needs to concentrate its efforts in KZN, MP and the Free State. This can be done, in the first instance, by drawing lessons from the implementation of projects in the Northern Cape which least number of beneficiaries below the poverty line.

7.6 ASSESSMENT OF POOR HOUSEHOLDS RELATIVE TO THE ENTIRE INCOME DISTRIBUTION

This section uses quantiles and partial means to explore the relationship between the poor in the sample relative to the rest of the income distribution. Quantiles are cut-off points that divide the income distribution of a sample or population into equal sized groups. Partial means give you the average/mean per capita income in each quantile. For example, whilst per capita income quantiles tell us the proportion of the population below or above a given percentile, the partial means tell us the mean income of those households within the quantile. An understanding of the variation in these two measures allows us to understand the difference between, for example, the bottom 10% of the population relative to the top 10%. They are therefore particularly useful in showing us the gap between the different parts of the income distribution. This understanding has important implications for targeting especially if policies are concerned with targeting the poorest who are at the bottom of the income distribution.

With respect to NDA households, in 2010/11, the 10th percentile shows that 10% of the population had a per capita income less than R125, this is relative to Non-NDA households were the bottom 10% had a per capita income of less than R150 . At the same time the top 10% had a per capita income above R1,278 and R2,214 for NDA and Non-NDA households, respectively. The table also shows that in 2015 the per capita income of the bottom 10% NDA households had decreased to R115 and R191 for Non-NDA households. On the other extreme the top 10% of NDA households had a per capita income greater than R1,148 in comparison to Non-NDA households whose income for the top 10% was larger at R1,726. These cut-offs represented decreases relative to the cut-offs in 2010/11.

Table 28: Per capita income quantiles and ratios

| | 10th | 20th | 50th/Median | 80th | 90th | 90/10 | 80/20 | 90/50 | 50/10 |
|--------------|--------------|--------------|--------------|--------------|----------------|-------------|-------------|-------------|-------------|
| 2007 | | | | | | | | | |
| NDA | 125.1 | 211.6 | 375.1 | 833.4 | 1,277.8 | 90.2 | 74.6 | 70.6 | 66.7 |
| NON-NDA | 150.1 | 250.1 | 333.4 | 1,333.5 | 2,214.4 | 93.2 | 81.2 | 84.9 | 55.0 |
| Total | 125.3 | 211.6 | 375.1 | 833.4 | 1,375.3 | 90.9 | 74.6 | 72.7 | 66.6 |
| 2015 | | | | | | | | | |
| NDA | 114.8 | 191.3 | 334.8 | 701.5 | 1,147.8 | 90.0 | 72.7 | 70.8 | 65.7 |
| NON-NDA | 191.3 | 191.3 | 347.8 | 1,032.9 | 1,721.6 | 88.9 | 81.5 | 79.8 | 45.0 |
| Total | 114.8 | 191.3 | 334.8 | 701.5 | 1,339.3 | 91.4 | 72.7 | 75.0 | 65.7 |

Source: Computed from HSRC-EPD NDA Survey (2015)

The 90/10 ratio indicates that the gap between the bottom 10%, at 90%, is relatively large and indicates that the per capita income at the 90th percentile is 10 times greater than the per capita income at the 10th percentile. In other words the richest households in the study have at least per capita incomes that are 10 times higher than the bottom 10%. This difference is sustained in 2015 for NDA households. For Non-NDA households the top 10% had at least per capita incomes that were 15 times higher than the bottom 10%, this difference fell to 9 times greater in 2015.

The importance of this analysis is that it goes beyond the Gini coefficient which simply gives us a summative picture of the income distribution without telling us where the changes have happened along the distribution. From the table above its quite clear that changes in income have occurred right across the distribution with decreases being registered in each quantile. Table 28, above, showed that the Gini had decreased (-1.5%) over the same period; both the quantile and quantile ratios go further to show that the gap between the bottom 10% and the top 10% remained at 90% for NDA households in both years. This would suggest that its changes in the middle of the distribution that had the most significant impact on the Gini. Table X highlights this as it shows that the gap between the bottom 20% and the top 80% had decreased from 75% to 73%.

Partial means continue to give us a more in-depth understanding of the changes in the distribution of per capita income over the 6 years. Whilst the quantiles and quantile ratios showed us the per capita income of the bottom 10% and the per capita income for the top 10% (e.g. the 10th and 90th percentile). Both the lower partial mean and upper partial mean show us the mean per capita income within each quantile. Table 29, indicates that not only was the average per capita income of the bottom 10%, NDA sample population, R78 in 2010/11, it fell to R73 in 2015. On the opposite extreme average incomes of the richest 10% were R2,725 in 2010/10 falling by R418 to R2,306 in 2015. Although the income of the bottom 10% only fell by R4 relative to the R418 for the top 10%, this did not help reduce the per capita income gap which remained at 97% as shown by the 90/10 partial mean ratio.

Table 29: Partial Means NDA – NON-NDA

| | Lower Partial Mean | | Upper Partial Mean | | Partial Mean Ratio | |
|----------------|--------------------|--------------|--------------------|----------------|--------------------|-------------|
| | 10th | 20th | 80th | 90th | 90/10 | 80/20 |
| 2010/11 | | | | | | |
| NDA | 77.7 | 123.8 | 1,940.5 | 2,725.1 | 97.1 | 93.6 |
| NON-NDA | 96.7 | 145.9 | 2,939.5 | 3,875.1 | 97.5 | 95.0 |
| Total | 80.8 | 124.0 | 2,050.7 | 2,894.1 | 97.2 | 94.0 |
| 2015 | | | | | | |
| NDA | 73.4 | 118.1 | 1,574.9 | 2,306.4 | 96.8 | 92.5 |
| NON-NDA | 144.1 | 162.5 | 2,633.8 | 3,560.8 | 96.0 | 93.8 |
| Total | 73.5 | 123.7 | 1,649.2 | 2,387.4 | 96.9 | 92.5 |
| Change | | | | | | |
| NDA | -4.4 | -5.7 | -365.6 | -418.8 | -0.3 | -1.1 |
| NON-NDA | 47.4 | 16.6 | -305.7 | -314.3 | -1.6 | -1.2 |
| Total | -7.3 | -0.3 | -401.5 | -506.7 | -0.3 | -1.5 |

Source: Computed from HSRC-EPD NDA Survey (2015)

The partial means show the existence of two groups of households with distinctively different mean incomes. Even at the 80th percentile the mean incomes of the top 20% are still as high as R1,575 relative to the mean per capita income of the bottom 10% which is R118. This is also highlighted by the probability density function (PDF) in, Figure 50, above, which shows two peaks, making it multimodal distribution.

Table 30, below, disaggregates NDA partial means by thematic focus; this also shows relatively high average per capita income gaps across the three themes. With respect to average per capita incomes in 2015 the NDA means for IG and FS are below the group average for the bottom 10%. For the top 10% mean per capita incomes remain relatively high with ECD having a mean per capita income of R4,229 in 2010/11 falling to R2,259 in 2015. This table highlights the fact that some of the variation in average incomes for the two types of beneficiaries is being driven by the thematic area of the project.

Table 30: Partial Means NDA by Theme

| | Lower Partial Mean | | Upper Partial Mean | | Decile Ratio | |
|----------------|--------------------|--------------|--------------------|----------------|--------------|-------------|
| | 10th | 20th | 80th | 90th | 90/10 | 80/20 |
| 2010/11 | | | | | | |
| IG | 75.7 | 110.2 | 1,783.0 | 2,456.2 | 96.9 | 93.8 |
| FS | 69.6 | 157.6 | 932.0 | 1,250.2 | 94.4 | 83.1 |
| ECD | 126.8 | 174.5 | 2,776.2 | 4,229.3 | 97.0 | 93.7 |
| Total | 77.7 | 123.8 | 1,940.5 | 2,725.1 | 97.1 | 93.6 |
| 2015 | | | | | | |
| IG | 67.4 | 99.7 | 1,598.9 | 2,245.7 | 97.0 | 93.8 |
| FS | 53.1 | 132.6 | 1,474.5 | 2,236.6 | 97.6 | 91.0 |
| ECD | 133.2 | 176.2 | 1,542.3 | 2,259.0 | 94.1 | 88.6 |
| Total | 73.4 | 118.1 | 1,574.9 | 2,306.4 | 96.8 | 92.5 |
| Change | | | | | | |
| IG | -8.3 | -10.5 | -184.1 | -210.6 | 0.1 | -0.1 |
| FS | -16.4 | -25.0 | 542.6 | 986.4 | 3.2 | 7.9 |
| ECD | 6.4 | 1.8 | -1,233.9 | -1,970.3 | -2.9 | -5.1 |
| Total | -4.4 | -5.7 | -365.6 | -418.8 | -0.3 | -1.1 |

Source: Computed from HSRC-EPD NDA Survey (2015)

The table below shows us that with respect to provincial mean incomes the bottom 10% people in FS had the lowest mean per capita income (R52), followed by KZN (R68). EC (R3,875) and LP (R3,810) had the largest average per capita incomes, these province also had the largest average income gap of 98% each. This means that the average per capita income of the richest households are 50 times higher than those of the bottom 10%.

Table 31: Partial Means NDA by Province

| 2010/11 | Lower Partial Mean | | Upper Partial Mean | | Decile Ratio | |
|--------------|--------------------|--------------|--------------------|----------------|--------------|-------------|
| | 10th | 20th | 80th | 90th | 90\10 | 80\20 |
| WC | 233.4 | 250.1 | 1,400.2 | 1,916.9 | 87.8 | 82.1 |
| EC | 92.2 | 148.7 | 2,433.5 | 3,875.2 | 97.6 | 93.9 |
| NC | 450.1 | 700.1 | | | | 49.1 |
| FS | 52.2 | 95.1 | 1,487.7 | 1,932.0 | 97.3 | 93.6 |
| KZN | 67.8 | 76.7 | 990.5 | 1,230.8 | 94.5 | 92.3 |
| NW | 93.8 | 141.8 | 1,913.2 | 3,417.0 | 97.3 | 92.6 |
| GP | 132.4 | 185.6 | 2,035.8 | 2,777.9 | 95.2 | 90.9 |
| MP | 184.3 | 198.0 | 1,916.8 | 3,300.2 | 94.4 | 89.7 |
| LP | 75.4 | 107.5 | 2,436.3 | 3,809.6 | 98.0 | 95.6 |
| Total | 77.7 | 123.8 | 1,940.5 | 2,725.1 | 97.1 | 93.6 |

Source: Computed from HSRC-EPD NDA Survey (2015)

This analysis of partial means raises a number of questions with respect to targeting, such as, is area based targeting on the socioeconomic status of a region sufficient given the presence of households with mean per capita incomes as high as R2,302 for the top 10% relative to the significantly lower mean per capita incomes of R77, for the bottom 10%. The latter is important more so in a context where the objective of policy is to target the most vulnerable households in those areas.

7.7 POVERTY INCIDENCE BY HEAD OF HOUSEHOLD AND EDUCATION

An analysis of the incidence of poverty by head of household and the distribution of the poor allows us to see which subgroups are contributing the most to overall poverty. Poverty by gender of household shows that the incidence of poverty is higher amongst female headed households, and this increased to by 5% over the review period, from 74% to 79% (Table 32). This resonates with national data on poverty trends in respect of gender of household head (STATSSA,2014)

With respect to age of head of household the incidence of poverty is concentrated in households with older heads, with the 45-49 (83%); 55-59 (81%) and 60-64 (92%) age cohorts having relatively higher levels of poverty. The distribution of the poor shows that although five age cohorts experienced decreases in poverty, the increase in the incidence of poverty was driven by the fact that a significant proportion of the poor are found in the households where the head of household is from older age cohort. These cohorts witnessed the large increases in poverty, with the 45-49 age cohort accounting for the largest number of the poor (21%) in 2015. This was followed by the 60-64 age cohort that had the highest poverty rate of 92% with 18% of the poor. This analysis highlights the fact that poverty within the sample population is relatively high amongst older aged headed households. The findings in respect of the 45 to 59 year age cohorts may be related to the fact that this age cohort has lower skills levels than the 25-44 age group and hence with lower earning potential and if unemployed with reduced successes in securing income (STATSSA, 2014).

Table 32: poverty incidence by head of household and education

| Poverty Line = R620 | Poverty Headcount Rate | | | Distribution of the Poor | | |
|----------------------------------------|------------------------|-------------|--------------|--------------------------|--------------|------------|
| | 2010/11 | 2015 | Change | 2010/11 | 2015 | Change |
| Gender of the household head | | | | | | |
| Male | 70.9 | 74.0 | 3.0 | 59.5 | 59.4 | -0.1 |
| Female | 73.7 | 78.6 | 5.0 | 40.5 | 40.6 | 0.1 |
| Household head's age | | | | | | |
| 20-24 | 13.3 | | | 0.2 | | |
| 25-29 | 45.9 | 46.7 | 0.7 | 1.6 | 0.6 | -1.0 |
| 30-34 | 79.1 | 67.6 | -11.5 | 5.1 | 2.3 | -2.8 |
| 35-39 | 74.0 | 79.4 | 5.4 | 8.9 | 5.0 | -3.9 |
| 40-44 | 72.0 | 69.1 | -2.9 | 9.8 | 8.0 | -1.9 |
| 45-49 | 83.1 | 75.5 | -7.6 | 22.0 | 10.0 | -12.0 |
| 50-54 | 48.9 | 86.4 | 37.5 | 12.8 | 21.9 | 9.1 |
| 55-59 | 81.4 | 55.9 | -25.5 | 17.8 | 12.8 | -5.0 |
| 60-64 | 91.5 | 91.2 | -0.4 | 7.3 | 18.4 | 11.1 |
| 65+ | 64.8 | 73.9 | 9.1 | 14.5 | 21.1 | 6.6 |
| Education of the household head | | | | | | |
| No schooling | 84.4 | 89.0 | 4.5 | 19.9 | 19.9 | 0.0 |
| Some primary | 79.5 | 81.6 | 2.0 | 34.0 | 33.1 | -0.9 |
| Completed primary | 77.1 | 78.7 | 1.5 | 7.3 | 7.0 | -0.3 |
| Some secondary | 75.6 | 70.1 | -5.5 | 24.1 | 21.6 | -2.6 |
| Grade 12/Std 10 | 51.4 | 64.2 | 12.9 | 9.4 | 11.8 | 2.4 |
| Higher | 37.8 | 50.0 | 12.2 | 2.1 | 2.7 | 0.5 |
| Other | 47.1 | 70.6 | 23.5 | 3.1 | 4.0 | 0.9 |
| Total | 71.5 | 75.4 | 3.8 | 100.0 | 100.0 | 0.0 |

Source: Based on HSRC-EPD NDA Survey (2015)

With respect to education there is a clear decrease in the incidence of poverty the higher the education of the head of household. This decrease however does not have a significant impact on overall poverty due to the fact that households with high levels of education have the lowest distribution of the poor, in contrast, for example, to households with heads with some primary school that account for over 30% of the poor within the population.

7.8 POVERTY ERADICATION, GROWTH AND EXIT TIMES OUT OF POVERTY

Given the foregoing this section discusses issues that speak directly to the heart of NDA's mandate of poverty eradication. It does this by estimating the cost of pushing the current population above the poverty line. The growth incidence curve will be used to explore the relationship between growth in income expenditure relative to growth in per capita income over the period under review. With respect to exit out of poverty the Watts index¹³ will be used to estimate the amount of time it would take NDA households who are below the poverty line to exit out of poverty.

7.8.1 Poverty Eradication

In order to estimate the cost of eradicating poverty for 39041 beneficiaries in the NDA projects (344) funded between, 2007-2012 we use the sample estimates with respect to the incidence of poverty and the aggregate income gap. Using the StatsSA (2014) Upper Bound Poverty Line of R620 we estimate that it would have cost R6,394,881 per month, which is equivalent to R 76,738,577 per annum, to keep these NDA beneficiaries above the poverty line. This is equivalent to a monthly cash transfer, assuming a highly efficient transfer system, of R229 to the 27,925 individuals below the poverty line. To get to the latter figure we used the 72% poverty headcount rate, at the R620 line and the number of beneficiaries (39,041) from the NDA administrative data. Given the above annual cost of pushing everyone to the poverty line we estimate that it would have cost R383,692,887 over the 5 years to eradicate poverty from the total population that benefited from NDA funding.

If however, the intention was to target the chronically poor we would use the StatsSA (2014) food poverty line (FPL) of R321. This amount is the absolute bare minimum that's required to meet a household's basic needs. "The FPL is the level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet. Those below this line are either consuming insufficient calories for their nourishment, or must change their consumption patterns from those preferred by low income households" (StatsSA, 2014). Pegging the poverty line at this level and estimating the aggregate poverty gap, gives us the transfer that would be needed to push the chronically poor above the R321 line. Based on our estimates the headcount poverty rate at this poverty line is 37%, applying this to the, 39,041, total beneficiaries means that there would be 14,594 individuals below the R321 line. The total monthly income needed to keep these individuals above this poverty line is R758,863, which amounts to a monthly transfer of R52. This gives an

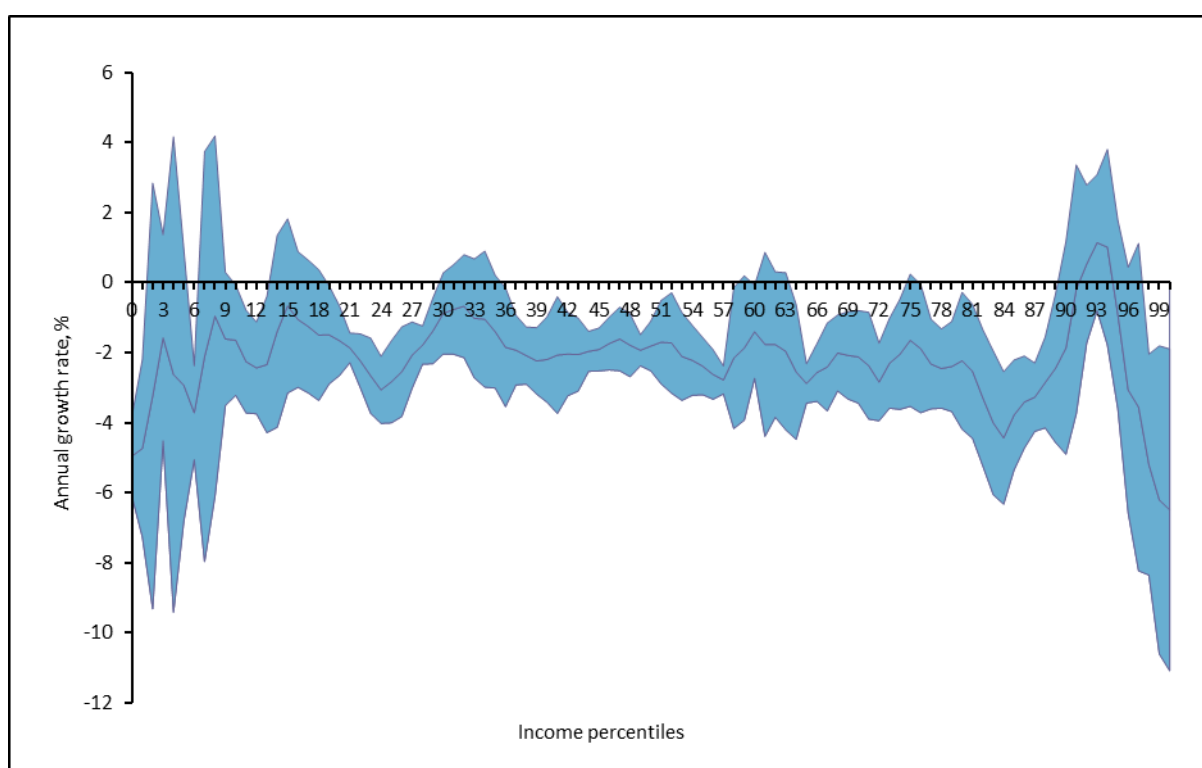
¹³ (Haughton & Khandker, 2009)

annual cost of R9,106,360 which amounts to a cost of R45,531,800 over the 5 years. The latter is the amount that would have been needed to eradicate chronic poverty for NDA beneficiaries.

7.8.2 Poverty and growth in per capita income

As mentioned above the growth incidence curve looks at the relationship between growth in income relative to growth in per capita income over the period under review. To assess whether growth has been pro-poor the growth rate of the lower quintiles has to be greater than the growth at the top. Figure 51, below shows that this was not the case with respect to changes in income over the reference period since growth in the lower quintiles was lower than growth in the upper quintiles. We can therefore conclude that growth was not pro-poor over the reference period.

Figure 51: Growth Incidence Curve NDA beneficiaries



Source: Based on HSRC-EPD NDA Survey (2015)

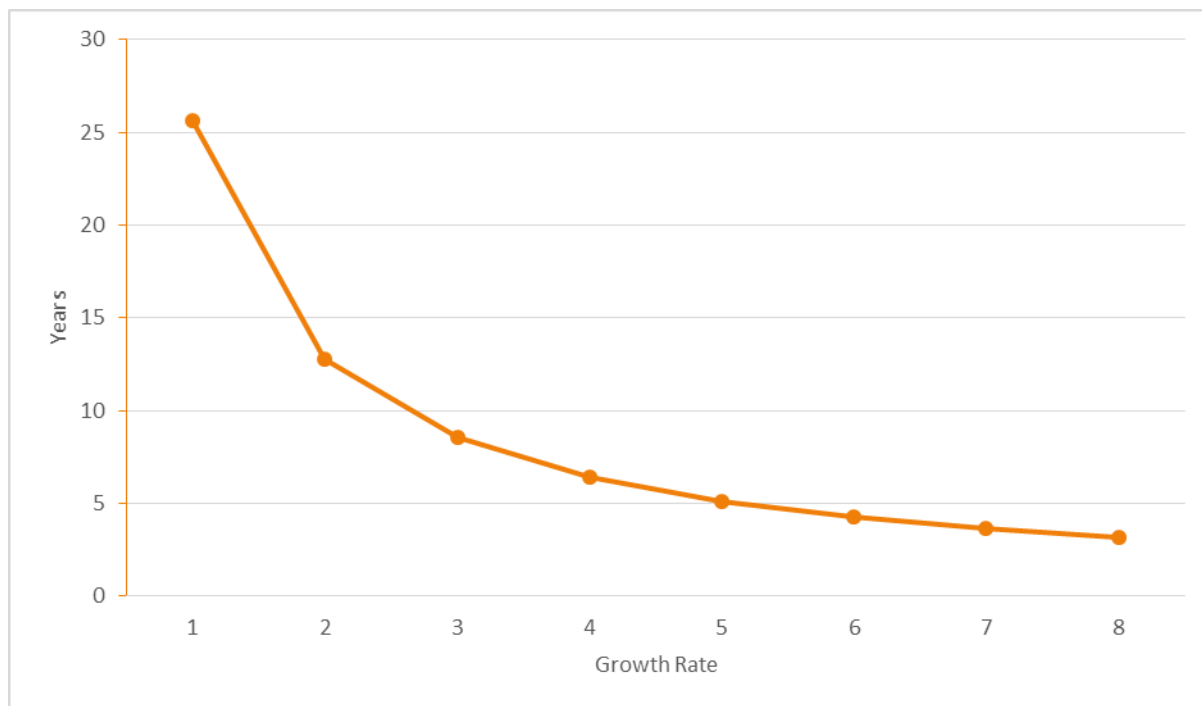
7.8.3 Time to exit poverty

The Watts index is one of the first distributionally sensitive poverty measures, which can be used to estimate time taken to exit out of poverty by dividing it with the growth rate (Haughton & Khandker, 2009)¹⁴. Using per capita income during grant funding and a poverty line of R620, we get an

¹⁴ Haughton, J., & Khandker, S. R. (2009). *Handbook on Poverty and Inequality*. Washington, DC: World Bank. Retrieved from <https://openknowledge.worldbank.org/handle/10986/11985>

estimated Watts index of 63. Figure 54, takes a number of growth rates to assess the average amount of time it would have taken NDA beneficiaries to exit poverty. Assuming everything else is held constant, with a 1% growth in per capita income it would have taken 63 years for the poor to exit out of poverty. This drops to 32 years assuming a growth rate of 2%, it would take a growth rate of 8% to reduce exit times out of poverty to 8 years.

