

Joint Mid-Term Evaluation of the Country Strategy Paper II

Client: DIV, Government of Flanders, National Treasury South Africa

Maarsse, The Netherlands, August 2015



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Final report

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Carnegie Consult B.V.
Planetenbaan 28
3606 AK Maarssen
The Netherlands

T +31 346 29 07 45

M +31 651 16 73 13

F +31 346 29 07 49

www.carnegieconsult.nl

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Acronyms

APP	Annual Performance Plan
CSP-I	Country Strategy Paper-I
CSP-II	Country Strategy Paper-II
DAC	(OECD) Development Assistance Committee
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of Southern Africa
DESTEA	Department of Economic Development, Small Business, Tourism and Environmental Affairs
DIV	Flanders Department of Foreign Affairs
DCR	Development Cooperation Review
EU	European Union
FHR	Foundation for Human Rights
GIBS	Gordon Institute of Business Science
IDC	Industrial Development Corporation
ILO	International Labour Organisation
MDG	Millennium Development Goals
MoU	Memorandum of Understanding
MSME	Micro and Small and Medium Sized Enterprises
MTR	Mid-term Review
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NGO	Non-governmental organisation
NT	National Treasury
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PEERS	Partnerships for Empowered