Figure 52: Average Time to exit poverty R620 poverty line



Source: Based on HSRC-EPD NDA Survey (2015)

Contrary to what one would expect it would take a relatively short period of time for the chronically poor to exit poverty. This arises from the fact that we would be pushing the chronically poor above the R321 poverty line at the same time as discussed earlier the average poverty gap for this group at this line is only R51. Assuming a growth rate of 1% it would take 25 years for the chronically poor to reach the R321 poverty line. This would fall to 3 years with a growth rate of 8%.

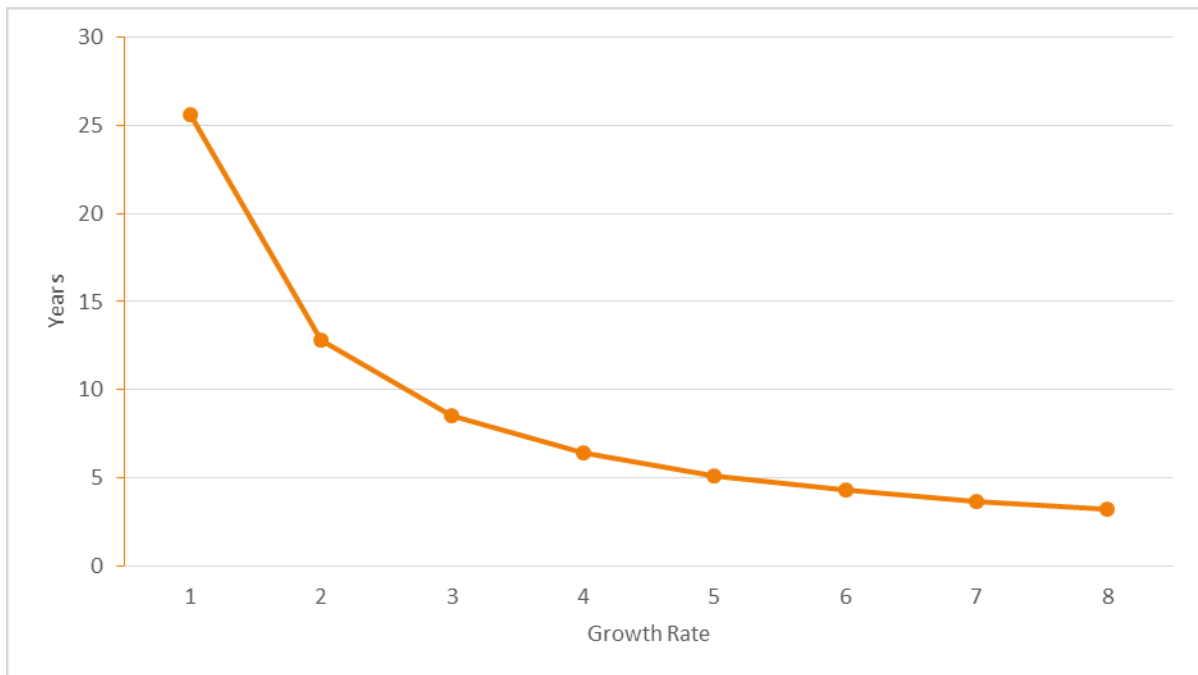
This finding must be borne in mind in the context of the evidence on graduation presented from the BRAC model, implemented in Bangladesh¹⁵ where the poverty eradication model, which combines 5 core elements listed below and which reported a graduation success timeframe of 24 months for households in poverty. These components are:

- Targeting;
- Consumption support;
- Savings;
- Skills training and regular coaching;

¹⁵ Refer to section 2.6.3 of this report.

- Asset transfer

Figure 53: Average Time to exit poverty R321 poverty line



Source: Based on HSRC-EPD NDA Survey (2015)

The reality with respect to the trickle down of growth income to the poor is not as straight forward and is complicated by the fact that South Africa has a lacklustre growth rate over the past three years, growing by 1,3% in 2015, down from 1,5% in 2014 and 2,2% in 2013.

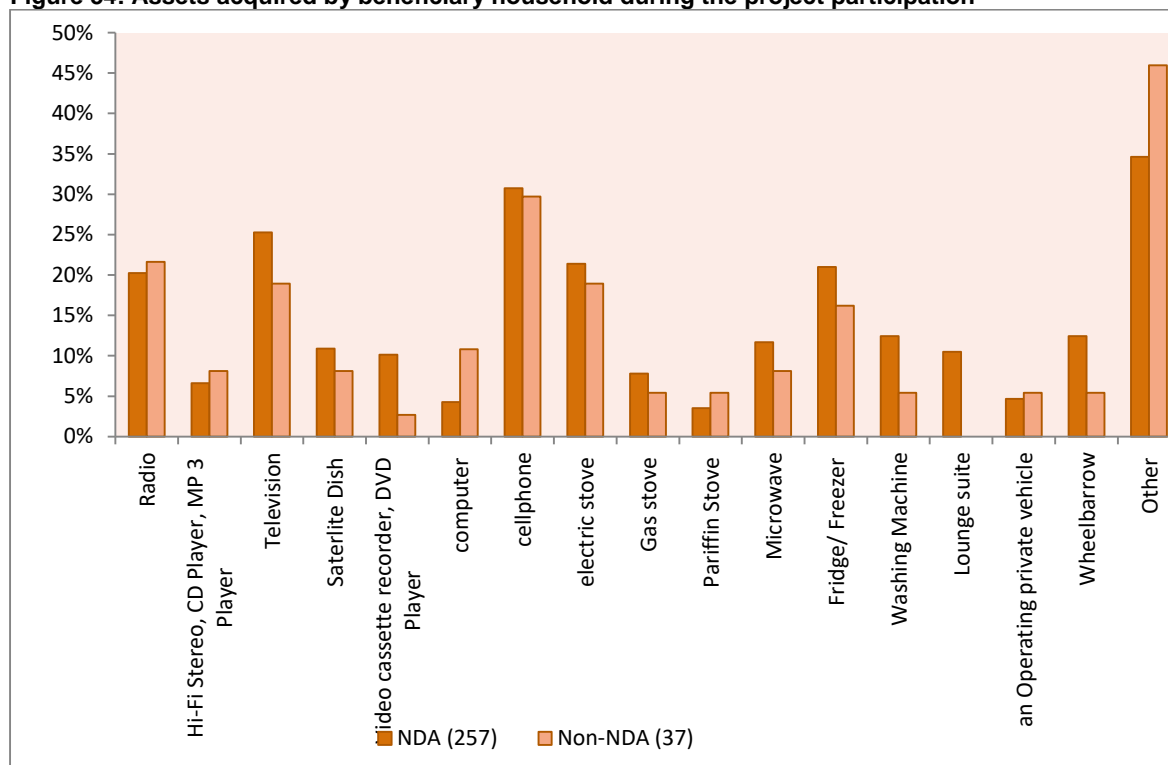
7.9 ASSET STATUS OF HOUSEHOLDS

7.9.1 Household Assets acquired during participation in the project (2007-2012)

The nature and extent to which beneficiary households have access to assets is important in assessing the economic wellbeing of households. This is in keeping with the increasing focus on multi-dimensional measures of poverty based on the work by Alkire and Foster (2011). Ownership of private assets is thus considered an important indicator in measuring economic wellbeing.

The most common assets reportedly acquired during participation in the project included electronic equipment such as cell phones, television, radio, fridge/freezer, electric stove and wheelbarrows. There were small differences reported between NDA and non NDA beneficiaries with a few instances where non NDA beneficiaries had higher levels of access to assets compared to non NDA beneficiary households as reflected in the figure below.

Figure 54: Assets acquired by beneficiary household during the project participation



Source: HSRC-NDA Evaluation Study 2015

7.9.2 Assets acquired by beneficiary households during participation in the NDA project, by theme.

The study went on further to analyse asset acquisition by the participants across the different thematic focus areas. Here it can be clearly seen that beneficiaries involved in income generation were more likely to acquire assets compared to those participating in ECD projects. However in relation to the type of assets accumulated there were no major differences in the type of assets acquired namely cell phones, televisions, radios and fridge/freezers. .

7.9.3 Current Asset Ownership of Beneficiary Households (2015)

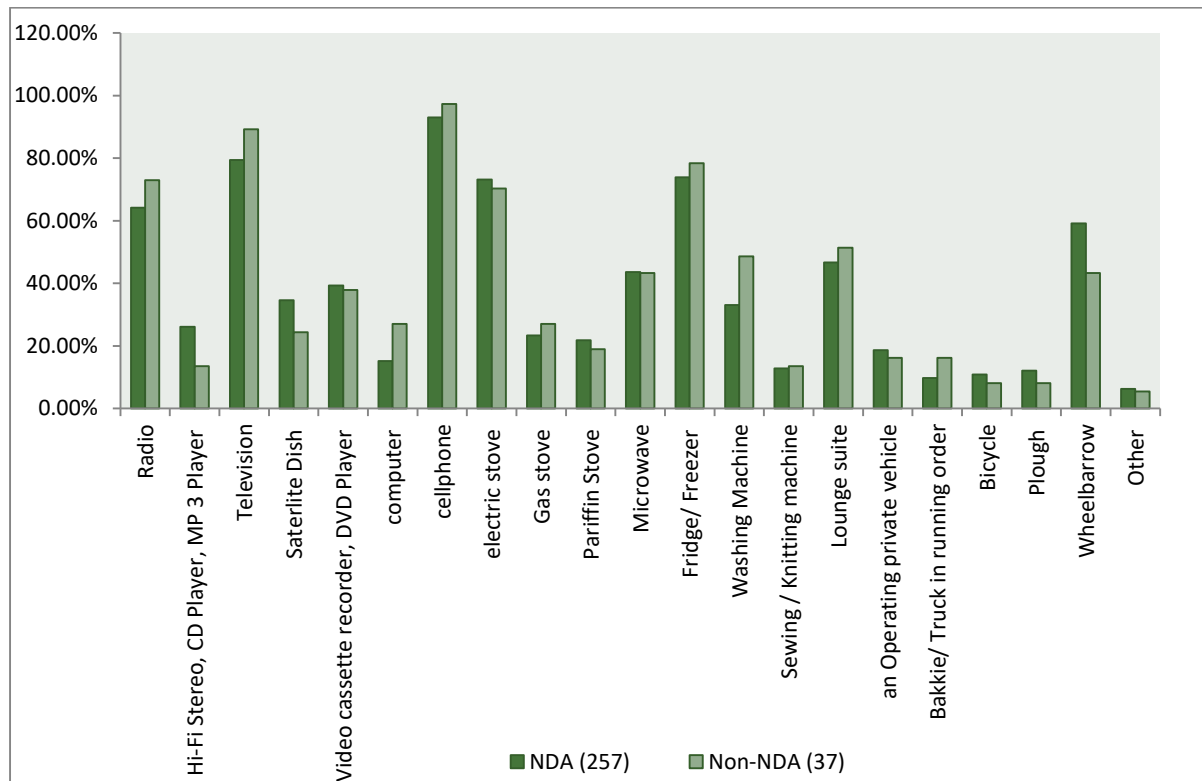
An understanding current asset ownership is aimed at tracking changes in the asset base of households over time in relationship to welfare of households. The following important trends are observed. Firstly that overall asset ownership levels had increased between, 2007-2012 and current period (2015). This is illustrated by the fact that cell phone ownership by NDA beneficiaries increased from 22% during the review period to 93% currently.

Secondly that there was relatively high ownership levels in respect of current assets and small differences between NDA and non NDA beneficiaries:

- 93 % of NDA beneficiaries and 97% of Non-NDA beneficiaries reported owning a cell phone;
- Television ownership by beneficiaries was in the region of +/-80%;
- Ownership of a stove was reported at over 70%;
- Fridge/freezer ownership was over 75%;
- Electric stoves were owned by approximately 65% of households;
- Radios were owned by just over 60% of households.

This asset ownership profile appears to confirm national trends as reflected in the NIDS Wave 2 data for the period 2010/11 (Bhorat et al, 2015). These trends reflect aspirational goals of government to improve access to services such as electricity (e.g. as reflected in the increased use of electric stoves). The reduction in radio ownership must be viewed in relation to the increased ownership of television and the proliferation of cell phone ownership in South Africa. These marked changes cannot be directly attributed only to the participation in these funded development interventions.

Figure 55: Current ownership of assets (2015)



Source: HSRC-NDA Evaluation Study 2015

It is important to isolate possible confounding variables which may have contributed to asset accumulation. To this end the study probed to what extent had participation in the funded project contributed to asset accumulation.

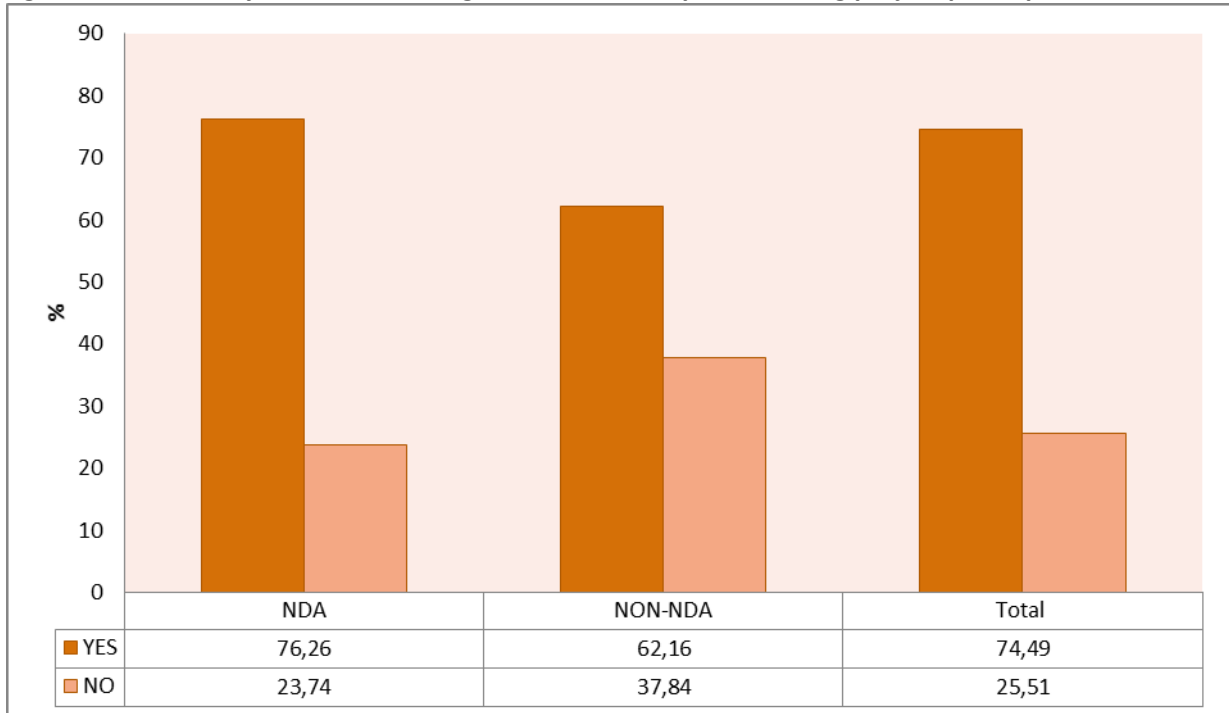
Most respondents (NDA and non NDA) noted that project participation had a limited impact on household asset acquisition with 22% of NDA beneficiaries and 13% of non NDA beneficiaries reporting acquisition of a cell phone as a result of project participation. However, 14% of beneficiaries indicated inability to acquire any assets since the project came to an end, as they were unable to afford this.

During the focus group discussions participants reported overwhelmingly that access to the project stipend income had considerably helped improve their lives. It allowed them to buy products/ things that they would not have been able to afford otherwise such as cell phones, curtains and even homes. This last point is interesting as evidence suggests higher levels of home ownership among the poor, although the quality of the home is not known (STATSSA, 2014).

7.10 BENEFICIARY SKILL AND TRAINING PROFILE

Skills development is essential for enhancing the employability of workers and is seen as key component of initiatives for addressing exclusion from the labour market. Skills development interventions targeted at youth aim to address the deficits of poor educational outcomes.

Figure 56 Beneficiary access to training and skills development during project participation



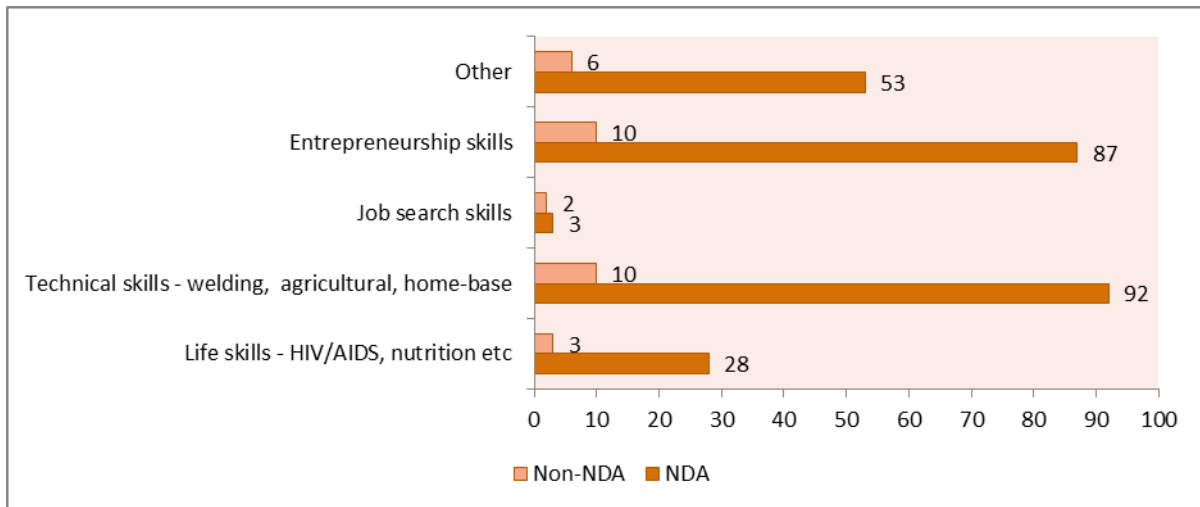
Source: HSRC-NDA Evaluation Study 2015

Across all themes ECD beneficiaries recorded the highest level of access to training; 90% of the ECD beneficiaries indicated that they received training during the course of the project as compared to 75% and 67% of Income generation and food security respectively.

About 76% of the NDA beneficiaries received training as compared to only 62% of the Non-NDA beneficiaries. The high percentage of beneficiaries receiving training can be explained by the NDA requirement that 10% of the project budget be used for capacity building purposes.

7.10.1 Type of training received during the participation in NDA

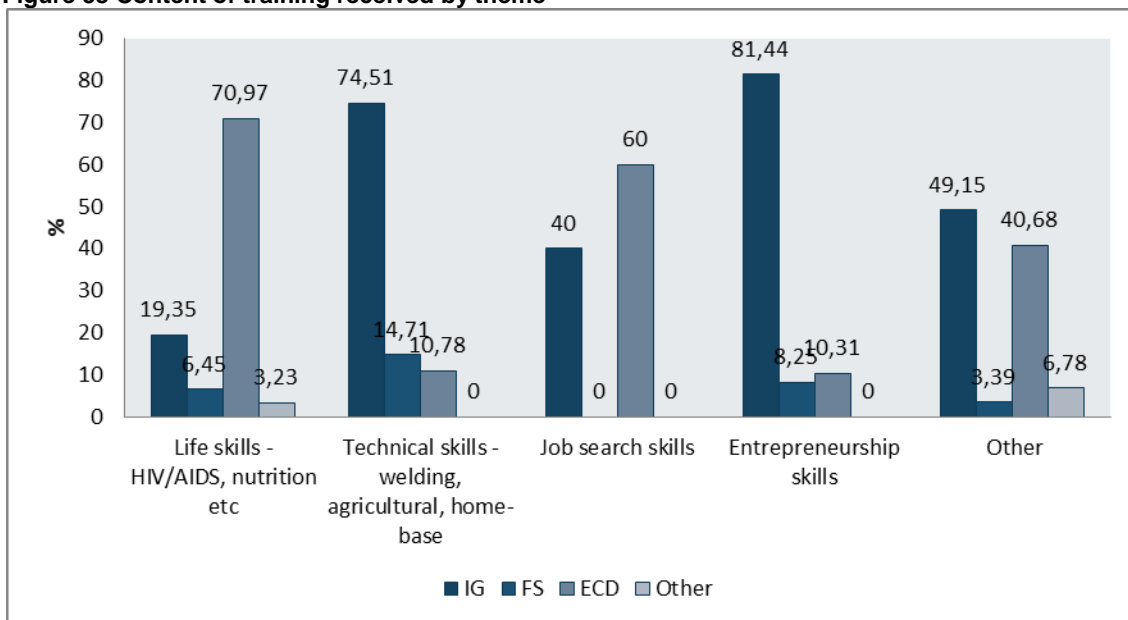
Figure 57: Type of training received



Source: HSRC-NDA Evaluation Study 2015

Training provision appears to have focused on two main areas namely developing on the job technical skills which was reported by 92 beneficiaries and entrepreneurship skills which 87 beneficiaries reportedly had access to. About 74.51% beneficiaries received technical training in the field of management, finances and governance training were beneficiaries of income generating projects. On the other hand, more than 70% of the beneficiaries in the ECD projects received life skills training, such as conflict management and basic human resource training.

Figure 58 Content of training received by theme



Source: HSRC-NDA Evaluation Study 2015

Training received by NDA beneficiaries is recommended by the respective Development Manager in charge of the project, with the responsibility for sourcing the training provider being held by the capacity development officer at the national office. The duration of the training varied from CSO to CSO and according to need of the project.

In some cases the NDA managers reported that individuals who attended training, left the project once they received better employment offers and meant a loss of this skill to the project. To overcome this challenge the NDA required that the CSO send two people per project to attend training to ensure that skills were retained within the project. This was reported to have proven helpful in ensuring the sustainability of the project. It was not possible to assess how serious this problem of retention was following exposure to training.

7.10.2 Value of skills development or training received

About 38% of the respondents indicated that the training was of major value for skills development and job searching. ECD respondents were probed about the value of the training received in relation to enhancing the quality of ECD services they were delivering. About 84% of the respondents strongly agreed that the trained enhanced the quality of ECD services.

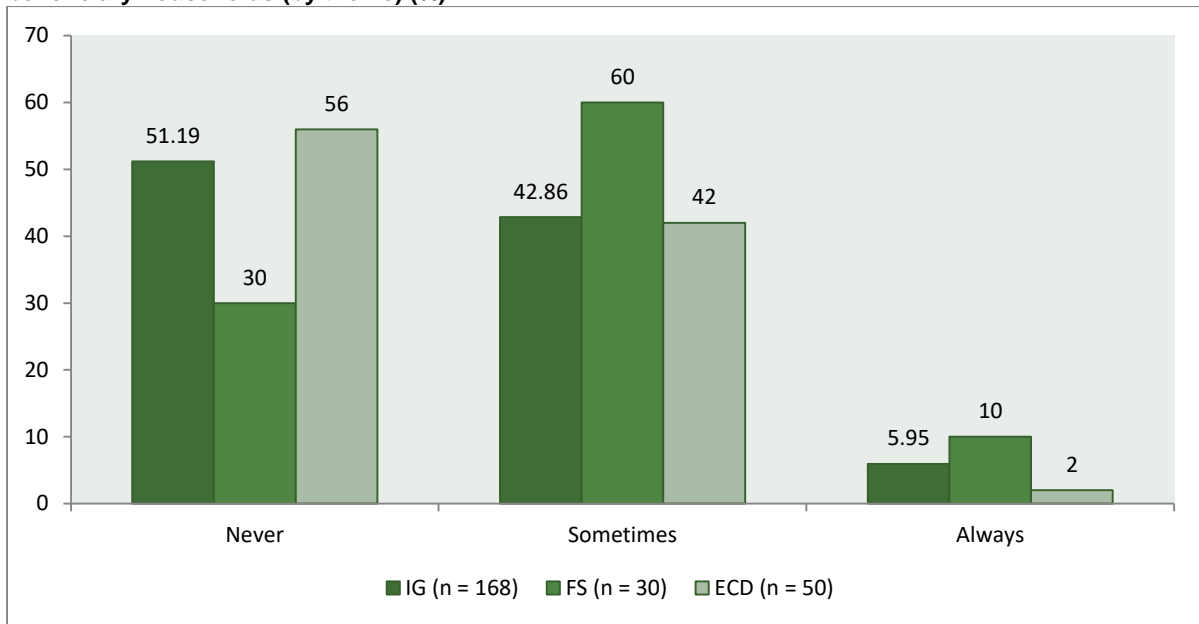
Similarly more than two thirds of both food security and income generation project participants confirmed that training had enhanced their skills. This was confirmed by beneficiary Focus group, where participants mentioned that even though the NDA project ended they have the skills to continue the project. Furthermore, in the case were the projects closed, beneficiaries reported that the retained skills would assist with securing another job. The evidence available does not allow for verifying if this had been a concrete outcome. Food and Nutrition Status of Beneficiary Households in Study Sample

A household can be regarded as food-secure if it has access to food needed for a healthy lifestyle. The food available must be adequate in terms of quality, quantity and safety, and must meet the cultural expectations (Armar-Klemesu, 2000). This section was focused on how participation of the households in the project had lifted the households out of food insecurity and improved household nutrition. Access to food is a function of availability of food, affordability and access to means of producing food. In the South African context, access to cash income improves food security of a household, as it will be able to access food by purchasing food as the main form of access to food.

The study probed a number of questions relating to food access, availability and food sufficiency.

60% of food security participant households noted that they did worry about running out of food. This suggests that food production does not provide a consistent source of food for the household.

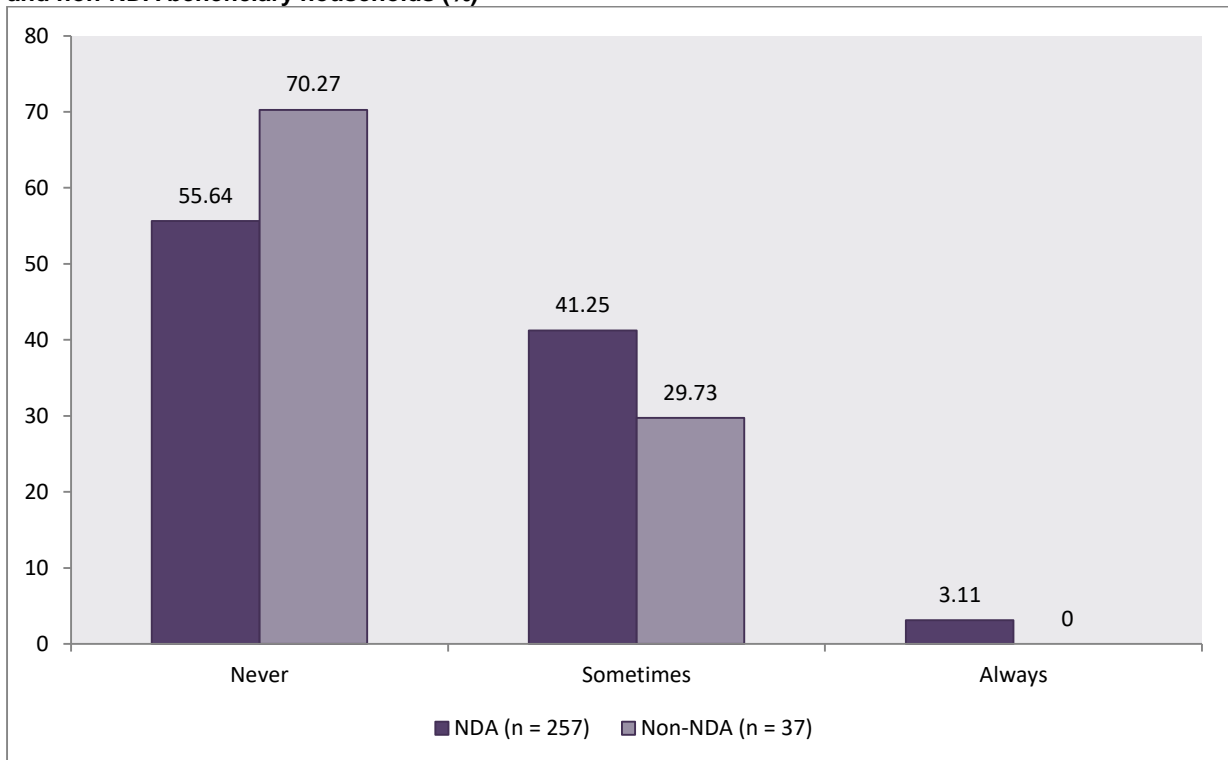
Figure 59: “Was there a time when the family was worried that it would run out of food?” for NDA beneficiary households (by theme) (%)



Source: HSRC-NDA Evaluation Study 2015

However in response to whether there the family had been unable to eat healthy food in a particular time, more NDA households (41%) reported this as sometimes compared to non NDA households (30%).

Figure 60: “Was there a time when the family was unable to eat healthy and nutritious food?” for NDA and non-NDA beneficiary households (%)



Source: HSRC-NDA Evaluation Study 2015

In respect of dietary diversity almost half of the NDA beneficiaries reported that sometimes the family ate only a smaller variety of food. Just under a quarter of all households (23% for NDA) and 21% for non NDA) reported skipping a meal sometimes as a coping strategy.

Approximately a third of NDA households ran out of money sometimes to purchase food and slightly lower 27% of non NDA households ran out of funds. The discernible difference was with 50% of food security participants who reported running out of funds sometimes to purchase food. A fifth of households reported sometimes having a family member being unable to satisfy their hunger or staying hungry the whole day. This was particularly pronounced for food security participants (47%) who reported this as occurring sometimes.

The study probed the food and nutrition security status of children in the households. About a fifth of households reported that children under 5 had been unable to eat healthy food due to lack of funds. This was more pronounced for food security participants where 30% reported this as occurring sometimes compared to 24% for income generation and 12% for ECD beneficiaries.

Lack of funds was cited as the main reason by NDA beneficiaries (75%) for the inability to provide sufficient and nutritious food for children. In contrast significantly fewer non NDA beneficiaries (43%) reported this. Food shortages were experienced by 34% of NDA beneficiaries compared with 27% of non NDA beneficiaries and 60% of food security households reported food shortages, which is almost double that of the other beneficiaries in income generation and ECD

The study explored whether participation in the project had contributed to reduced incidences of hunger. It is clear from the above that while participation in the project has reduced incidences of hunger and the ability to access nutritious food has improved it would appear that the livelihoods levels generated from the project are not sufficient to enable graduation out of hunger for most of the households.

7.11 HEALTH STATUS

7.11.1 Chronic illness in household

It is widely accepted that health and wellbeing outcomes are socially determined by the conditions in which people are born, grow and live. These in turn are influenced by external factors such as economic, political and social policies pursued by governments. Evidence suggests that the poorer a person is, the poorer their health status. Examples of this include the infant mortality rate which is much higher for households in the lower quintiles, or lower life expectancy rates for poorer individuals (WHO, 2014).

The impact of burden of disease on households is significant for a number of reasons, as outlined by the WHO (2009):

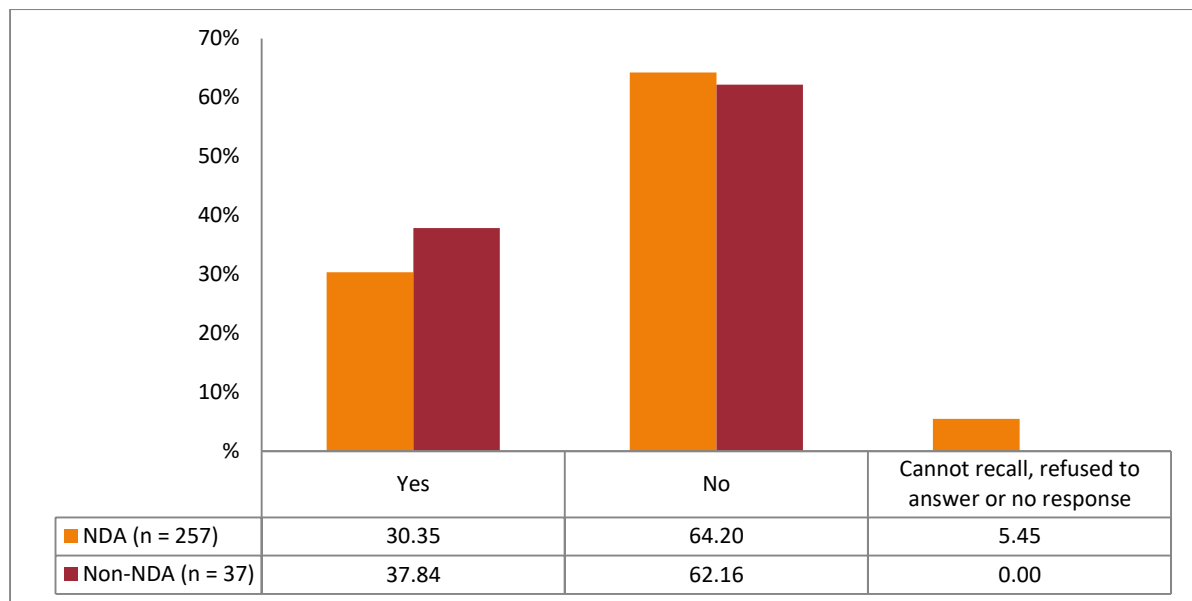
- Firstly, illnesses and deaths reduce the number of economically active adults available in a household to contribute to economic wellbeing of the household;
- It places a greater burden of care for chronically ill household members on the other household members, which is highly gendered, with care work being predominantly the concern of women and young girls;
- It reduces the amount of resources available to the household for consumption as household economic resources are used to address the health care needs of the sick household members.

In order to assess the health status of the households the respondents were asked about whether there were chronically ill household members. About a third of NDA beneficiaries reported having a family member who was chronically ill, while 46% of non-beneficiary household had chronically ill household member. Majority of the households had 1 chronically ill person although just under 20% of NDA households and 29% of non NDA households had 2 chronically people.

The findings reflect the high burden of disease that accompanies the scale of underdevelopment and poverty in South Africa. This is particularly relevant at household level as the care of such household members is largely borne by family members mainly women and unpaid work. .

7.11.2 Access to health care

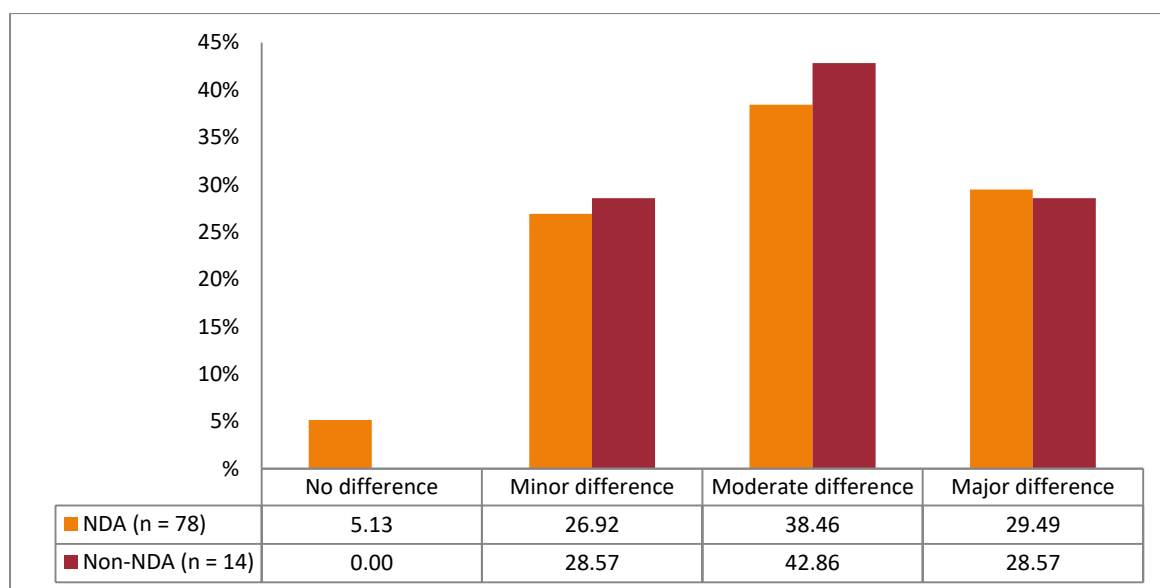
Figure 61: Access to health care arising out of participation in the funded project



Source: HSRC-NDA Evaluation Study 2015

30% of 257 NDA beneficiaries and 38% of 37 non-NDA beneficiaries indicated that the project played a role in their ability to access health care.

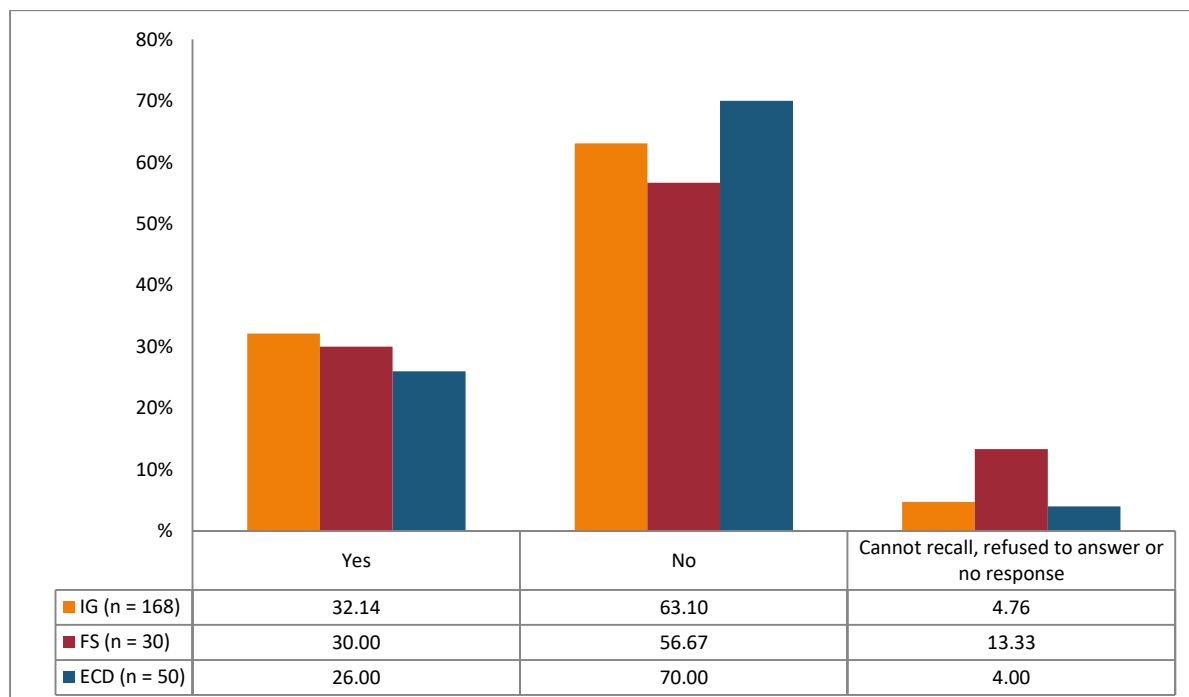
Figure 62: Responses to what difference the project made in accessing health care for NDA and non-NDA beneficiaries



Source: HSRC-NDA Evaluation Study 2015

Both NDA and non NDA beneficiaries reported that the project participation had contributed significantly to enhancing access to health care for their households. At a thematic level similarly about a third of respondents across all thematic projects indicated value of participation in enhancing access to health care.

Figure 63: Improved access to health care for NDA beneficiaries by project theme



Source: HSRC-NDA Evaluation Study 2015

7.12 CHILDREN AND EDUCATION

Children's access education is important factor in assessing the socio economic status of the household. The National Development Plan: Vision 2013 (NPC, 2011) recognises education as a gateway for promoting social wellbeing, and more importantly, for enabling individuals to achieve their full potential economically and socially.

This section explored the extent to which children in beneficiary households accessed early childhood development services and were able to ensure regular school attendance. About a third of beneficiary households had children in the 0-4 age cohort.

7.12.1 ECD access by children in beneficiary households

Approximately a third (32%) of NDA beneficiary households had a child between the ages of 0-5 years. Of those households with young children approximately 33% of NDA beneficiary households and 29% of non-beneficiary did not access any ECD service or facility for children.

Across themes ECD beneficiary households recorded the highest percentage (70%) of children attending ECD facilities as compared to food security and income generation beneficiary households which reported only 40 and 55% of children accessing ECD services respectively. This trend is expected, the understanding being that if a member of a household is involved in ECD then that the household has better access to ECD and more importantly better understanding of the importance of ECD in children's development.

The main type of ECD service accessed was either a crèche or preschool centre for all households and across all thematic focus areas.

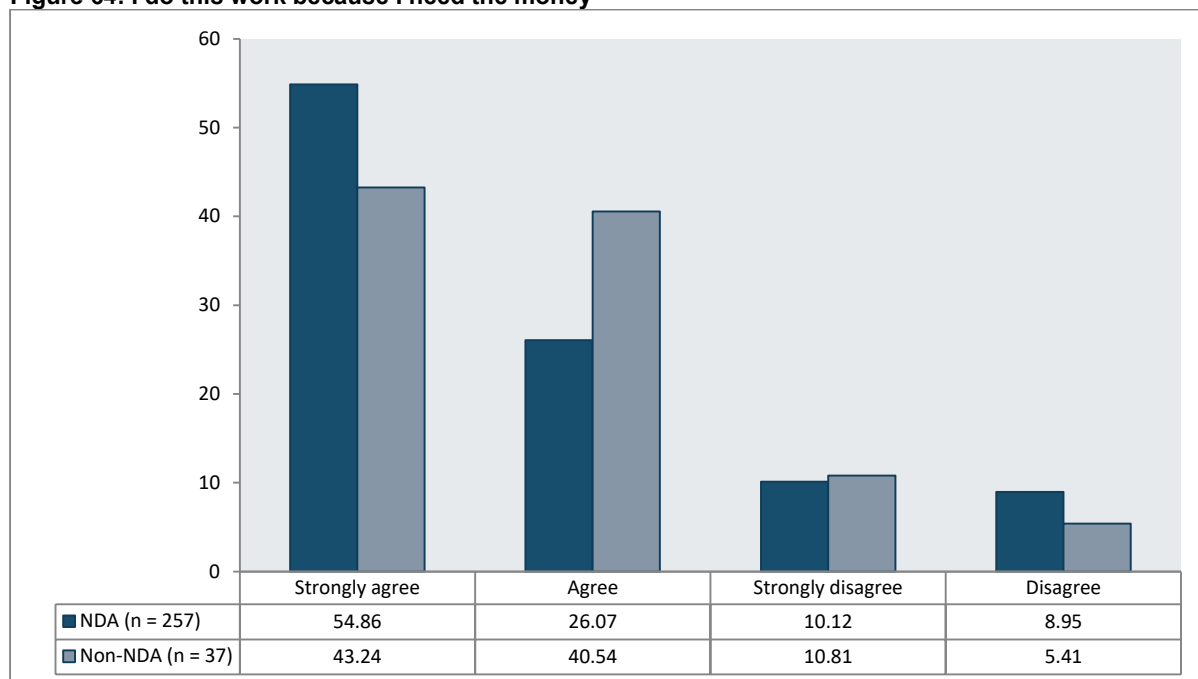
7.12.2 Regular school attendance by children under 15 years

The study findings showed that the overwhelmingly majority of children under 15 years were attending school across of all beneficiary households (98% for NDA and 91% for non NDA beneficiaries). A quarter of NDA beneficiaries and 17% of non NDA beneficiaries noted the great extent to which project participation had assisted with school attendance.

7.13 GENERAL EXPERIENCE OF EXPOSURE TO NDA FUNDED SUPPORT

7.13.1 Motivation driving participation in development projects

Figure 64: I do this work because I need the money”



Source: HSRC-NDA Evaluation Study 2015

The need to sustain a livelihood is clearly the overarching motivation for involvement in projects for both NDA and non NDA beneficiaries (approx. 80%) even though the income levels reported have been low. This was echoed by participants across all thematic focus areas.

Another strong motivating factor is the importance that participants assigned to the work being undertaken with 74% of NDA beneficiaries and 68% of non NDA beneficiaries reporting that the work was important.

7.13.2 Awareness of funded project

42% of NDA beneficiaries and 47% of the non-NDA participants reportedly heard about the project through a friend or neighbour. 17% of the NDA beneficiaries heard of the project through government officials.

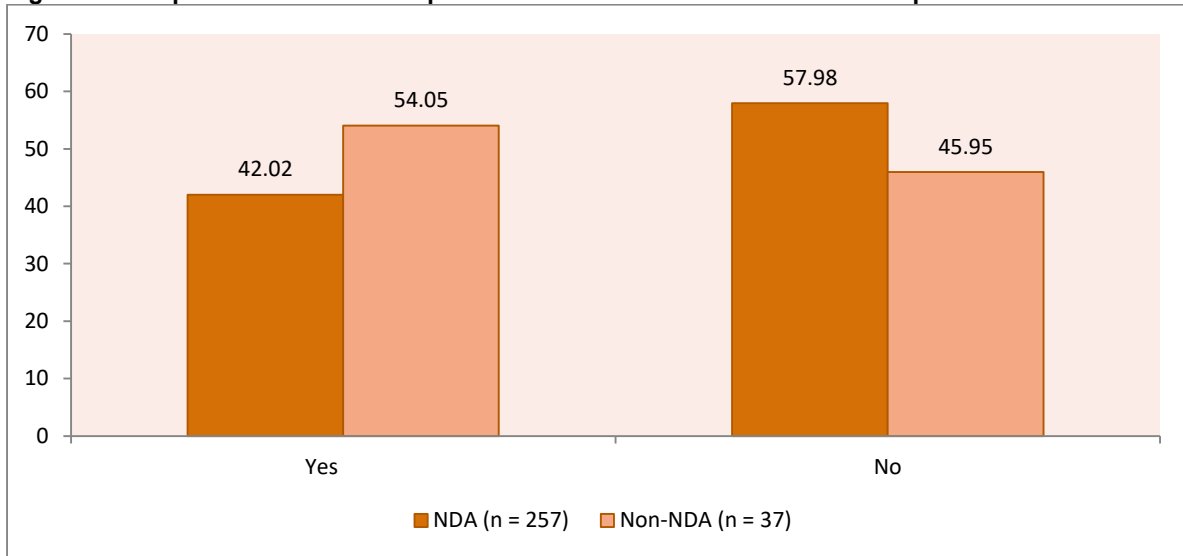
7.13.3 Targeting of beneficiaries

Most beneficiaries believed they had been randomly selected (37%) or targeted as specific beneficiaries namely women or youth.

7.14 PERCEPTIONS OF HOUSEHOLDS POVERTY STATUS

This section looks at subjective perceptions of the beneficiary's assessment of its household's socio-economic status. With respect to perceived socio-economic status by beneficiary type, the figure below, shows that 42% of NDA beneficiary households did not consider themselves to be poor, relative to more than half (54%) of non-NDA beneficiary households, who considered their household to be poor.

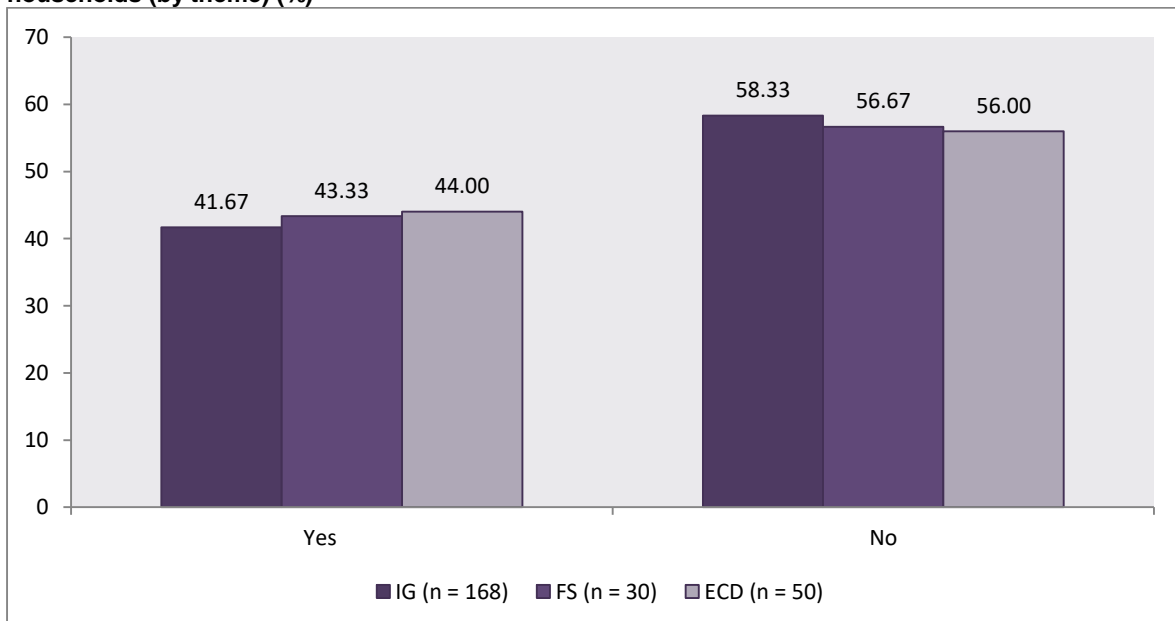
Figure 65: Responses to whether respondents consider their households to be poor



Source: HSRC-NDA Evaluation Study 2015

The figure below, shows a comparison of NDA beneficiaries by thematic focus. Consistent with the above findings there are slightly more IG respondents (58%) who do not consider themselves to be poor.

Figure 66: Response to whether respondents consider their households to be poor for NDA beneficiary households (by theme) (%)

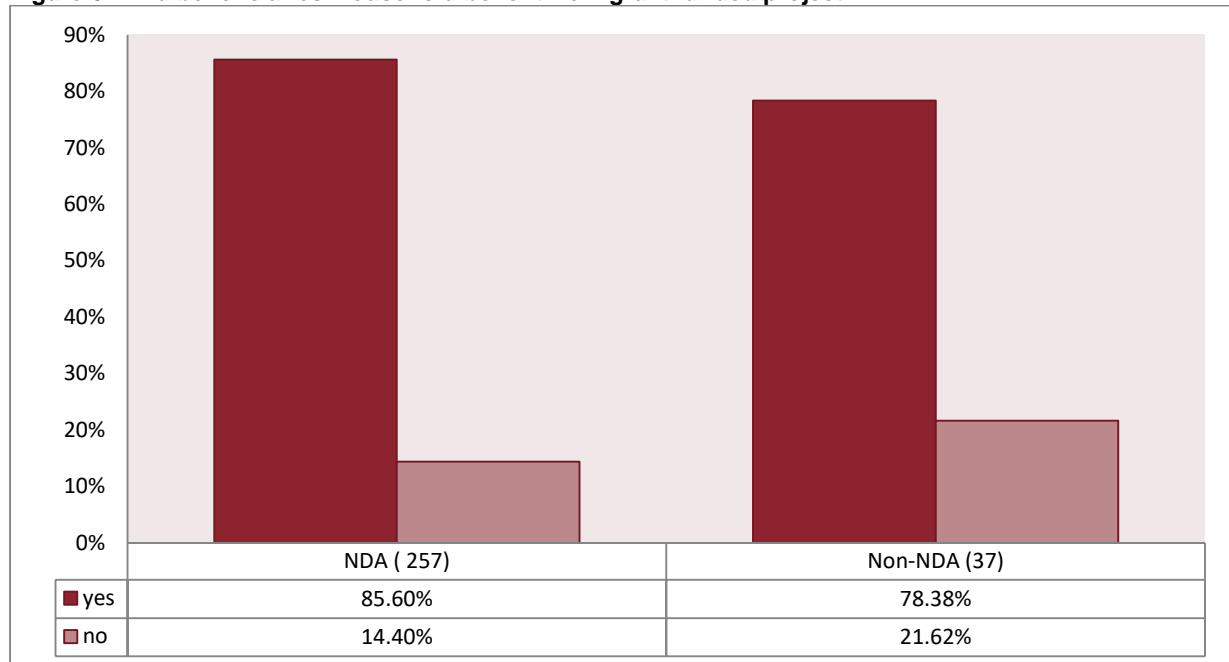


Source: HSRC-NDA Evaluation Study 2015

7.15 IMPACT OF FUNDED SUPPORT FOR BENEFICIARY HOUSEHOLDS

7.15.1 Impact of grant funding on Household Wellbeing

Figure 67: Did beneficiaries' household benefit from grant funded project?



Overwhelmingly both NDA and Non- NDA beneficiaries stated that their households had benefitted from the project. This was also true for beneficiaries across the thematic focus areas.

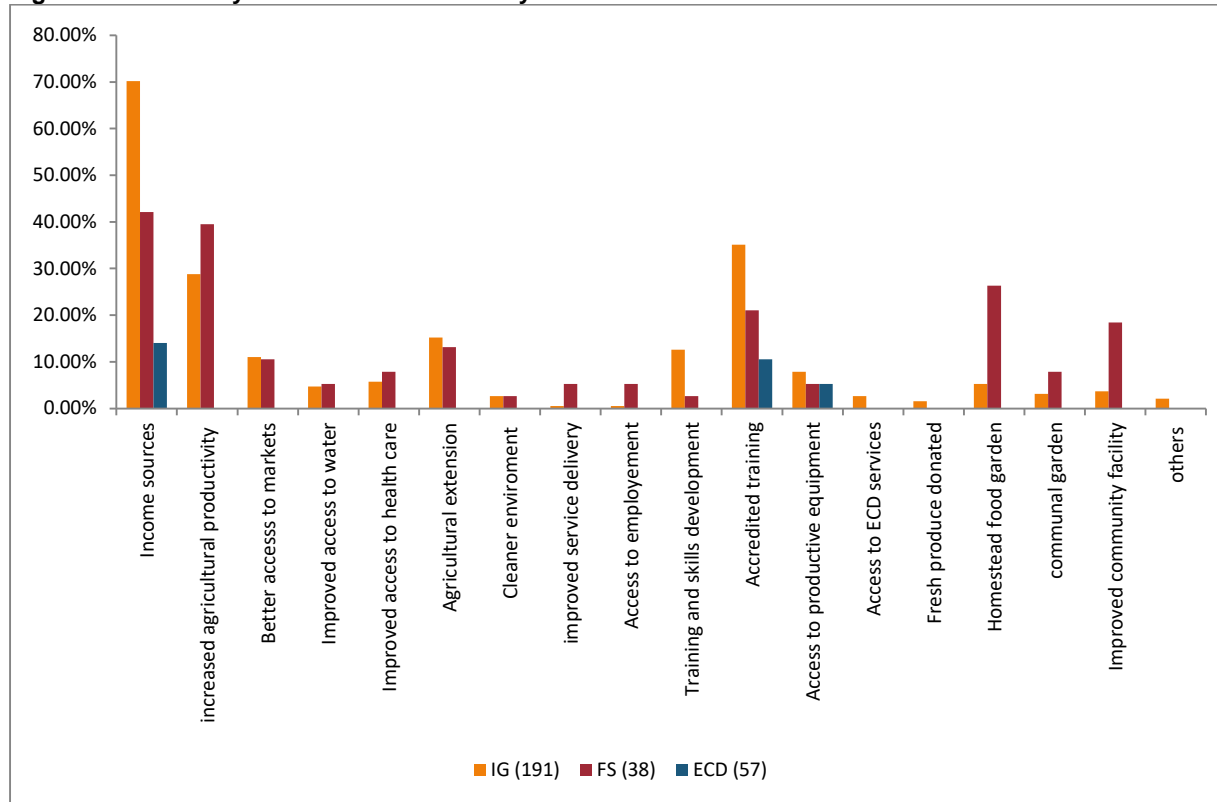
The value of participation for beneficiary households is captured in five main responses:

- access to income;
- provided, access to employment;
- skills and training;
- access to fresh produce;
- agricultural extension support.

Benefits for households of participation in thematic focus areas included the above but more nuanced responses were as follows

For income generation participants it was access to income, access to accredited training and improved access to markets. For ECD participants the value was in the income received and access to accredited training. For food security participants the value included income, agricultural extension support, productive equipment, homestead food gardens and improved community facilities. Details are outlined in the table below.

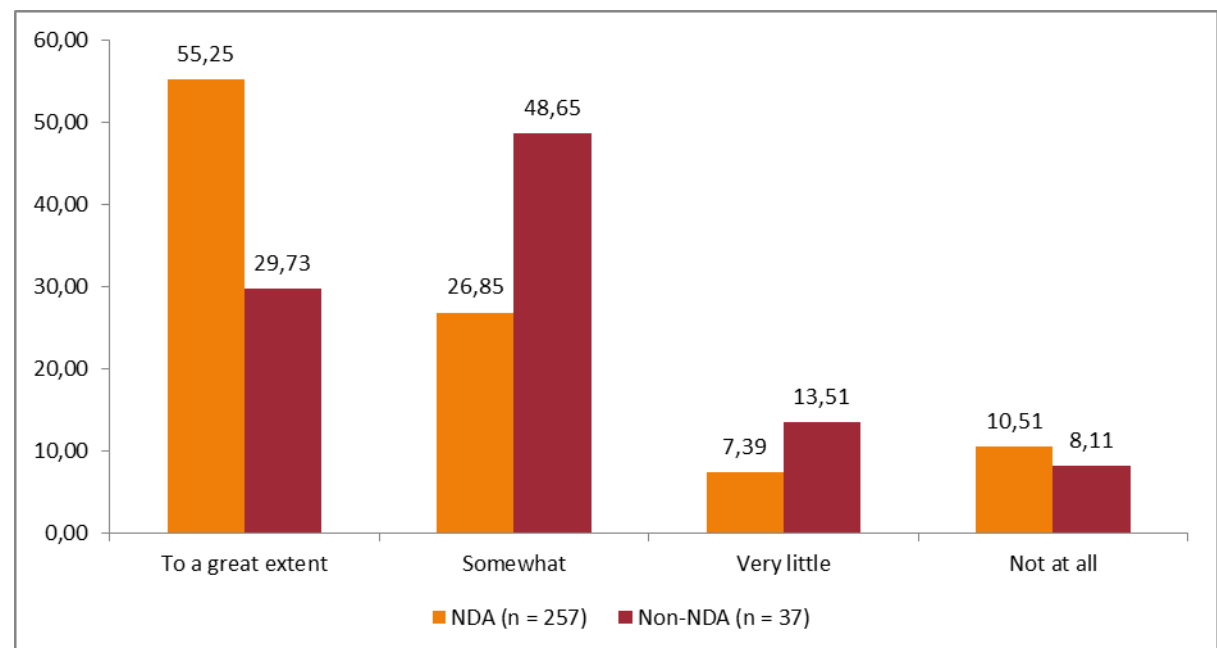
Figure 68: How did your household benefit by theme?



Source: HSRC-NDA Evaluation Study 2015

Exploring the Quality of Life improvements of beneficiaries reflects a growing appreciation of the importance of capturing participant’s perceptions of satisfaction with their situation. It seeks to explore issues of respondent’s wellbeing and general satisfaction with their lives at given time.

Figure 69: Did participation in the project improve your quality of life

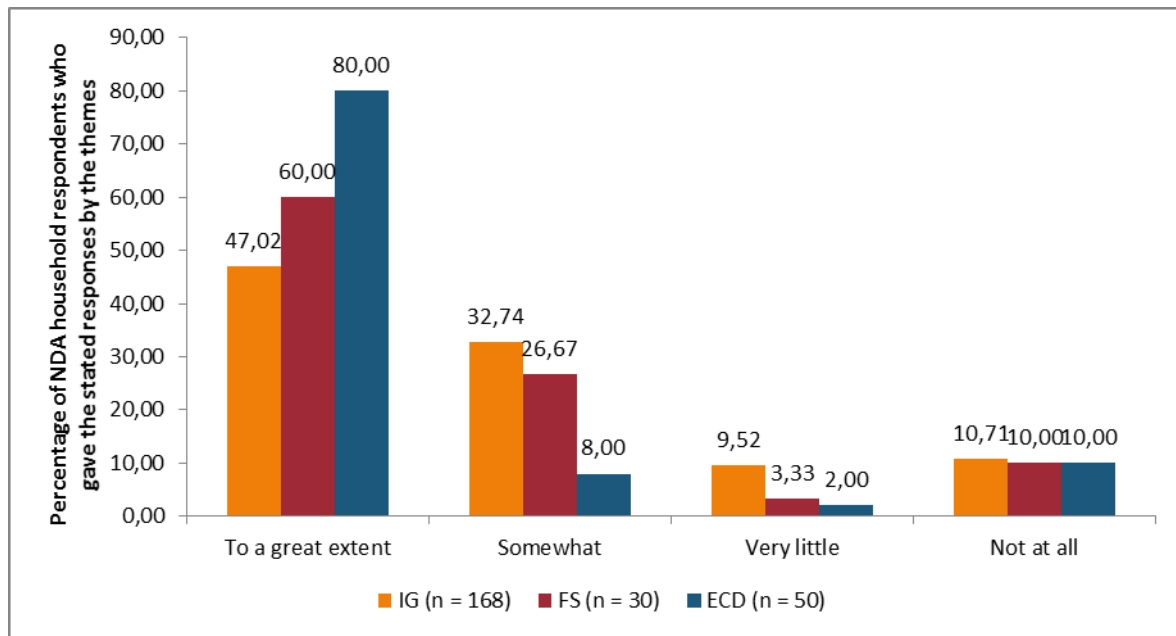


Source: HSRC-NDA Evaluation Study 2015

More than half of (55.25%) NDA participants and 30% of non-NDA participants reported great improvement in their quality of life.

On a thematic level, overwhelmingly ECD project participants (80%) reported experiencing highest improvement in their quality of life, followed by Food Security project participants (60%) and lastly Income generation project beneficiaries (47%) as reflected in the table below.

Figure 70: Did participation in the project improve your quality of life?



Source: HSRC-NDA Evaluation Study 2015

7.15.2 Changes to Household Welfare arising from participation in project.

Respondents were probed as to their perceptions of their household situation now in comparison to the time when they were not working on the project. 41% of NDA beneficiary household respondents said that their household situation was much better, while this was reported for 24% of non-NDA beneficiary households, Unpacking the responses to this question of how household situation has changed by the theme of the project for NDA beneficiary households, 66% of NDA beneficiary household respondents and 46% non-NDA beneficiary household respondents reported that household income had increased. Similar results were found across the thematic focus areas with 68% of IG and ECD respondents and 50% of FS respondents reporting such improvements.

In order to understand the factors contributing to these positive perceptions of improved quality of life the study explored the main sources of income and found that income from the project (including stipends) only contributed to 12.5% to ECD households yet these respondents noted that their quality of life had improved greatly. This is very important as it relates to the non-monetary value of participation for example in enhancing skills levels, providing an opportunity to work, self-esteem and other related factors.

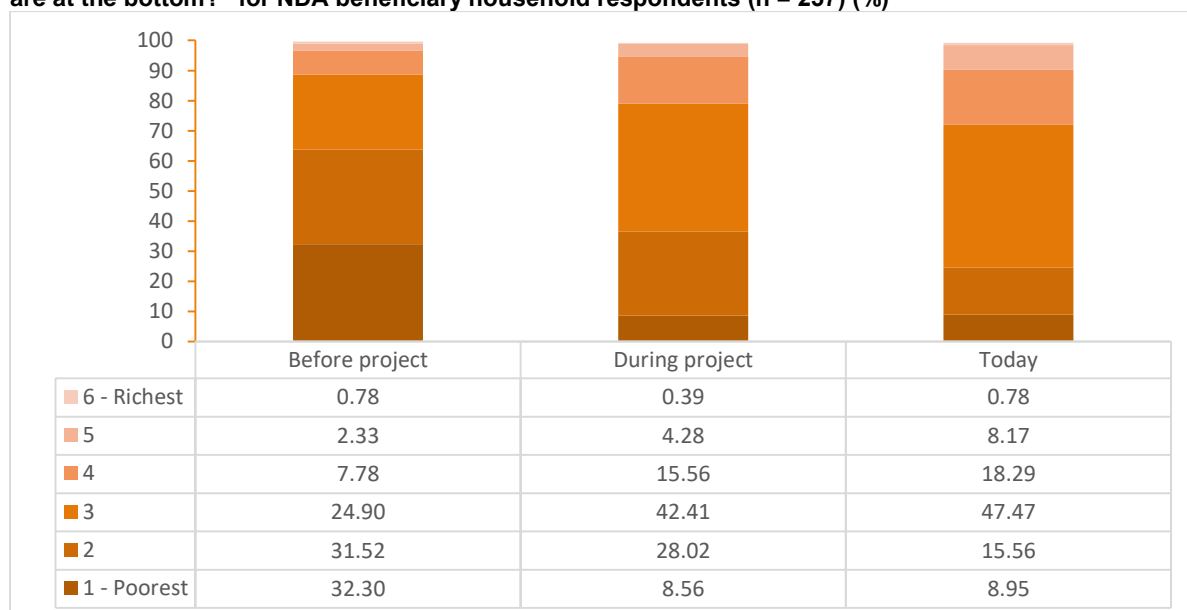
Figure 71: Main sources of income for those NDA beneficiary household respondents who said the project changed the quality of their life to a great extent (by theme) (%)



Source: HSRC-NDA Evaluation Study 2015

During the study respondents undertook a self-evaluation exercise during which they were asked to imagine a six step ladder where the poorest people in South Africa stand on the bottom (the first step) and the richest people in South Africa stand on the highest step (the sixth step) and to place their household on the ladder at the start of the programme, during the programme and at present. Of the 32% who had reported being on the lowest rung of the ladder prior to project funding only 8.5% self-reported their household being on the same rung currently. Across all the rungs of the ladder pre-project participation all participants indicated that their household situation had improved significantly.

Figure 72: Responses to “On which step was/is your household on a six step ladder where the poorest are at the bottom?” for NDA beneficiary household respondents (n = 257) (%)



Source: HSRC-NDA Evaluation Study 2015

Figure 73: Responses to “On which step was/is your household on a six step ladder where the poorest are at the bottom?” for non-NDA beneficiary household respondents (n = 37) (%)

Source: *HSRC-NDA Evaluation Study* 2015

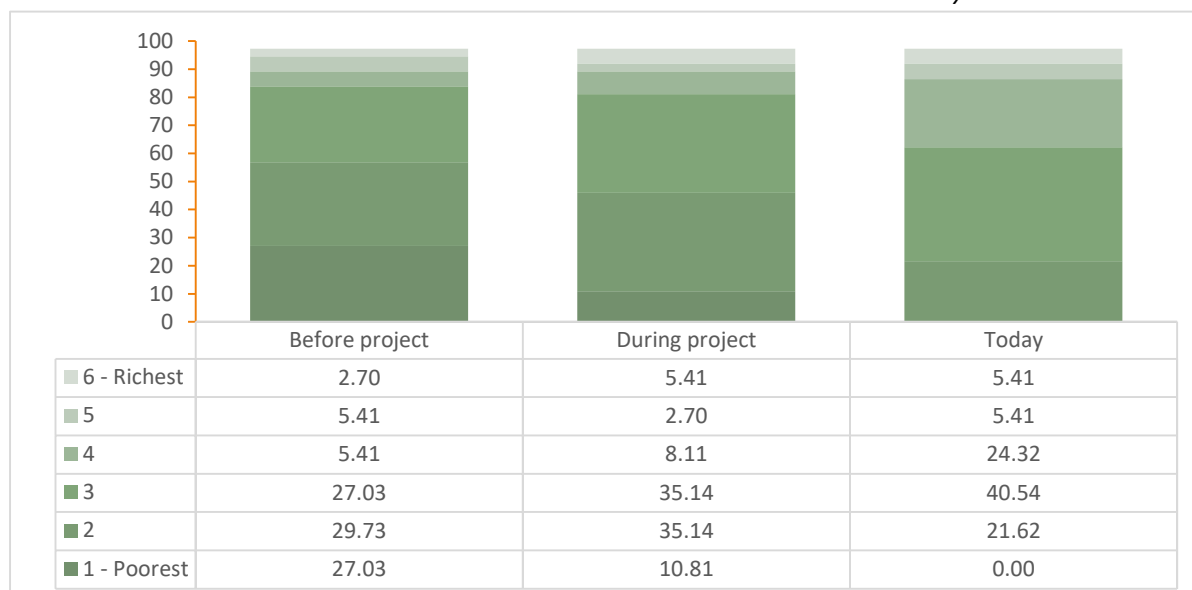
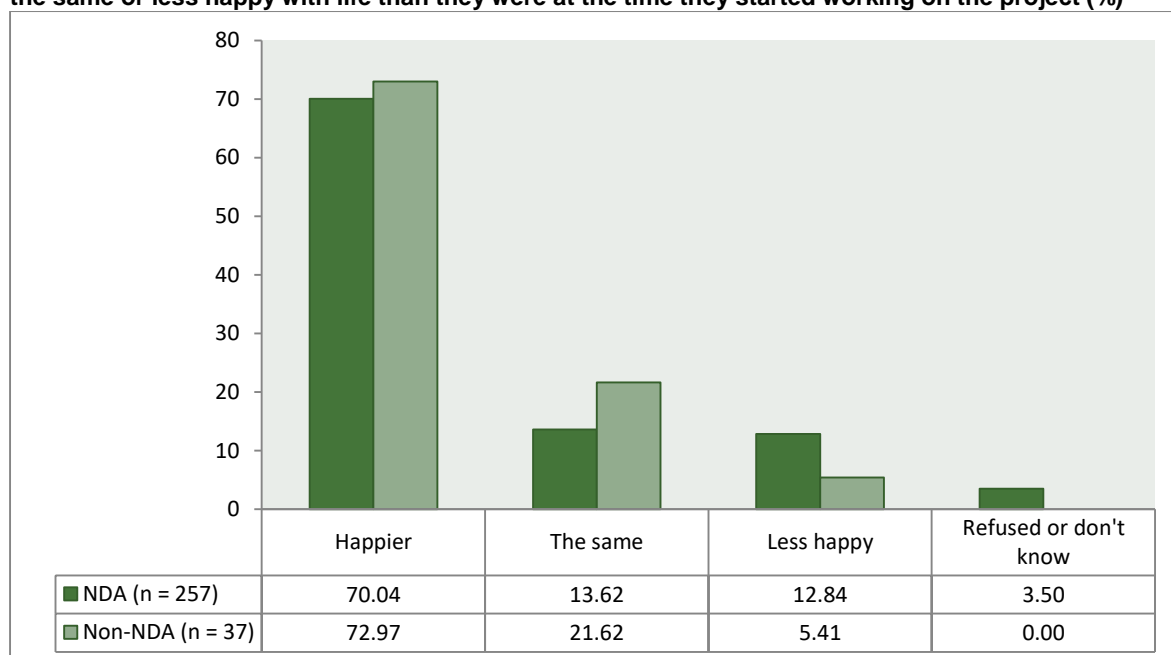


Figure 74: NDA and non-NDA beneficiary household respondent responses to whether they are happier, the same or less happy with life than they were at the time they started working on the project (%)

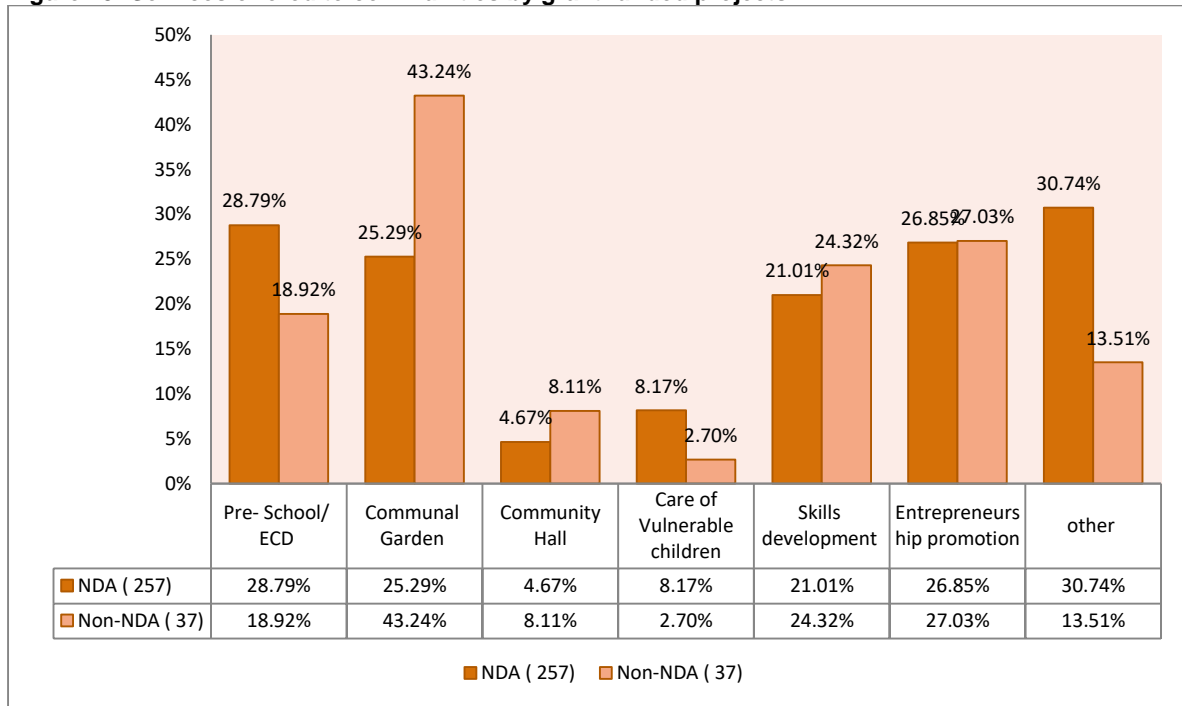


Source: *HSRC-NDA Impact Evaluation Study (2015)*

Majority of the respondents across all beneficiary groups indicated that they were happier with life compared to when they first started working on the project.

7.15.3 Impact of grant funding support for Community

Figure 75: Services offered to communities by grant funded projects



Source: HSRC-NDA Impact Evaluation Study (2015)

All projects were found to offer the community access to a range of services and facilities including pre-schools, communal gardens, skills development and entrepreneurship training. Other services (37%) that were offered included: access to employment, catering, sewing, the sale of fresh produce at a lower rate, recycling and transportation.

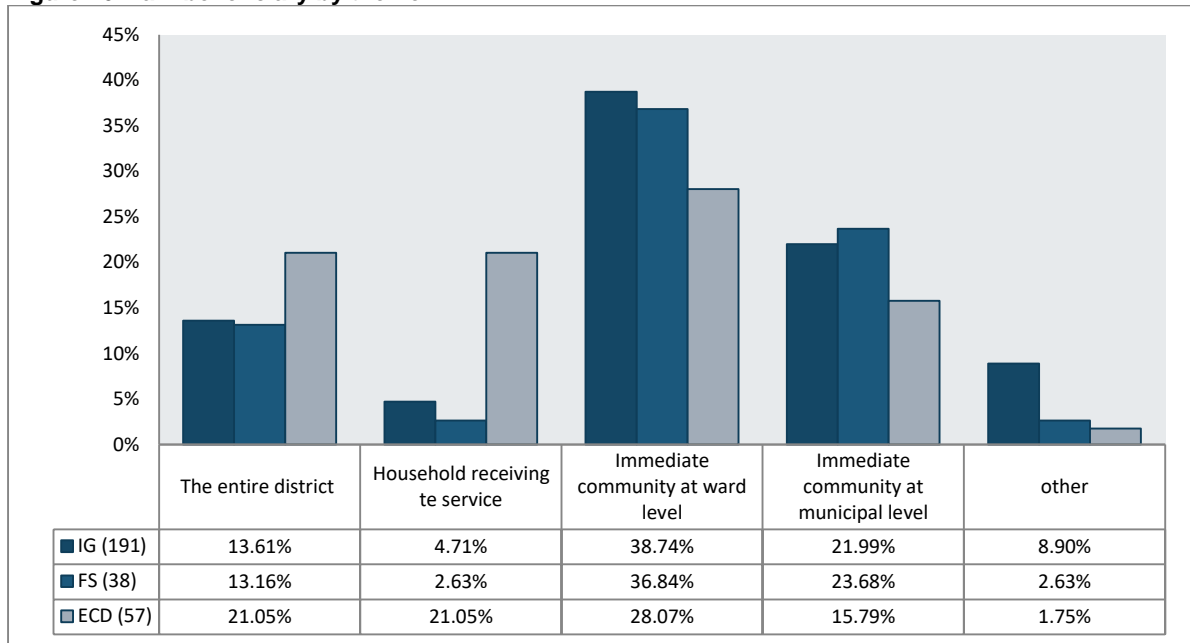
Overwhelmingly project managers, beneficiaries and community stakeholders indicated that NDA grant funding had significantly improved the lives of the beneficiaries, who could now afford things they couldn't before. It was reported that project income or stipends helped to contribute to the building and renovation of homes, purchase of furniture, buying groceries and paying for children's education. It was also reported that food security projects had generated sufficient produce for sale to the community as well as for distribution as food solidarity offerings to those in need.

Although the response was largely positive, a few site managers reported receiving insufficient funds and as a result believed that their impact was not big enough and one site manager expressly noted that members of its community still went to bed hungry.

National stakeholders reported that the programme formulation approach as well as targeting of poverty nodal areas had contributed to the NDA reaching some of the most vulnerable. This reflected positively on the NDA.

7.15.4 Main beneficiaries from the Grant funded project?

Figure 76 Main beneficiary by theme?

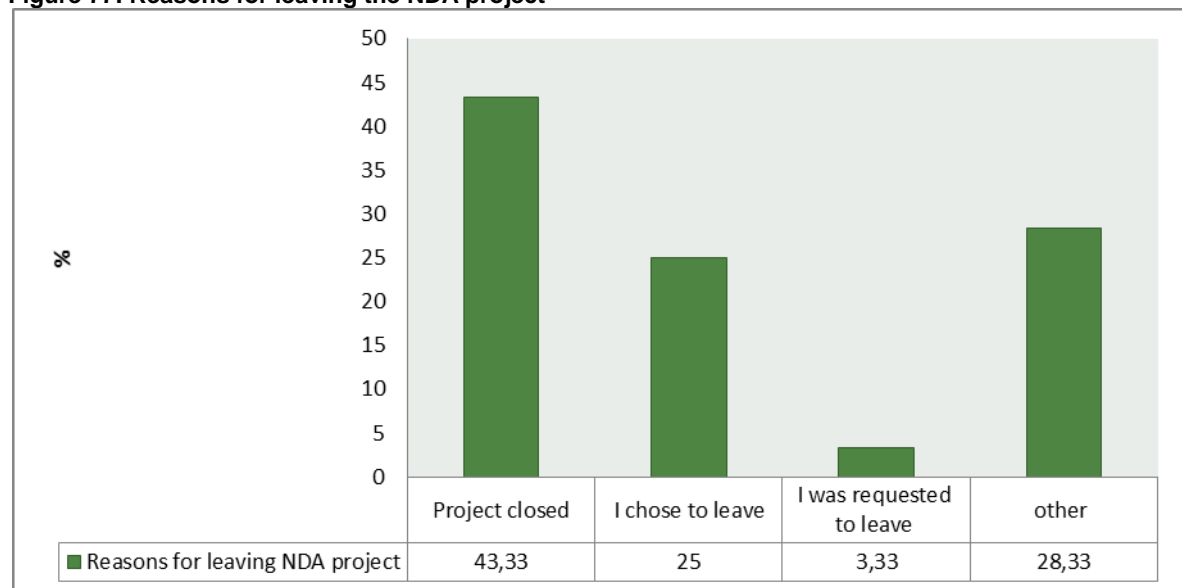


Source: HSRC-NDA Impact Evaluation Study (2015)

7.16 PROJECT EXIT

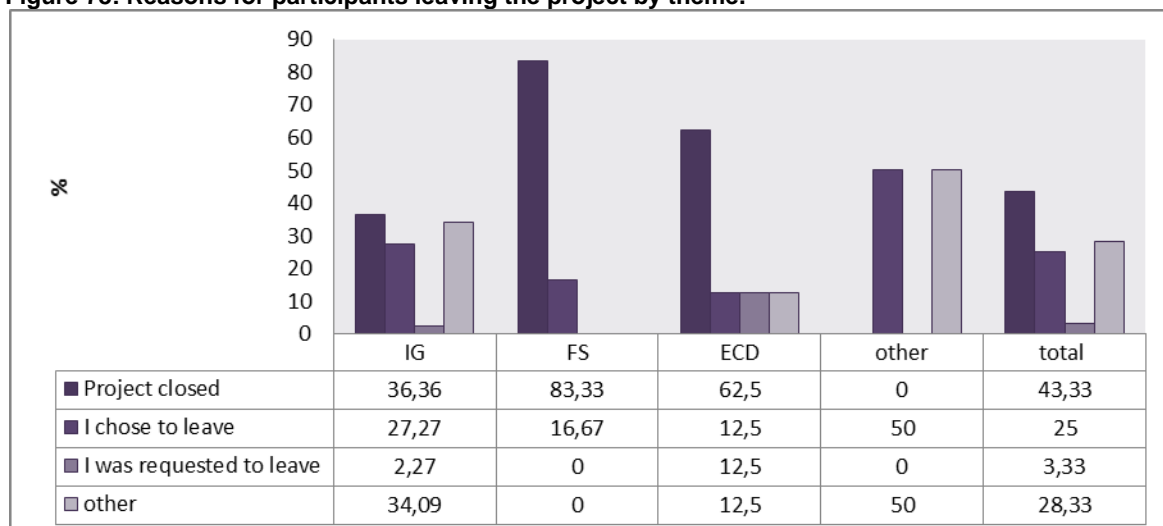
Reasons for exiting from the NDA funded project were probed with 43% of beneficiaries reporting have stopped working due to project closure. 25% chose to leave on their own accord and only 3 % indicated that they were requested to leave. This corroborates information from focus groups that the majority of the beneficiaries stopped working on the project after the end of NDA funding. Across themes a little more than a third (37 %) of income generation beneficiaries left the project due to project closure, while 83% and 63% of food security and ECD beneficiaries respectively reported project closure as the main reason for no longer participating in the project.

Figure 77: Reasons for leaving the NDA project



Source: HSRC-NDA Impact Evaluation Study (2015)

Figure 78: Reasons for participants leaving the project by theme.

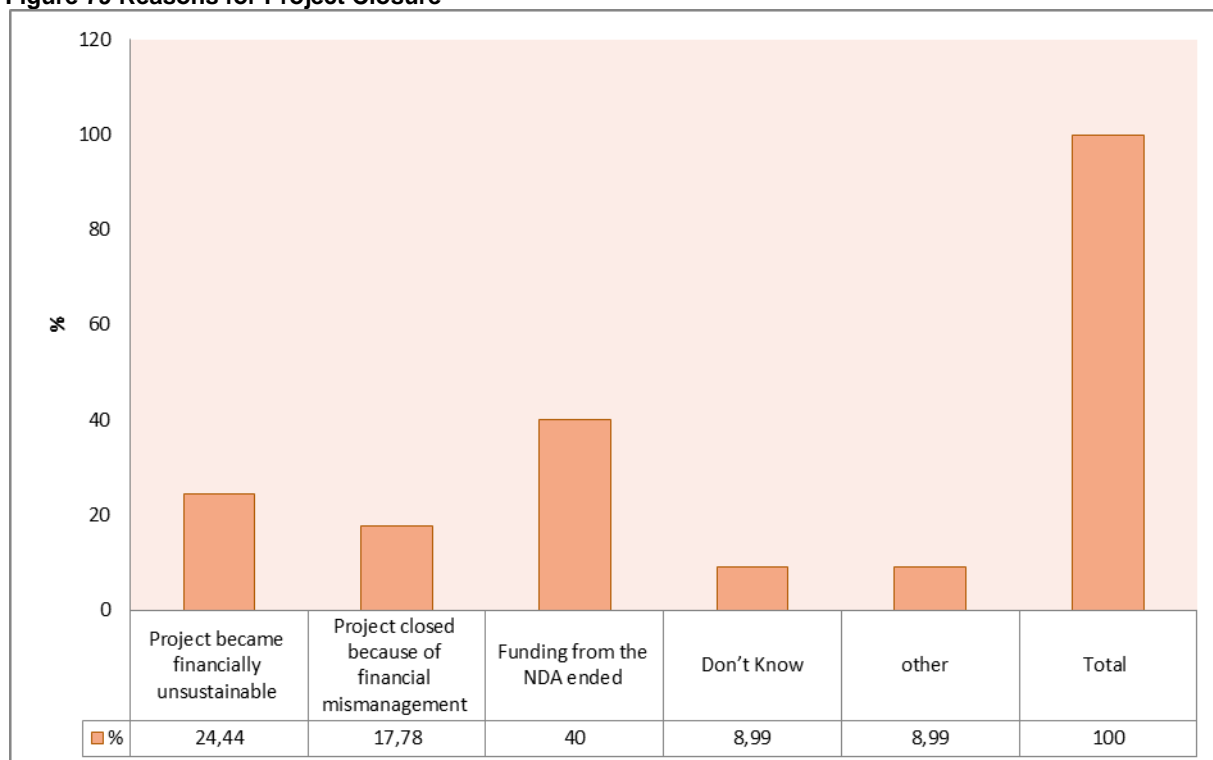


Source: HSRC-NDA Impact Evaluation Study (2015)

34% of income generation beneficiaries indicated that they left the project because of other reasons. Some of the reasons cited under “other” were conflict between beneficiaries, training coming to an end and the project being discontinued midway.

The termination of NDA funding was cited as the main reason (40%) for project closure and a further 24 % of the projects were closed due to no longer being financially sustainable. Just under a fifth of projects closed arising from financial mismanagement being cited as the reason for closure.

Figure 79 Reasons for Project Closure



Source: HSRC-NDA Evaluation Study 2015

In terms of reasons for project closure by thematic focus 56% of income generation project beneficiaries cited financial mismanagement as the key reason in contrast with food security

projects where 40% reported financial mismanagement as the reason for closure. No ECD reported mismanagement of funds as a reason for closure.

7.16.1 Timeous Exit

NDA beneficiaries responses to whether they had been exited from the project at the right time indicate that the majority (60%) believed that they exited the programme at the right time. At a thematic level **majority** (88%) of ECD beneficiaries believe that they exited the program at the right time.

8 IMPACT OF NDA GRANT FUNDING IN RESPECT OF THE GROWTH AND DEVELOPMENT OF THE CSO'S

The key channel for the NDA's promotion of poverty eradication is through civil society organisations. This section of the findings reports largely from the qualitative findings generated from the key informant interviews conducted with the funded project manager, external stakeholders and from the focus group discussions with beneficiaries and community stakeholders. Together with the qualitative interview guides financial and organisational assessment instruments were provided to the CSO Project Manager for self-administration. In addition where this was appropriate findings from the quantitative data gathering have been drawn on to illustrate a finding.

The key questions that this section attempts to respond to is whether NDA funded projects resulted in the following outcomes and impacts being experienced by the CSO:

- Has funding resulted in the organisations growth and sustainability in terms of increased funding or income sources, diversification of their products and services, use of new technologies and employment levels?
- Does funding and support from the NDA to CSO's have a positive effect on the organization in terms of improved organizational management skills, financial management skills, ability to access markets for their products and changes in their livelihood status?
- Do these interventions improve the organization's profit margins and ability to save profits and or invest in less risky markets?
- What is the cost effectiveness of such programmes and can the programme be sustainable in current scale and when rolled out?

A major limitation in presenting findings in respect of the financial and organisational assessment of the CSO was the extremely inadequate and delayed response rate from CSO's in respect of quantifying the value to the CSO of access to NDA grant funding. Factors contributing to this included poor record keeping by CSO's, inability to recall information after such a long time lapse and the loss of institutional memory when the project manager was no longer associated with the project. Fewer than a quarter of the NDA funded CSO's profiled in this study submitted data which allowed for an in-depth assessment of the sustainability of CSO's. Together with the absence of baseline data has made analysing the available data meaningless.

8.1 GROWTH OF THE CSO'S

8.1.1 Expanding participation of beneficiaries to NDA funded support

In respect to the contribution of NDA funding to the growth of funded CSO, Project Managers reported on the increased staffing levels in many of the funded CSOs and that the numbers of beneficiaries supported had increased. In a few instances the CSO's reported having scaled up their operations.

From the household survey data it is evident that the majority of beneficiaries (197 of the 257 NDA beneficiaries) were still involved with the CSO long after the grant period had terminated.

From the qualitative responses it would appear that the status of these CSO projects varied with some reporting their functioning at an optimal level while large numbers of beneficiaries noted concerns about drop in income levels, attrition of project members arising from the loss of stipends, while others reported that while the CSO continued to exist project production activity had ceased or was stagnant.

A number of CSO managers reported that during the period of grant funding they had been able to employ skilled capacity such as book keepers or financial managers. However these funded posts appeared to lapse with the termination of the grant.

A related matter reported by beneficiaries was the loss off technical capacity to the project when grant funding ran out. The example cited was the inability of the CSO to maintain and operate highly technologically based modes of production which only certain people had been trained to operate and maintain. It was not possible empirically to assess growth of the CSO's in terms of whether they had expanded their reach or the services and programmes offered due to insufficient reporting by respondents.

8.2 IMPACT ON CSO ORGANIZATIONAL DEVELOPMENT (MANAGEMENT, FINANCIAL MANAGEMENT)

Assets, Organisational Management System and Human Resource Capacity

This assessment was aimed at understanding whether the CSO had the requisite capabilities to operate from including equipment and infrastructure, human resources and organisational management systems. As reported earlier the response rate was extremely low and as such is not representative of the sample. Thus it would be misleading to draw inferences from this data.

Most NDA funded projects were able to acquire assets for their organisations as a result of the grants. Various assets were acquired, namely; Office space, Vehicles, Office Furniture, Telephones, faxes and computers.

8.2.1 CSO Staff Profile.

On average CSO's employed between 5-6 employees, most of whom had been recruited specifically for the funded project, and were found to be still involved in the funded projects at the time of the impact study. People were employed to serve the following functions:

- Project manager
- Treasurer/book keeper
- Secretary
- Cook
- Monitoring and Evaluation officers
- Gardeners
- ECD educators).

8.2.2 Office Infrastructure

Office space

- Majority of the projects indicated that they had acquired office space as a result of NDA funding.

Vehicle

- A number of the NDA projects had access to a vehicle acquired through project funding. In one income generation project they had four vehicles. It was unclear if all these vehicles had been acquired with NDA support.

Office furniture

- NDA grant funded projects were found to be in possession of office equipment with only a few CSO's reportedly acquiring this as a result of NDA funding.

Telephone

- Most of the NDA projects did not have access to landline telephones. A few projects did have access to cell phones acquired as a result of NDA funding.

Computers

- Almost all projects appeared to have access to computers. Again it was unclear how NDA support had assisted with this.

8.2.3 Human Resource Management

- **Contracts**

Eleven CSO's indicated having staff contracts in place, while three CSO did not have this in place.

Seven of the eleven projects confirmed that personnel contracts had been were introduced after the NDA funding was acquired. All 11 CSO's noted the value of having contracts in place, since it assisted them with setting on employment terms and conditions, that it provided clear job descriptions and outlined the requirements of the position.

- **Staff Personnel Files**

Thirteen of 14 CSO'S reported having staff personnel files with nine acknowledging that this had been introduced after NDA funding was awarded. All the CSO's found that the filing system was a vital tool for keeping personnel information. 8 CSO's maintained ere leave records for staff, of which 4 had introduced this after NDA funding.

8.2.4 Regulatory Compliance and Registration

- **SARS Registration**

A total of nine out of the thirteen CSO reported being registered with SARS Of these 9, six had registered after the CSO accessed NDA support. CSO'S noted that registration was a key requirement for accessing NDA funding.

- **UIF Registration and Workmen's Compensation**

Seven of the thirteen CSO's had registered with UIF and for Workmen's Compensation, 4 of whom had done so subsequent to accessing NDA support.

Most CSO's did not appreciate the value in being registered.

- ***NPO Registration***

Most reported that they were registered in terms of the NPO Act.

- ***Registration as a Cooperative***

There were nine cooperative registered as legal entities and four that were unregistered. Five of the CSO had registered prior to NDA support. None of the CSO's understood the value of this registration.

- ***Board Of Trustees***

Eleven CSO reported having an elected Board of Trustees, with six CSO's reporting that their board was elected after NDA funding was awarded. None of the CSO saw any value of having a Board of Trustees.

- ***Performance Management Systems***

Seven CSO's indicated they had performance management systems in place, with only one CSO having had this prior to accessing the NDA support. Organisations mentioned that the performance management assisted them to monitor the progress of employees and their level of responsibility.

- ***Policy And Procedure Manual***

A total of nine CSO had written policy and procedures with 7 reporting having introduced this after NDA funding. CSO's indicated that this had assisted them with ensuring good governance and with decision making.

- ***Financial Management Policy***

A total of ten CSO's confirmed that they had financial management policy with two CSO's noting that this policy had been in place prior to NDA funding being granted. CSO's noted that it had offered them more financial control and accountability. This included outlining payment procedures.

- ***Organisational Bank Account***

All thirteen organizations interviewed had functioning banking accounts and 7 of these had been opened at the time of NDA grant funding. CSO's mentioned that having a banking account assisted them in managing their financial transactions and financial information safely and effectively.

- ***Book Keeping***

Twelve CSO's organizations were following a standard bookkeeping system and four reported having introduced this system prior to funding being received. The bookkeeping system helped their cooperatives with the daily activities and also accountability.

- ***Stock And Inventory List***

Twelve CSO's indicated that they kept an inventory list and of these half reported having introduced this system after accessing NDA funding. All had reported the value of inventory list helped them control the stock and accountability.

- ***Receipting And Banking***

Twelve of the thirteen CSO's were keeping receipts and doing banking regularly. Four CSO had introduced this system prior to the NDA support. CSO's noted that receipting and banking assisted them in terms auditing and accountability.

Figure 80: Organisational Management

| <i>Organisational Management</i> | <i>Answered YES they using the system</i> | <i>Answered NO, they are not using the system</i> | <i>Introduced after the NDA</i> | <i>Introduced before the NDA</i> | <i>Value</i> |
|----------------------------------|-------------------------------------------|---------------------------------------------------|---------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Contracts | 12 | 3 | 7 | 5 | Assists in the terms and conditions of the job description and the requirements of the position. |
| Staff Personnel | 13 | 1 | 9 | 4 | A useful tool in identification of staff personnel records |
| Job Description | 13 | | 8 | 4 | It helped staff members understand their responsibilities in the organisation |
| SARS Registration | 9 | 4 | 6 | 3 | If organisation was not registered SARS would close the project down |
| UIF Registration | 7 | 6 | | | Not much value received |
| Workmen | 7 | 6 | 4 | 3 | Not much value received |
| Compensation | | | | | |
| Performance Management | 7 | 5 | 6 | 1 | Assist the management monitor the progress of employees |
| Leave Records | 8 | 5 | 4 | 4 | It assisted employees manage their leave records effectively |
| Policy Procedure | 9 | 4 | 7 | 2 | Following records helped the organisations sustain decisions and promoted good governance |
| Conditions of Employment | 9 | 4 | 8 | 1 | It encouraged worker accountability |
| Financial | 10 | 3 | 8 | 2 | It promoted financial control |
| Management Policy | | | | | |
| Organisational Bank Account | 13 | | 7 | 6 | It assisted organisations with more financial control |
| Book Keeping | 12 | 1 | 8 | 4 | Assisted with daily activities and accountability |
| Record Keeping | 13 | | 8 | 5 | Assisted with record keeping and accountability |
| Stock and Inventory list | 12 | 1 | 6 | 6 | It helped with better control of stock and sourcing of information |
| Receipting and Banking | 12 | | 8 | 4 | It assisted during audit and also provides accountability |
| Petty Cash | 12 | 1 | 7 | 5 | It assisted when there are urgent responsibilities |
| Debtors and Creditors | 9 | 5 | 5 | 4 | It helps with record keeping and provided accountability |
| Pay Procedures | 12 | 1 | 10 | 2 | It assisted with better practices of dealing with payments and provided skills to officer of making correct payments |
| NPO Registration | 9 | 4 | 3 | 6 | It help with making the organisation identifiable |
| Legal Entity Registration | 9 | 4 | 4 | 5 | No values received |
| Trust deed | 11 | 2 | 3 | 8 | It acted as a guide to members |
| Constitution | | | | | |
| Board of Trustees | 11 | 2 | 6 | 5 | No value mentioned |
| Office Management | 12 | 1 | 10 | 2 | Organisations were able to get information effectively |
| Reception | 9 | 4 | 5 | 4 | It assisted with getting access to information easily and effectively |
| Record Keeping | 13 | | 8 | 5 | It helped organisations with the record archives |
| Filing System | 12 | 1 | 7 | 5 | All information filed and more effective office management |

8.3 MARKET ACCESS

Community stakeholders noted that non-agricultural income generating projects were not sustainable due to lack of access to markets for their products. In contrast, community stakeholders presented mixed responses to the question of markets for agricultural based projects as most were able to find markets in the local community.

There were reports of a number of commercial agricultural projects who had been able to penetrate the market securing contracts with big retailers such as Spar and Pick n Pay, once their production increased. This warrants further analysis to gain insights into how long it may have taken to get to this level of maturation and how widely this impact was reported.

However, a few Development Managers indicated concerns about the quality of products generated which would impact on access to markets, where the standards required appeared to be outside the scope of the CSO's. One anecdote cited was where the CSO was not able to supply the local supermarket with a consistent and regular supply of eggs and as a result the arrangement was terminated. It was not clear if other avenues had been explored including partnering a number of enterprises who would collectively supply the market to ensure regular supplies.

8.4 CHANGES IN FUNDING AND INCOME SOURCES (SAVINGS LEVELS, PROFITABILITY AND DIVERSITY OF INCOME STREAMS)

The major challenge faced in generating evidence in respect of CSO performance levels relating to profitability, diversification of income streams and ability to save has been reflected on earlier namely the lack of sufficient and credible evidence. In addition this was further complicated by the absence of baseline data and is insufficient evidence on the confounding factors namely other sources of funding which may make inferences about the impact of NDA funding on CSO's growth challenging.

8.5 SUSTAINABILITY OF THE CSO (IN OPERATION OR NOT AND ACCESS TO MARKETS)

A few Provincial and Development Managers noted that there had been an expectation that by the time the grant had terminated there would have been a handover to the local municipality to provide further support to the CSO. This was premised on the understanding that the project would not necessarily have achieved its goal of sustainability by the time the grant would have terminated. This was not realised arguably as there did not appear to have been any effective engagement or negotiation with local municipalities in terms of these expectations.

Project managers also noted that project sustainability was hampered by the loss of project workers in agricultural projects due to membership consisting of elderly people, mainly women. Another issue which impacted on the sustainability of some agricultural projects was alleged contestations over land tenure claims. For example, when a member of the project dies, the members of their family who inherit their land decide that they do not want it to be part of the project. In many cases, negotiations were used to address these issues.

Interestingly national stakeholders questioned the NDA's sustainability requirements and suggested that the NDA re-examine the value of this in the context that some types of interventions such as ECD and FS. It was posited that food security interventions targeted at household level for subsistence consumption were never going to become self-funded and likewise expanding access to ECD for poor and vulnerable children was aimed at breaking the intergenerational cycle of poverty and as such were interventions for which self-sustainability should not be an indicator. The importance of the service rendered would be lost if the NDA was chasing sustainability as a core goal. A second equally valid critique was in respect of the sustainability of income generation programmes. There was sufficient evidence to suggest that some of these interventions took years to develop fully and thus the NDA needed to develop benchmarks for what would be acceptable timeframes for sustainability targets and goals to be reached.

External factors impacting on project sustainability

Beneficiaries made important observations about project sustainability not always being linked to access to funding. A number of projects which had attracted additional funding and had been profitable had closed. External factors which contributed to this included exposure to crime, impact of drought, lack of access to electricity, the non-compliance of the project managers with donor requirements, non-repayments of loans, corruption and internal conflicts.

An example which illustrated this was of an extremely successful commercial chicken farming enterprise which ceased operations as a result of the Department of Labour (DoL) raising concerns about the projects non-compliance with minimum wage levels. Here it was noted that external intervention that forced the closure as the project was not able to sustain the production and financial viability of the enterprise while complying with DoL requirements. This while the CSO was still trying to develop its enterprise.

Reasons preferred by beneficiaries, site managers and provincial NDA officials for the closure rates of agricultural projects included drought, poor mentoring and breakdown of infrastructure and equipment necessary for agricultural production.

9 FINDINGS NDA GRANT FUNDED PROGRAMMES 2008 - 2012

Although study objectives did not include an effectiveness or efficiency analysis the study has addressed this to a limited extent more especially where such analysis contributed to evidence relating to the impact objectives of this study.

9.1 RESULTS: EFFECTIVENESS OF IMPLEMENTATION OF NDA GRANT FUNDED PROGRAMMES 2007-2012

The effectiveness of the NDAs programme is based on the extent to which it has achieved its intended outcomes. In respect of the NDA dimensions of effectiveness include among others the alignment of its focus area to national and provincial priorities, the appropriateness of targeting mechanisms for reaching the poor and the extent to which it has realized the objectives set out for this funding period.

It is important to be reminded of the NDA's mandate namely:

- Undertaking projects aimed at meeting the developmental needs of poor communities and strengthening the capacity of CSOs that provide services to poor communities.
- The NDA secondary objectives include the promotion of consultation, dialogue and developmental experiences with civil society, national and local government entities; to promote debate, develop and influence development policies; and undertake research and publications that form the basis for development policy.

Analysis of these dimensions is presented below:

9.1.1 *Mandate Confusion*

A number of stakeholders both internal and external have expressed the view that the goal of poverty eradication for one organisation was always too broad and unrealistic within the resources available. In general the mandate is too broad, too general and open to misinterpretation.

Some stakeholders held the notion that the NDA had diverted from its original goal as the central coordinating body for all grants received from international donors for social development projects playing a critical role in the leveraging of and serving as a channel for the state to transfer development funding to non-state actors (civil society in particular).

At the outset the state and the European Union had been the two major sources of financing for the development work via the NDA. However the failure to spend resources as well as inefficiencies and irregularities in expenditure had not engendered donor confidence to make the NDA the primary conduit for development financing directed to civil society organisations. A fairly radical view espoused by some key informants interviewed and articulated by Swilling et al (2002) was that ineffective leadership in the NDA had resulted in the failings of the NDA.

A national stakeholder held the view that the NDA was duplicating work which was the core responsibility of other departments e.g. ECD was the domain of both the Department of Social Development for children 0-4 years and the Department of Basic Education for Grade R and foundation phase ECD. Both these departments work extensively with CSO's, who remain central providers of ECD programmes in South Africa, particularly for children in the 0-4 age cohort. Some have noted that NDA should do away with IG projects because the market for supporting those is oversaturated with several state departments and institutions established for this precise purpose.

9.1.2 NDA's thematic focus of grant funding

In terms of identifying priority areas for interventions to address poverty the three focus areas (IG, FS and ECD) for the 2007 to 2012 period appear to be strategically aligned to national and provincial priorities.

However there are important questions to be asked about the strategic utilization of such resources within a particular thematic area. This is more so given the dwindling budget available to the NDA and the scale of need it is expected to contribute to. It raises questions about how funds used could be better spent to leverage and unlock other resources.

An example of this would be in respect of ECD funding. Vast majority of ECD centres countrywide do not access the state subsidy for centre based ECD provisioning. While the budget for ECD subsidies is small comparative to the need, one of the main reasons that many centres don't access the subsidy is that they are not registered in terms of the Children's Act as partial care facilities or compliant with the requirements to be registered. To unlock these funds NDA support maybe best targeted to providing support to ECD centres to become registered.

Another example is funds spent on training of ECD practitioners. The ETDP SETA has a budget allocation for accredited NQF level ECD training and the EPWP programme also provides access to learner ships. In some provinces these funds have been underutilized. It raises questions about the role the NDA could play in leveraging resources to benefit a larger number of ECD centres?

Similarly it could be argued that suggested that provision of agricultural infrastructure could be leveraged via the Department of Agriculture who have dedicated budgets for such interventions and that the bulk of NDA funding could be utilized towards addressing needs not easily supplied by other donors. .

9.1.3 Provincial Grant Funding Prioritization

The HSRC has had limited access to data in respect of how provincial plans and priorities have been determined. Repeated requests for copies of environmental scans undertaking at a national and provincial level as well as funding allocation and commitment documents per province were finally made available to the research team late in the process. A rapid review of the commitment documents across all provinces provided the following insights:

- Provincial commitment documents, outline for a specific province and year the funding priorities that the NDA is committed to as well as the geographical target areas. All the provinces appear to have developed these for 2008 financial period, a few also for 2009 and 2010. None were available for 2007 or for the period post 2010.

- All appeared to align their commitment to provincial strategic priorities with economic development and agriculture were prominent themes outlined in these plans. However here again the absence of any analysis of the particular contribution that NDA could make to these thematic areas is noted.
- Interestingly the analysis presented did not focus on deepening an understanding the CSO landscape in that particular province and the particular challenges. With the exception of the KZN commitment plan, none of the plans included any reference to CSO's.

Only one province, Eastern Cape appeared to have referenced their plans to empirical research to inform its prioritization of key areas in the province. Such information would have been critical to programme formulation priorities which the provincial offices would have pursued.

While the commitment documents all follow a similar template and hence are guided by national operating guidelines a key finding is that it would appear that the provincial prioritization did not follow strictly these guidelines. It is posited that this may have been a factor contributing to the large number of "write backs" of projects during this period.

9.1.4 NDA Provincial Targeting of Beneficiaries: Evidence from GIS Mapping.

In terms of the targeting of poverty eradication benefits both site managers and community stakeholders held the view that through programme formulation and working in poverty nodes the NDA had ensured that it was reaching those most vulnerable communities.

In order to provide a spatial analysis of the targeting of NDA funding to priority areas the study undertook a GIS mapping exercise. The methodology for the mapping exercise is briefly outlined below:

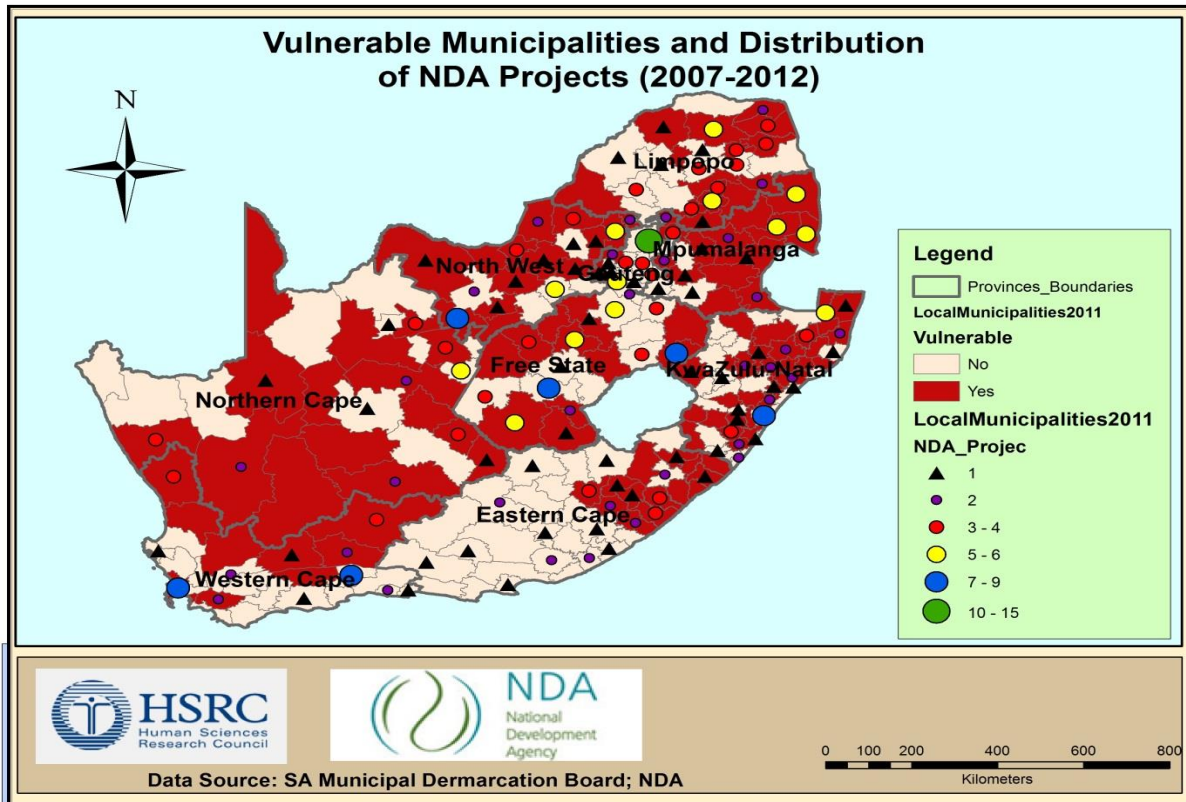
- A map of vulnerable municipalities was generated.
- Onto this map unemployment data for each municipality was overlaid.
- The NDA database of funded projects was then mapped onto the vulnerable municipalities. The challenge was that in the absence of geo-coordinates for each project and in many instances spatial information was only down to district level, the mapping of NDA projects was limited to this level.

The GIS mapping exercise revealed the following:

There were 414 NDA funded projects across the country, and 359 projects specifically operating at the local municipal level between the period of 2007 and 2012.

The map below indicates that 61.8% of projects of were located in **vulnerable municipalities**. This is significant as it indicate that NDA did indeed target vulnerable municipalities. On the other hand, 18.4% of municipalities classified as vulnerable did not have any NDA funded projects; this is compared with 23.1 per cent of (54) municipalities that were classified as non-vulnerable but had 1 or more projects located under them. This analysis is probably skewed by projects located in Metro areas as most of them were listed as non-vulnerable, despite the fact that there are significant pockets of vulnerability within Metro' and it is justifiable that 52 NDA funded projects were located in Metros.

Figure 81: GIS Map of vulnerable municipalities and distribution of NDA funded projects



Source: Data Source: SAMDB, Global Insight and NDA Funded database

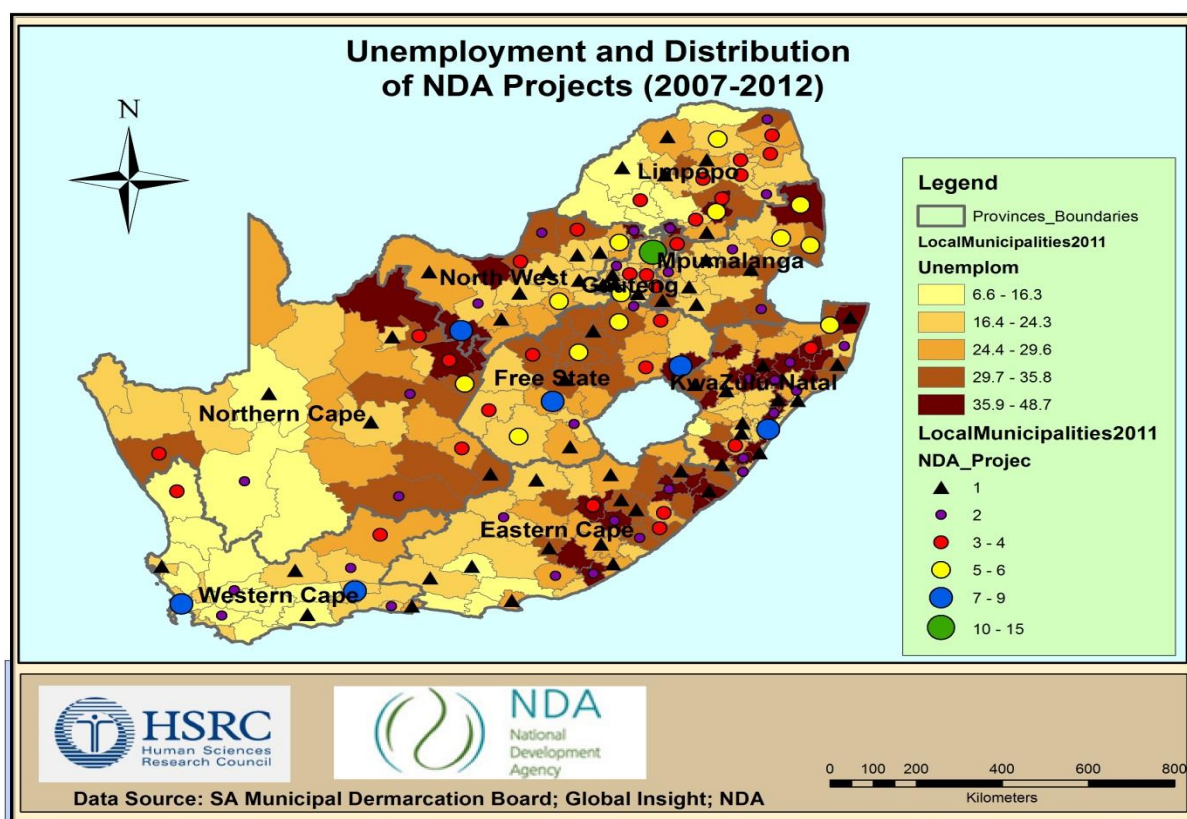
NDA project funding data was overlaid on an unemployment spatial map (see map below) and it was noted that 315 NDA funded projects were located in municipalities that had unemployment levels of greater than 20%. There were however 80 municipalities countrywide which had unemployment levels greater than 20% but did not have any NDA funded projects.

The analysis of provincial commitment plans for 2008/09 at a provincial level revealed the following:

- In Eastern Cape, there were six targeted municipalities (Ndlame, Matatiele, Umzimvubu, Mquma, Mbashe, Senqu, Sakhisizwe). No projects in Matatiele were allocated funding.
- In Limpopo, there were 5 targeted municipalities (Blouberg, Lepelle-Nkumbi, Fetakgomo, Thulamela, and Mogalakwena) and two of these Lepelle-Nkumbi and Mogalakwena municipalities did not have any NDA funded projects.
- There were 8 targeted municipalities in Mpumalanga with half of them not having any NDA funded projects.
- Only three municipalities were targeted in the Northern Cape, and all of them had projects funded by NDA.
- Similarly, there were three targeted municipalities in the Western Cape, and NDA granted funding to projects in all targeted municipalities.
- In Free State, 6 Municipalities were targeted and projects in 5 of these were granted funding

Incomplete data made the analysis of KZN, Gauteng and North West problematic.

Figure 82: GIS Map of unemployment levels and distribution of NDA funded projects



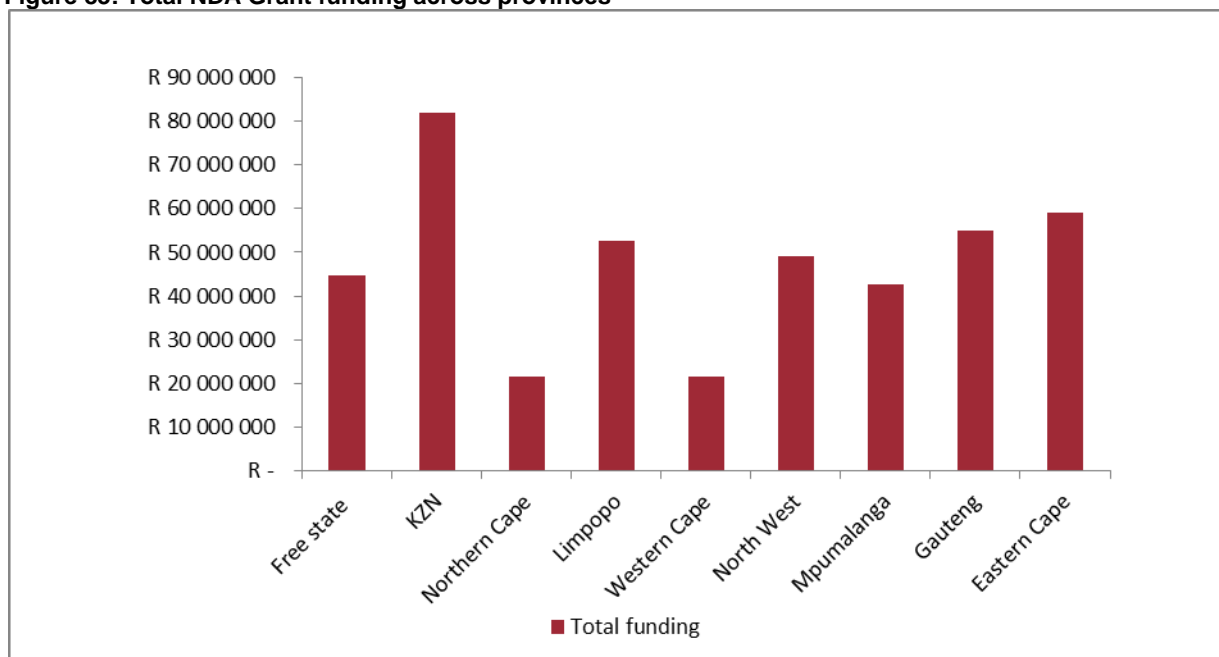
Data Source: SAMDB, Global Insight and NDA Funded database

A key conclusion which can be drawn is that NDA's spatial targeting and programme formulation approach appears to have ensured appropriate targeting of nodal sites. This was also confirmed by internal and external stakeholders and from the analysis emerging from the household survey data. However it must be borne in mind that in the context of massive needs the scale of reach of NDA funding is miniscule. More importantly the findings from earlier sections of this report suggest that spatial targeting while important, is insufficient for ensuring that the chronically poor are targeted. This is clearly due to the limited resource base within which the NDA has been operating. This is elaborated on further in the next section of this report.

9.1.5 Scale of NDA grant funding delivery over the period of review to meet its development objectives.

Since 2007 the NDA has funded various types of projects across all the 9 provinces in South Africa. The funding was mainly targeted on the three themes of Income generation, Food security and to a lesser extent Early Childhood Development. Analysis of documents supplied by the NDA shows that between 2007 to 2012 a total of R 428 million was distributed across the various provinces in South Africa with four provinces KwaZulu-Natal, Limpopo, Gauteng and Eastern Cape received the lion's share of funding as the figure below indicates.

Figure 83: Total NDA Grant funding across provinces



The NDA has evidently managed to provide funding support to a diversity of development programmes in all provinces as indicated in the figure above. However an overarching conclusion is that the level of development funding being channelled by the NDA had been progressively reducing since its inception and that the currently levels were totally insufficient to make a contribution to reducing levels of poverty.

9.1.6 Targeting vulnerable individuals: Rural, Elderly, Vulnerable, Women, Youth and Disability

A key presumption which informed the NDA focus on poverty nodal areas targeting was that by default this would ensure appropriate targeting of vulnerable people as the following statement from national management reflects:

“During project formulation, the Development Manager reviews the beneficiaries proposed by the project to ensure that they meet NDA criteria. Indeed, we can assume that people resident in designated communities meet the criteria being “deemed poor” (ibid).

Importantly the NDA management clarified that it was not involved in the direct recruitment of beneficiaries, which fell within the realm of the CSO’s work. This meant that the *“recruitment of beneficiaries is the responsibility of the project itself, using their own criteria”*. (NDA communication, 28th January 2016).

As the survey data confirms women constitute the majority of beneficiaries on NDA funded projects (57% compared to 43% of men). This is very important as evidence suggests stronger distributional impacts at household level when women are the targets of poverty interventions.

However there are concerns about the targeting of youth on NDA projects in the context of high unemployment rates of youth in SA.

There was very little evidence of targeting of disabled people. This is understandable as there are specific challenges to programming for such a target group which have been experienced by many other government anti-poverty programmes. There did not appear to be any specific targeting approaches adopted by the NDA to reach this target group.

Older women are represented on both ECD and FS interventions. The NDA needs to think carefully about how it supports strategies for incentivising youth participation in both these areas.

9.1.7 Partnerships for Development.

This is outlined as a secondary objective of the NDA was expected to be implemented through forging partnerships with other development partners. While several of the provincial commitment documents identified partnership with private sector, other state institutions and with civil society the evaluation found little evidence of these partnerships being forged and sustained at a national level or at project level.

The importance of partnerships is highlighted given the repeated assertions of NDA management that they could not be expected to deliver on the poverty eradication mandate solely.

The absence of a well-defined and resourced strategy with strong leadership to drive a partnership approach is glaringly noted. It would appear from an assessment of NDA provincial management responses that the focus was more on implementing projects and meeting targets rather than on playing a facilitation role with other development partners including local government and provincial departments who hold specific mandates around the core focus areas adopted by the NDA. This approach would have ensured that as the NDA exits the project other support systems are in place. In a number of the funded projects profiled during this study it was evident that multiple donor institutions were working with the CSO. This provided the opportunity for the NDA to lead in facilitating multi stakeholder participatory planning and review sessions towards collectively enabling the projects to realise their goals. No evidence of such processes were reported.

9.1.8 Knowledge Management for enhancing Development Outcomes

The NDA has a portal on its webpage which is for knowledge management and of recent has begun to populate this with case studies, research reports, policy briefs and evaluation reports (as indicated above). This is commendable and is encouraged.

A rapid scan of research reports, policy briefs and case studies on the NDA website revealed that with one exception all the research reports commissioned were undertaken outside of the review period. A number of the provincial commitment plans reflected on commitments to engage with provincial and local stakeholders. The key informant interviews conducted with provincial managers probed this issue and from the responses received it did not appear that there were any engagements which had a significant impact on the NDA. This does not preclude that at a project level it is likely to have been undertaken.

In terms of knowledge dissemination the NDA newsletter "The Voice" produced at various intervals between 2007 and 2013 appears to have been a vehicle for information sharing. Lack of clarity in respect of its target audience and its distribution mechanisms and how widely it was accessed as

well as its value particularly in sharing good practice and in stimulating policy debate makes it difficult to assess its contribution. The evidence of greater intensity of research activity post 2012 as reflected in the research reports on the NDA website is however encouraging.

It is not immediately apparent how the NDA evaluates its knowledge dissemination activities in order to understand who is being reached and what impact if any it is making in enhancing evidence based planning and programming systems internally.

Also what is not clear is how the findings of due diligence or baseline studies or of monitoring and evaluation studies are reflected back to the beneficiaries and how they are incentivised and capacitated to engage with the learnings and knowledge generated.

More importantly it is unclear what processes and approaches have been adopted by the NDA to reflect back findings and lessons learnt to beneficiaries in order to support internal reflection and growth.

The underlying assumption for developing knowledge platforms is that through access to new knowledge, practices may change and performance may be enhanced. Unless there is a purposive approach to sharing knowledge findings with the other stakeholders the exercise is largely extractive and as such is not developmental in its approach. This is in keeping with the Busan Partnership¹⁶ which aimed to address weaknesses in development aid systems and processes (OECD, 2012).

9.1.9 NDA Monitoring and Evaluation systems for tracking grant funding outcomes and impacts

An effective monitoring and evaluation system has the following main requirements:

- i. A well-articulated logic model which outline the nature of change anticipated, the units of analysis and clearly defined indicators (relating to outputs, outcomes, processes and impacts).
- ii. *Good quality tools and approaches to collecting data together with well trained Personnel; A data collection and information management system.*
- iii. A knowledge hub through which processes for learning and knowledge sharing are made available internally and externally.

A review of the strategic plans and the annual reports produced by the NDA during that period reflects an M and E system that was largely outcomes focussed as reflected in the indicators set out and these plans.

Of note is that the NDA's Standard Operating Procedures (SOP document) outlined a fairly extensive understanding of the kind of data which needs to be collected. The grant application form required applicants to provide a fair level of specificity e.g. the role and function of the governance structure.

¹⁶ The Busan Partnership for Effective Development Cooperation was signed in South Korea in December 2011 which documents consensus between state parties and donor agencies and which was spearheaded by the OECD,

Similarly the business plan template required the applicants to provide detailed cost estimates and financial projections. The SOP provided guidelines for how to undertake baseline studies, community profiling exercises and organisational capacity assessment as well as outlining the relevance of doing so. The SOP also provided guidelines and reporting templates for due diligence procedures and noted that this was an outsourced function.

Clearly the SOP intended for the range of monitoring and evaluation exercises to be undertaken and if it had been fully complied with it would have provided an extremely rich data base which this study could have tapped into for evidence of the NDA's outcomes and impacts.

From the fieldwork data collection exposure the research team would have been surprised to find CSO's with sufficient capacity to respond to the all the data needs outlined in the application or business plan unless they had been provided with extensive support.

Regretably the HSRC did not find copies of typical grant applications, business plan, due diligence, and evaluation reports in the project files provided and as such was unable to assess whether CSO's were able to generate and report at the level required or whether they had been motivated to undertake baseline assessments. In the few reports submitted by DM's in project files reviewed there did not appear to be references to baseline studies.

In the context of the scale of write backs experienced during the review period as well as the number of projects which the study found were no longer in existence, the nature and quality of feasibility and due diligence assessments is brought into question. Here again it is not possible for this study to pronounce on the quality of these assessments for the reasons cited above. Of significance is that even if good quality assessments were undertaken it does not necessarily imply that appropriate remedial actions were identified and implemented and even if implemented whether these were done at the level of efficiency required. This would require an **implementation/process evaluation** to be conducted which was outside the brief of this study.

The ability of this study to assess the nature of capacity development support provided by the NDA is equally limited and is drawn mainly from feedback received during key informant interviews with project managers and NDA Development Managers, beneficiary focus groups as well as from responses generated from beneficiaries in the household survey. Some of the findings are reported below:

- A number of project managers (NDA funded projects) claimed that lack of monitoring support from the NDA which was infrequent was a factor contributing to their not realising their objectives.
- DMs reported that distances to projects, large workloads and limited transport budgets were factors that made it difficult for them to visit projects as per the expected schedule. The lack of adequate pre-grant disbursement training and support for projects from the NDA was a contributing factor to non-compliance on contracts by recipients.
- Capacity of CSOs to devise appropriate budgets and the related support from the NDA was an area of weakness. The case study below illustrates this issue.

The NDAs information management system for the period of review has been assessed as weak arising from the HSRCs experience in attempting to access data from that period. Although the HSRC was not allowed direct access to the database we did request and received files downloaded on CDs of funded projects. However the data for projects was uneven with only a few project folders having a full set of data as outlined in the SOP, and in the main the only documents available were the contract and 1 or 2 monitoring reports at best.

Case Study: Fuelling Errors

A CSO applied for funding support from the NDA in respect of an agricultural cooperative venture. The budget for this project included the purchase of a tractor. The CSO had worked with the respective DM to finalise the project plans and only after the grant was signed did they realise that no budget had been set aside to cover fuel costs.

An attempt to correct this through an amendment to the grant agreement was rejected as the NDA noted that no deviations on budgets were permitted.

The NDA's M and E framework developed in 2013 is a significant development in institutionalising M and E within the NDA's culture of operation. The recognition of the various levels at which M and E must be undertaken is welcomed in that it embraces, internal monitoring as well as programme and project level monitoring and evaluation.

It has been noted that the NDA does not assist much in helping the CSO's contract a mentor and sometimes when the NDA assigns consultants, they give in appropriate advice e.g. suggesting the wrong crop for the area and local market. Poor quality of mentoring and support from consultants was therefore cited as a challenge. Interestingly one project manager suggested that the NDA needed to play a stronger hand in guiding CSO's in the selection of mentors as their inexperience was counting against their effective recruiting of mentors.

The research team undertook a brief scan of close out reports (found on the NDA website) commissioned by the NDA during 2014 which appears to demonstrate that the NDA is serious in its intentions of strengthening its M and E systems through the effective implementation of the framework.

The HSRC has identified a few areas which need further attention in order to strengthen NDA and CSO level monitoring and evaluation of funded projects.

- The terms of reference (TORs) for evaluation reports needs to be improved. It is widely accepted that poorly framed TORs contribute to poorly defined scope of an evaluation and do not allow for effectively measuring the outputs and outcomes received from external contractors. An illustration of this is the articulation of the aim of a ECD project as described by the evaluators:

"The evaluation is intended to assess the design, implementation and results of the project in order to determine its relevance, effectiveness, impact and sustainability in the context of its stated aim".

This could read as the aim of any evaluation and without level of specificity it would be difficult to assess if the evaluator had responded to the brief.

- The continued absence of use of baseline studies for close out evaluations is of concern. While baseline study reports were referenced in the report as source documents, there was no evidence of how baseline data was actually used to inform the study findings. In the ECD project evaluation the evaluators make the following claim *“the nutritional status of children is improved, through the establishment of food gardens and subsequent increased access to a diversity of vegetables”*, however the report contained no empirical evidence to back up this statement.
- The evaluation reports were written with a mixed audience in mind but predominantly addressing recommendations to the NDA. In the ECD project for example it was clear that there were at least three key stakeholders namely the NDA, the training provider who secured the grant from the NDA and the beneficiary ECD facilities who were the recipients of the grant funded training. The report recommendations and findings relate to the first two stakeholders and is totally silent in respect of lessons learnt and evaluation findings in respect of the ECD practitioners and facilities which were the recipients/beneficiaries of the grant.

9.2 EFFICIENCY OF IMPLEMENTATION OF NDA GRANT FUNDED PROGRAMMES

Efficiency assessments are mainly concerned with the use of resources in order to realize the outputs and the outcomes. The dimensions of assessment included to a limited extent a cost effectiveness analysis and organizational capacity assessment.

9.2.1 Cost Effectiveness Analysis

This section assesses the cost of creating a job, this being important in the face of widespread unemployment and scarce resources which can be used to allocate budgets to those projects that generate the greatest employment per rand spent.

Repeatedly the study heard from NDA and community stakeholders of the significant contribution of the NDA grant funding to generating employment among the beneficiaries. It was not possible in the absence of employment data provided by the CSO's to assess the scale of employment generated by the funded projects. In some instances this information was not provided, while with some CSO's the data provided was insufficient to make a finding.

Using a framework borrowed from EPWP the objective of utilising public sector budgets to alleviate unemployment should be evaluated against the resources applied to the intervention and the efficacy of the programme in creating employment (DPW, 2005, p9).). The measure recommended for assessing this objective is cost of each job created which is calculated by dividing the total expenditure on an NDA funded project by the number of job opportunities created.

To undertake this assessment the study analysed administrative data which the NDA collected on funded projects. The analysis of the NDA dataset of all funded projects between 2007 and 2012

reveals some interesting trends. Firstly, it's important to describe the available data which covered the following dimensions:

- The geographical location of the project at provincial and district level. In some instances this provided data down to local municipality level, while in other instances it didn't;
- The type of project funded;
- The size of the grant awarded;
- The year grant was awarded and year it was terminated;
- The number of beneficiaries impacted by the project;
- The number of jobs created through this grant.

As outlined in the methodology section such data provides a wealth of information and was accordingly analysed as reflected in the table below.

The results reflect a total NDA transfer of **R428 029 799.00** million over the period 2007-2012 distributed to 344 projects nationally.

The NDA dataset suggest that just over 39 000 beneficiaries were reached through the intervention. On seeking clarification as to who was defined as a beneficiary the following was offered by the Development Management Directorate (DMD) of the NDA:

“Beneficiaries are defined as people who derive a benefit from the project, either as participants in capacity building or working on the project. Indeed children, educators and workers in an ECD are beneficiaries” Source: Communication from the NDA, 28 January 2016.

The challenge with this definition is that it does not differentiate between primary and secondary beneficiaries. However using this imperfect definition it can be estimated that the average cash transfer to each beneficiary is estimated at approximately R 11 000-00. This figure however masks wide provincial variations from as little at R 3700 per beneficiary in the WC to R 49 000 per beneficiary in the NW.

The NDA further reports that these funding flows had enabled 6824 jobs to be created nationally with the following definition of jobs created as preferred by the DMD:

“A job is defined as paid work created for an individual for any period of time as determined by the project. Jobs also include existing jobs which may have been indirectly sustained due to funding or any other support to an organisation or project”. Here the challenge is that the “job created” could be temporary lasting a few weeks or months or could be part time. Again this metric is ambiguous.

In addition the definition above implies that jobs calculated could include jobs which would have pre-existed before the grant funding and as such do not constitute new jobs. However using the expenditure data and the number of jobs created it is estimated that the average cost per job created is R 62 700 per job. The provincial variations remain equally diverse with WC jobs costing just under R 19 000 while the most expensive jobs were in the NC costing R359 000 per job.

In making these cost per job estimates it is submitted that these do not accurately reflect the real costs of creating these jobs. This is due to the fact that the inputs (in cash and kind) which have been provided by the CSO as well as by other donors (who maybe concurrently funding the project) are

unknown and have not been taken into account. If available these would render the costs much higher than reflected here.

Table 33: Assessment of Administrative Data Records on NDA funded Projects.

| Province | Total Provincial funding 2007-2012 | Total beneficiaries | Approximate cash transfer per beneficiary | Total jobs created | Approximate cost per Job | Number of funded projects |
|----------------------|------------------------------------|---------------------|-------------------------------------------|--------------------|--------------------------|---------------------------|
| Free state | R44 624 762 | 1587 | R 28,119 | 593 | R 75,253 | 49 |
| KZN | R81 854 055 | 6615 | R 12,374 | 1179 | R 69,427 | 45 |
| Northern Cape | R21 535 200 | 1743 | R 12,355 | 60 | R 358,920 | 27 |
| Limpopo | R52 581 765 | 1611 | R 32,639 | 774 | R 67,935 | 39 |
| Western Cape | R21 533 624 | 6029 | R 3,572 | 1148 | R 18,758 | 27 |
| North West | R49 010 975 | 995 | R 49,257 | 409 | R 119,831 | 41 |
| Mpumalanga | R42 643 996 | 5559 | R 7,671 | 225 | R 189,529 | 37 |
| Gauteng | R55 066 397 | 2718 | R 20,260 | 759 | R 72,551 | 40 |
| Eastern Cape | R59 179 025 | 12184 | R 4,857 | 1677 | R 35,289 | 39 |
| Total Funding | R428 029 799 | 39041 | R 10,964 | 6824 | R 62,724 | 344 |

Source: NDA Administrative Data

9.2.2 NDA Capacity to deliver on Mandate

The NDAs capacity to deliver in terms of staffing levels must be noted in the context that disproportionate amount of its budget is spent on its operating infrastructure, a point which was raised in parliamentary briefings in 2009 as well as by several national key informants.

The issue of business efficiency of the NDA and related proposals for cost reduction were noted in the KZN Commitment plan of 2009/2010 regarding which the provincial leadership made fairly radical and in some instances innovative recommendations¹⁷. These included outsourcing of specific functions which not deemed as core to the NDAs operations including “Research and Development, Marketing and Communication and Auditing”. An innovative and perhaps radical suggestion was for the NDA to develop “virtual” provincial offices with provincial staff operating as consultant to the NDA, delivering specific services against a set of performance related deliverables.

The issue of staff proficiency in relation to core areas of the NDAs work has been noted elsewhere in this report. The KZN commitment plan (referred to above) also proposed outsourcing capacity development services to professional organisations who had the requisite knowledge and expertise for that area.

During the fieldwork for this study, a number of provincial offices reported undergoing training to deliver capacity development programmes in house. It is also noted that since 2012 the NDA has taken on the capacity development function of CSO under agreement with the national Department of Social Development¹⁸. These all require specific competencies, which training alone will not

¹⁷ NDA, KZN Budget Commitment Plans 2009/10

¹⁸

deliver. Some of these require years of experience, on the job learning and in some instances relevant qualifications. It is hoped that through engagement with the NDA the HSRC will be able to nuance its understanding of and arising thereof its recommendations relating to its capacity to deliver. It was noted that there was a high staff and leadership turnover which had affected morale. No board or CEO has lasted their full terms.

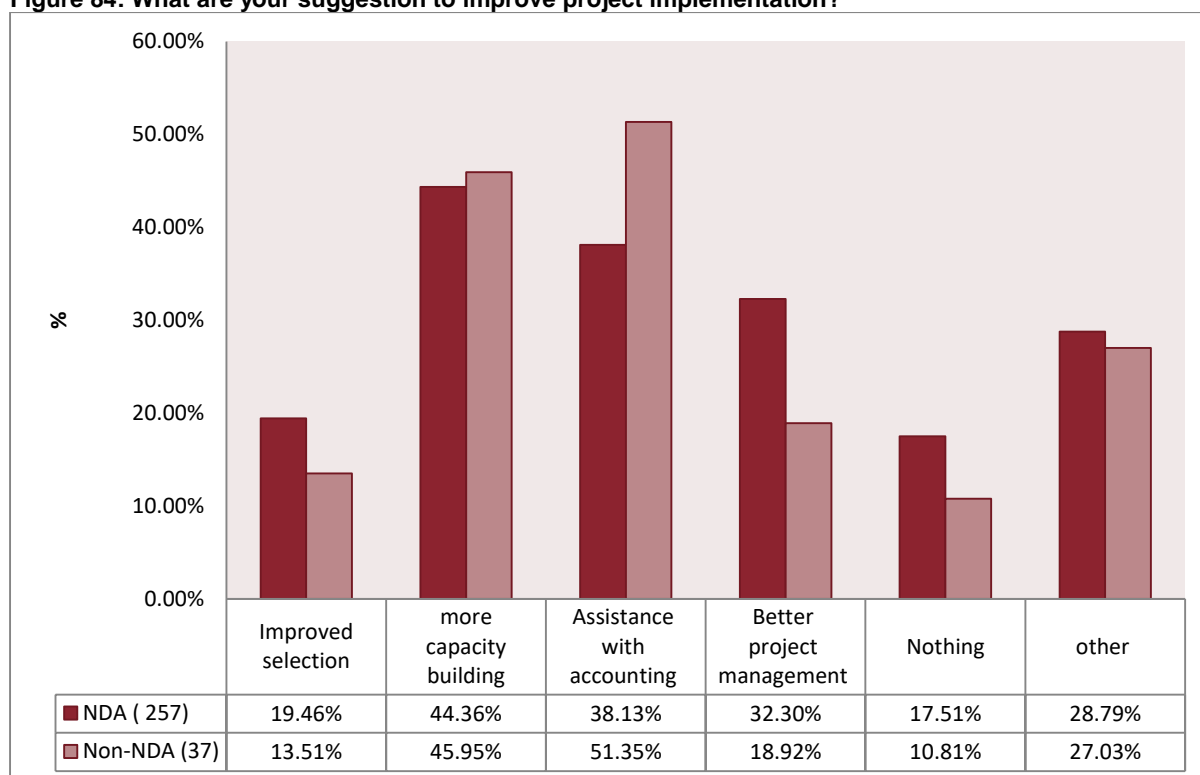
9.2.3 Project identification and feasibility assessments

Improved selection may also raise questions about the scope and quality of due diligence conducted by the NDA. Here again the HSRC was not able to access copies of due diligence reports which could inform an assessment of scope and adequacy of such processes.

9.2.4 NDA Capacity Development - Nature and Quality of Support to CSO's

There appears to be substantial room for improvement in the nature and quality of support which the NDA provides to CSO's as feedback from beneficiaries suggests. The call for more capacity development support in areas of financial and project management is also verified by survey findings which noted that the main reasons for projects terminating included financial mismanagement, poor financial forecasting and budgeting.

Figure 84: What are your suggestion to improve project implementation?



Source: HSRC-NDA Evaluation Study 2015

When asked how projects could be better implemented. Beneficiaries from both NDA and non- NDA projects responded that they would appreciate more capacity building (85%), assistance with accounting and better project management of projects (48%). Other reasons (52%) stated included : More funding, better communication with funder, better access to transportation, access to tractors, improved access to water and electricity and tools to fight internal corruption.

All the NDA projects regardless of theme indicated that there was room for improvement from the NDA on how the various projects were supported.

The lack of or inadequate monitoring and support provided by provincial offices has already been noted. Given the capacity constraints, the NDA needs to consider alternate, more accessible and perhaps cost effective approaches to monitoring.

9.2.5 NDA Budget Constraints

All the provincial NDA stakeholders indicated that impact had diminished progressively over the past few years due to the reduced number of projects funded arising from decreased allocation of funds to the NDA from the national budget.

An external stakeholder noted that the budget available for the NDA nationally was substantially lower than some line function department's poverty programme budgets and even when compared with the allocations made by the national lottery. This disproportionate allocation raised questions about what value government had placed on the role of the NDA in contributing to poverty eradication and equally importantly on the recognition of the contribution to development which civil society organisations made.

9.2.6 Rigid and possibly inflexible contracting conditions

Some site managers stated that the NDAs inflexible contracting arrangements did not take into account initial planning errors by the CSO's or changes in circumstances which would necessitate amendments to budgets. Here the example cited was the lack of financial planning skills by the CSO resulted in no budget allocation for core operating costs of diesel in the project proposal. This oversight was identified early in the project implementation cycle but due to the NDAs rigidity on this matter the CSO felt that they were being penalised by the NDA. Another example cited was the inability of the project to increase production due to being unable to redirect allocated project funding for acquiring a much needed tractor.

9.2.7 Training Provisioning

While most site managers noted that the trainings were accredited, this was not always the case. The national stakeholders have noted that it is important the training be at least accredited and cover in depth training on relevant topics. Further, some of the trainings were conducted in a language that was not the mother tongue of the participants and/or of the trainer and therefore it was hard for the participants to pick up concepts. There were logistical challenges at times especially regarding transportation it was noted and it was noted that accommodation also needs to be arranged if the participants have to travel long distances for the trainings.

Several participants noted that there was not enough training available. While this maybe the situation it would seem to suggest that post training mentoring and support is lacking and needs to be built into plans for future training.

External Informants noted that the number of people attending trainings was limited and a concern was expressed about how learnings were transferred internally as the notion of trickle down knowledge isn't generally perceived as an effective way to transfer knowledge.

Some site managers noted that some of the challenges they faced were in respect of CSO members appreciating the value of training and as such being willing to sacrifice time to attend training programmes. The consistency of attendance was a core problem.

One project manager suggested that one way to address this was by offering training over weekends. However another challenge was in ensuring that the training delivery accommodated learners with varying levels of education and language capabilities. This posed a challenge when providing accredited training.

A further challenge was in retaining capacity after training, especially when grant funding runs out, resulting in those training seeking other income generating possibilities and hence leaving the project without the necessary skills. An example of this was where a team member had been trained to operate special machinery for production. With the termination of the stipend, the person left the projects and this left the project without the requisite technical capacity to operate the machine.

9.2.8 Payment delays

A few project managers noted that the NDA's delay in releasing payments in the times specified, as affected the operation of the CSO's – as one CSO elaborated, it made it difficult to plan ahead in terms of salary and utility payments. This was not a widely reported problem.

9.2.9 Write Back Projects

The analysis of write back projects as reported by the NDA appeared to suggest that write backs had been a particularly serious problem prior to 2007 with over 140 "write backs" which had been substantially reduced by 2008, with only 3 reported write backs in that financial year. However "write backs" peaked again in 2009/10 with over 40 projects. The total value of 242 write back projects between 2005 and 2010 was approximately R31, 7 million.

Although the NDA reported on its webpage that since 2009/10 there had been no "write backs", it would appear that there were intentions to "write back" projects as suggested by a write back document provided by the NDA wherein 24 potential projects had been identified for write backs post 2010.

A national stakeholder noted that the approach to programme formulation was inherently biased and could be the reason for write backs which were instituted later rather than earlier in the process. The argument is the person who helped with the formulation of the proposal was also the person reviewing the progress and this inherently brings in a conflict of interest as the reviewer is perceived to be too close to the project and would not be able to see project weaknesses as they would "hope" that things would iron out and only after the second or third tranches were released would the write back be instituted.

9.2.10 Exit Strategies

Discussion on donor exit strategies is important in the context that development interventions outcomes are sometimes realised many years later and that some donors will only be able to contribute for specific time. It recognises that the need for support remains, may actually have

increased or changed and that the exit strategy aims to provide for sustainability beyond the funding cycle of a particular grant.

Broadly speaking an exit strategy defines what happens to an intervention after resources are withdrawn in order to ensure that the attainment of the projects goals are not undermined. It works on the assumption that the project is not ready to be “graduated” and will continue to require support and that the strategy outlines the nature of the support required and how it will be sourced.

The evaluation did not find any evidence of such strategies having been put in place, even though a number of provincial NDA managers noted this as a concern.

10 SUMMARY OF KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

10.1 SUMMARY OF KEY FINDINGS AND ANALYSIS

The overarching findings, which have implications for policy development, design and implementation of anti-poverty programmes implemented by civil society organisations in South Africa are reported below in relation to the studies three objectives. The findings are presented in terms of NDA and non NDA beneficiaries (comparison projects); by the thematic focus of the poverty intervention namely income generation, food security and early childhood development.

Objective 1: Improved quality of life of beneficiaries and households of members of the organization.

Here the study sought to assess the poverty and wellbeing impacts of NDA grant funding on the socio-economic status of beneficiaries and their households. The dimensions of assessment were based on a focus on poverty as multi-dimensional covering deprivation measures such as income, employment, education, health and living environment. It also included a limited assessment of perceptions of wellbeing.

In respect of money metric indicators of poverty the results suggest the following:

- If the aim of the NDA funding to CSO's is to eradicate poverty for participants then the results suggest that it has failed to achieve that given that only 28% of beneficiary households were living above the upper bound poverty line during exposure to the programme.
- Benefits that project participants enjoy during grant funding, are not sustained once the project funding had ended.
- Termination of grant funding was closely correlated with projects ending or becoming largely inoperative.
- Participants in the income generation projects appear to have enjoyed the greatest anti-poverty impacts, followed by ECD project participants.
- In contrast the findings suggest that food security project are not likely to contribute in a significant manner to household incomes and to enabling graduation out of poverty. This resonates with global evidence about the contribution of agricultural incomes to household income.
- At a regional level the findings suggest that KZN followed by MP had the highest number of NDA project beneficiaries below the poverty line, 84% and 82% during grant funding; whilst the NC and the WC had the least number people below the poverty line at 18% and 56%, respectively.
- Poverty by gender of household shows that the incidence of poverty is higher amongst NDA female headed households beneficiaries compared to male beneficiary headed households, and this increased to by 5% over the review period, from 74% to 79%. This resonates with national data on poverty trends in respect of gender of household head (STATSSA,2014)
- Income from project participation was four times higher for NDA beneficiaries (20%) compared on non NDA beneficiaries (5%) during the period under review.

- Given the annual cost of pushing everyone to the upper bound poverty line we estimate that it would cost R383,692,887 over the 5 years to eradicate poverty from the total population that benefited from NDA funding.
- Similarly the annual cost of R9,106,360 of pushing everyone who is chronically poor above the lower bound poverty line (food poverty line) would mean a cost of R45,531,800 over the 5 years to eradicate chronic poverty for NDA beneficiaries.
- Assuming everything else is held constant, with a 1% growth in per capita income it would take 63 years for these poor households to exit out of poverty. This drops to 32 years assuming a growth rate of 2%, it would take a growth rate of 8% to reduce exit times out of poverty to 8 years. This compares poorly with the BRAC poverty graduation model, which through a 5 point plan enables poor households in Bangladesh to graduate out of poverty within 24 months.
- Approximately a quarter of all beneficiaries reported that grant income was the main source of income for their household.

In respect of non- money metric poverty measures the results suggest the following:

- Participation in the programme marginally improved acquisition of assets? However it's not absolutely clear that this can be attributed to participation in the programme?
- More NDA beneficiaries accessed training compared to non-NDA beneficiaries. However very little evidence emerging of the impact of training on job securing for participants.
- In respect of food security 40% of NDA beneficiaries and 24% of non NDA beneficiaries confirmed the value of participation in respect of hunger reduction. However this will not necessarily address nutrition security.
- About a third (30%) of NDA and non NDA beneficiaries reported a positive difference in relation to accessing health care and hence it can be surmised that exposure did not make a discernible difference.
- Respondents were probed as to their perceptions of their household situation now in comparison to the time when they were not working on the project. 41% of NDA beneficiary household respondents said that their household situation was much better, while this was reported for 24 % of non-NDA beneficiary households.
- Participants were asked to imagine a six step ladder where the poorest people in South Africa stand on the bottom (the first step) and the richest people in South Africa stand on the highest step (the sixth step) and to place their household on the ladder at the start of the programme, during the programme and at present. The self-assessment exercise revealed that 32% reported being on the lowest rung of the ladder prior to project funding and at the time of the study only 8.5% of those self-reported their household being on the same rung currently. Across all the rungs of the ladder pre-project participation all participants indicated that their household's situation had improved significantly.
- The latter two points suggest that at while at a tangible level livelihoods may not have improved, participation in the project has a positive psycho-social impact, in terms of self-esteem.

Objective 2: Impact of NDA Grant Funding in respect of the growth and development of the CSO's.

The findings in respect of this objective were very limited arising from the absence of baseline data, the poor or inadequate responses received from CSO's and the lack of documentary evidence to verify self-reported outcomes. As a result the study was unavailable to make any findings on the changes to financial status of the CSOs.

Majority of beneficiaries appeared to be involved with the CSO several years after grant funding had terminated. However this cannot be taken as reflecting growth as beneficiaries noted that in some instances productive activity had almost completely terminated or was at a much lower scale and often not generating any income for participants.

Several of the CSOs reported having strengthened their human resource capacities through recruitment additional staff, importantly to strengthen specific areas such as financial management. The allocation of budgets for stipends and salaries had been noted as specifically contributed to this.

A number of CSOs reported having acquired office infrastructure as a result of the NDA grant and similarly others reported having increased their regulatory compliance through registration of the CSO's and in ensuring the drawing up of employment contracts.

The extent to which income generation projects, including those focussing on agricultural development were able to access markets and the contribution of the NDA to this outcome was also not easy to assess. Anecdotal evidence provided a few outstanding examples where the NDA support had created access to markets. However the ability to supply produce at the quality required and at scale consistently could not always be sustained and as a result some of this market access was soon lost.

The assessment of project sustainability was mixed. External factors which contributed to lack of sustainability of projects included exposure to crime, impact of drought, lack of access to electricity, the non-compliance of the project managers with donor requirements, non-repayments of loans, corruption and internal conflicts. In some agricultural projects sustainability was hampered by the loss of project workers, in some instances directly as a result of the stipend being terminated. Another issue which impacted on the sustainability of some agricultural projects was alleged contestations over land tenure claims.

An extremely successful commercial chicken farming enterprise ceased operations as a result of the Department of Labour (DoL) raising concerns about the projects non-compliance with minimum wage levels. The closure was forced due to the projects inability to sustain the production and remain financially viable while complying with DoL requirements.

Objective 3: Effectiveness and efficiency analysis of implementation of NDA Grant funded programmes 2007-2012

Although study objectives did not include an effectiveness or efficiency analysis the study addressed this to a limited extent more especially where such analysis contributed to evidence relating to the impact objectives of this study.

Effectiveness Assessment

The effectiveness assessment of the NDAs programme is based on the extent to which it is has achieved its intended outcomes.

Reviewing the NDA Mandate

Questions about the appropriateness of the NDA mandate to eradicate poverty were raised by many stakeholders internally and externally. This is in the context that the scale and nature of poverty required a multi-dimensional and multi-stakeholder response. This was raised more so in reflecting on the decreasing resource base which the NDA had access to since its inception. Some stakeholders were vociferous in articulating their view that the NDA appeared to be duplicating the work that many line function departments were responsible for and more so was doing this without the requisite capacities which these departments acquired or the scale of resources to effect meaningful change.

Thematic focus of NDA

In terms of identifying priority areas for interventions to address poverty the three focus areas (IG, FS and ECD) for the 2007 to 2012 period the NDA priorities appear to be strategically aligned to national and provincial priorities. However there were important questions being raised about the specific value add contribution of the NDA to that thematic area.

One area which stakeholders believed NDA could make a valuable contribution was in promoting an enabling environment within which civil society organisations could work in partnerships with government and private sector stakeholders. Kraag (2015) championed the idea of CSOs serving as key labour market intermediaries, specifically addressing the challenge of youth labour inclusion. He argued that a key barrier to market access for the poor is information deficiency and offered the following solution:

“And it is here that intermediaries potentially have the greatest impact: amongst the low-skilled and young unemployed. These intermediaries may have the capacity to steer individuals towards paths of greater employment ‘readiness’. Intermediaries can assess the skill gaps among job seekers, and supply information about vacancies and their requirements to meet employer needs. They can bring ‘the supply and demand sides together.’”

This was suggested to be a more meaningful role than having many CSOs step into the job creation arena, when these interventions were not likely to be at scale to make any meaningful impact on the problem.

In respect of promoting an enabling environment this would entail assisting CSO’s navigate the legal, bureaucratic and fiscal domains which non-state actors have to engage with and to do so in the context of strength. An example cited was the role of small farmers in engaging with private commercial entities for access to agro-processing markets. It was noted that agro-processing in SA was dominated by five enterprises who hold 50% of the market share. The ability to break into this market was complex and required access to finance, legal and negotiating skills and access to government support (https://issuu.com/alive2green/docs/gbj15_web).

Provincial Grant Funding Prioritization

A rapid review of provincial commitment plans available for 2008 and 2009 appears to indicate that provincial NDA plans are aligned to provincial strategic priorities with economic development and agriculture being prominent themes in these plans.

Interestingly the commitment plans were silent on their understanding of the specific challenges that CSO were likely to encounter.

In terms of the targeting of poverty eradication benefits there appeared to be consensus among NDA management, project managers and community stakeholders that through programme formulation and a focus on nodal areas the NDA was reaching the most vulnerable communities. GIS mapping revealed that 61.8% of projects were located in vulnerable municipalities. Further analysis of the spatial location of projects against unemployment data showed that 315 of the NDA funded projects were located in municipalities that had unemployment levels of greater than 20%. There were however 80 municipalities countrywide which had unemployment levels greater than 20% but did not have any NDA funded projects. A key conclusion which can be drawn is that NDA's spatial targeting and programme formulation approach appears to have ensured appropriate targeting of nodal sites. However it also demonstrates vividly the challenge for the NDA of making significant impact when the scale of the problem was large while its resource base was miniscule.

Targeting vulnerable groups

A key presumption which informed the NDA focus on poverty nodal areas targeting was that by default this would ensure appropriate targeting of vulnerable people.

As the survey data confirms women make up the majority of beneficiaries on NDA projects. This is very important as evidence suggests stronger distributional impacts at household level when women are the targets of poverty interventions.

However there are concerns about the targeting of youth, a key priority group in the context of high unemployment rate of youth in SA.

There was very little evidence of targeting of disabled people. This is understandable as there are specific challenges to programming for such a target group which have been experienced by many other government anti-poverty programmes. There did not appear to be any specific targeting approaches adopted by the NDA to reach this target group.

Partnerships for Development

Although several of the provincial commitment documents identified partnership with private sector, other state institutions and with civil society the evaluation found little evidence of these partnerships being forged and sustained at a national level or at project level.

The importance of partnerships is highlighted given the repeated assertions of NDA management that they could not be expected to deliver on the poverty eradication mandate solely. The absence of a well-defined and resourced strategy with strong leadership to drive a partnership approach is glaringly noted.

It would appear from an assessment of NDA provincial management responses (key informant interviews) that the focus was more on implementing projects and meeting targets rather than on playing a facilitation role with other development partners including local government and provincial departments who hold specific mandates around the core focus areas adopted by the NDA.

In a number of the funded projects profiled during this study it was evident that multiple donor institutions were working with the CSO. This provided the opportunity for the NDA to lead in facilitating multi stakeholder participatory planning and review sessions towards collectively enabling the projects to realise their goals. No evidence of such processes were reported.

Knowledge Management for enhancing Development Outcomes

It would appear that aside from the NDA newsletter “The Voice” there weren’t any other dedicated channels for information sharing during the period under review. This appears to be changing as demonstrated by the types of information being posted on the NDA webpages.

It is not immediately apparent how the NDA evaluates its knowledge dissemination activities in order to understand who is being reached and what impact if any it is making in enhancing evidence based planning and programming systems internally.

More importantly it is unclear what processes and approaches have been adopted by the NDA to reflect back findings and lessons learnt to beneficiaries in order to support internal reflection and growth.

The underlying assumption for developing knowledge platforms is that through access to new knowledge, practices may change and performance may be enhanced. Unless there is a purposive approach to sharing knowledge findings with the other stakeholders the exercise is largely extractive and as such is not developmental in its approach. This is in keeping with the Busan Partnership¹⁹ which aimed to address weaknesses in development aid systems and processes (OECD, 2012).

Monitoring and Evaluation Systems

The monitoring and evaluation systems implemented during the period under review were focussed predominantly on output and to a limited extent outcome monitoring. The NDA’s M and E framework developed in 2013 is a significant development in institutionalising M and E within the NDA’s culture of operation. The recognition of the various levels at which M and E must be undertaken is welcomed in that it embraces, internal monitoring as well as programme and project level monitoring and evaluation.

The HSRC has identified areas which need further attention in order to strengthen the NDA’s approach to monitoring and evaluation of funded projects.

¹⁹ The Busan Partnership for Effective Development Cooperation was signed in South Korea in December 2011 which documents consensus between state parties and donor agencies and which was spearheaded by the OECD,

Efficiency Analysis

The NDA claims to have reached 39 000 beneficiaries were reached through the intervention and created 6824 jobs. These results emerge from a total NDA transfer of R 428 029 799.00 million over the period 2007-2012 distributed to 344 projects nationally. A rough cost benefit assessment suggests that on average the cost of creating an NDA job nationally is in the region of R 62 700 per job. This however masks regional variations which range from WC jobs costing just under R 19 000 while the most expensive jobs were in the NC costing R 359 000 per job.

The capacity of the NDA to deliver on its mandate has also been reviewed. Capacity challenges include sufficient personnel to cover projects across a province with sufficient depth and frequency. It was noted that in some provinces 1 or 2 development managers had to cover the entire province. At a different level questions are raised about whether NDA personnel have the appropriate capacity to provide the mentorship and organisational development support which CSOs require. The issue regarding sector specific knowledge and skills has already been noted earlier in this report.

Exit Strategies

Exit strategies define what is likely to happen to an intervention after resources are withdrawn in order to ensure that the attainment of the projects goals are not undermined. It works on the assumption that if the project is not ready to be “graduated” it will continue to require support and that the strategy outlines the nature of the support required and how it will be sourced.

The evaluation did not find any evidence of such strategies having been put in place, even though a number of provincial NDA managers noted this as a concern.

10.2 CONCLUSIONS

The study has brought to the fore the challenge for the state of establishing development vehicles which are able to effectively channel development funding to achieve national priorities in respect of poverty eradication.

As Swilling et al (2002) note it also raises critical questions about the relationship between development expenditure and the resultant impacts of this expenditure on poverty eradication, reduction and even alleviation. Increasingly governments are demanding concrete evidence of the impacts of programmes which claim to reduce poverty.

The study has highlighted serious capacity challenges, not only for the state in terms of building effective institutions but also capacity challenges for CSO’s in the fields of development facilitation and implementation towards achieving poverty eradication outcomes.

Capacity development approaches for CSO’s need to be project specific and differentiated in order to achieve the developmental outcomes for targeted beneficiaries and which ultimately enable them to “graduate” out of poverty. The focus on capacity development must extend beyond technical training approaches and seek to build strategic capabilities of CSO’s.

Poverty by its very nature is multi-dimensional, requiring multi-stakeholder engagements and the implementation of multiple interventions. Capacity development interventions need to address the need for institutional strengthening around the ability to forge strong and effective partnerships.

These will never be equal partnerships as some parties yield more influence and power than others but with recognition of the power imbalance. Importantly capacity development should aim to support each institution in defining their specific purpose and contribution to poverty eradication.

According to NDA management, a decision has been taken by the DSD to transform the role of the NDA from grant maker to becoming an institution which supports capacity development for CSO's. This decision has been informed by an in-depth analysis which recognises that annually across the various organs of state there is has been approximately R 20 billion flow of resources to the NPO sector. It is thus suggested that the NDA would be more strategically positioned to use its resource base for strengthening the CSO sectors capacity to engage in development and poverty eradication work.

The NDA's intention is to incrementally withdraw from its development financing function over the next two years until all grant funding commitments have been met. In the meanwhile the NDA will begin to focus increasingly on its role as capacity development facilitator. However despite its withdrawal from the grant funding role, the NDA believes it could continue to provide strategic guidance to other state institutions which serve as conduits for channelling development finance to the CSO sector for poverty eradication and development interventions. It is in this context that the following recommendations are put forward.

10.3 RECOMMENDATIONS

The following recommendations are humbly submitted for consideration by the NDA with the caveat that the HSRC did not undertake a review of current systems operating within the NDA, more so if these had changed in the period since 2012. In that context it is recognised that some of the recommendations may no longer be relevant.

Recommendation 1: Clarifying the NDAs mandate

Is the mandate poverty eradication, reduction or alleviation? Or is it all three. Clarifying the mandate is important for several reasons; it allows us to determine what measures to use for assessing performance, it also allows for a better understanding of the pathways through which such change will occur and more importantly for designing interventions.

If the ultimate goal is eradication then in respect of job creation the goal will be decent work. The connotation of decent work as espoused by the ILO includes work which upholds labour rights in employment and which secures acceptable wage levels, far above the poverty line. In this context evaluating the outcome of a project which delivers a wage level of R1200 per month cannot be considered a "decent wage" as was described in an evaluation report commissioned by the NDA.

Furthermore, the findings with respect to the profile of poverty, the levels of poverty and the responsiveness of poverty to growth would such that eradicating poverty through the current design of supporting CSOs might not be achievable.

The NDA mandate must be framed within the context of the NDP vision 2030 and the country commitments to the progressive realization of the Sustainable Development Goals agenda.

Recommendation 2: Revisit the Intervention Logic Model of Anti-poverty programmes.

Revisit the Intervention Logic Model for anti-poverty interventions away from short term interventions to those which provide predictable safety nets have greater positive impact on chronic poverty, so as to enhance the impact of job creation or skills transfer programmes.

Recommendation 3: Targeting of Beneficiaries

From a poverty perspective it matters who is targeted. The assumption that through poverty nodal targeting the NDA will ensure that it reaches the appropriate target groups is not borne out by the study findings. The poor do not constitute a homogenous grouping in society and as such targeting mechanisms need to be introduced which are beneficiary specific. These must be informed by an understanding of the determinants which predispose participation. In particular such targeting mechanisms need to address greater youth inclusion and the targeting of disabled people in the programme. Given the concentration of the poor in households with older heads should also be considered as a criteria for targeting if chronic poverty is to be eradicated.

For effective targeting of anti-poverty interventions the NDA needs to encourage partners in civil society and state to go beyond socio-economic and programme specific targeting. The evidence from this study reveals a wide range of targeting mechanisms and recruitment practices across provinces and thematic focus programmes. These are contributing to imprecise targeting, which is a concern in the context of wide spread unemployment and poverty. At the same time it is creating two distinctive subgroups who are separated by larger income gaps. Purposive targeting mechanisms must be designed and implemented to ensure the inclusion of those in the poorest quintiles. More so in light of the finding that in this population where the impact of growth on per capita income was found not to be pro-poor. More needs to be done to understand the factors which inhibit the poorest from accessing anti-poverty programme opportunities and designing recruitment and targeting practices which enable their access to such programmes.

The NDA's role in engaging with civil society organisations is to deepen their understanding of different target groups for anti-poverty interventions and in designing recruitment processes to ensure their participation in these programmes. The section on poverty begins to highlight some of the subgroups that might be prioritise for recruitment into such programmes

Recommendation 4: Monitoring and Evaluation Systems

The NDA M&E system which is currently informing the approach to monitoring and evaluation is a step in the right direction. The system however needs additional strengthening.

- NDA should engage in capacitating its management, at national and provincial level as to its relevance and value for their work. It is evident that the value of M&E is weakly understood and hence indicators for measuring outcomes and impacts do not appear to provide relevant information to management to inform their plans.
- A culture of M&E needs to be built within civil society. This must extend beyond technical approaches relating to collecting data to ensuring that the value of M&E is understood and that community level monitoring is strengthened. Such approaches have been found effective in ensuring that communities hold duty bearers in civil society and government to account for development failures. It will build greater local accountability and can contribute to minimizing leakage, fraud and corruption.

- Evidence based monitoring and evaluation needs to be informed by clear theoretical frameworks which help define the theories of change for development actions and which informs the nature of indicators which must be measured. This includes unpacking definitions or who are primary and secondary beneficiaries and the specific indicators for measuring the impacts for these different target groups.

Recommendation 5: Market and Business Viability Assessments

In respect of income generation interventions including those focusing on agriculture, the NDA needs to either develop its expertise or outsource this to those with experience of work in this field. Such expertise must be based on a depth of understanding of specific sectors. For example there is a need to identify key characteristics of specific sectors and programmes which make for successful interventions in respect of poverty eradication, reduction and alleviation. Such characteristics can be extracted from the wealth of evidence available. For example much is known about the failures of cooperatives in South Africa. Understanding the interventions which can minimize the risk of failures may contribute to reducing failures. Similarly there is a wealth of knowledge and expertise relating to accessing markets in the agricultural sector. Harnessing this knowledge can help strengthen approaches to strengthening market access. For example it is known that farmers who grow produce for a defined market are more incentivised than those who produce for an unknown market.

Recommendation 6: Partnership Development

Following from the above recommendation and in recognition of the multiple role players and their respective contributions to anti-poverty programmes the NDA is urged to establish at various levels, from project through to national level, forums for stakeholder engagement to inform the development of integrated strategies and plans. In this way it is possible for leveraging resources beyond the scope of one institution has access to as well as leveraging the relative expertise that each stakeholder holds.

Recommendation 7: Strengthen Capacity Development Programmes

The NDA needs to shift away from a focus purely on technical capacity development programmes towards strengthening CSO capabilities for advocacy and for policy engagements between civil society and government. This is a core principle of the Sustainable Development Goals Agenda post 2015.

Consistent with global evidence on training, there is a need to rethink skills development component in the context of poor evidence linking training with improved job searching and livelihoods outcomes.

Recommendation 8: Exit Strategies/Sustainability Plans

The NDA needs to support CSO's and government departments who fund CSO development programmes to ensure that central to their funding is the development of exit strategies/sustainability plans to ensure that the funded development initiative has a fair chance of succeeding beyond the funding cycle for this specific grant.

Recommendation 9: Institutional Systems Strengthening

Enhance institutional capabilities within the NDA at national and provincial level and within the NPO sector in relation to technical, managerial and monitoring responsibilities which these institutions

have to fulfill, if the anti-poverty programme is expected to achieve its goals. This includes improvements in the information management and knowledge dissemination systems.

The ability to manage information is critical to effective monitoring and evaluation. The NDA is urged to review its existing systems particularly in respect of the alignment of the systems across provinces. More specifically the manner in which projects are classified needs to be revisited. An example of this is the many commercial agriculture related interventions which are classified as food security when their direct outcome is income generation and by default food security.

The wealth of information which the NDA holds needs to be made available in accessible forms both internally and externally. The mechanisms for knowledge sharing need to be carefully considered to address different user needs and capacities. The core aim would be to ensure that such knowledge informs evidence based design and planning of new interventions, review of existing ones as well as to inform policy at all levels.

10.3.1 Suggested Areas for Further Research

The following are proposals for further research that the NDA is encouraged to embark on.

- Deepen the understanding of the determinants which influence youth self-selection out of some types of anti-poverty programmes. This will assist in the design of interventions which target youth
- Undertake tracer studies to assess the impact of training and exposure to NDA funded support in terms of beneficiaries graduating out of poverty.
- Identify and isolate the factors which contribute to “successful graduation” for income generation programmes and share these lessons widely to inform good practices.
- Undertake cost benefit exercises to assess the transfer costs of programmes against the outcomes and impacts achieved.

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11 ANNEXURES

The following annexures are provided in a separate document:

ANNEXURE A: EVALUATION FRAMEWORK

ANNEXURE B: STAKEHOLDER FRAMEWORK

ANNEXURE C: HOUSEHOLD QUESTIONNAIRE

ANNEXURE D: NDA PROJECT DATA BASE

ANNEXURE E: SCHEDULE OF TABLES AND FIGURES GENERATED FROM STUDY

ANNEXURE F: GIS MAPS

ANNEXURE G: HOUSEHOLD SURVEY DATASET

ANNEXURE H: ETHICS APPROVAL LETTER

ANNEXURE I: PILOT STUDY REPORT

ANNEXURE J: DRAFT FINDINGS PRESENTATION NDA IMPACT ASSESSMENT STUDY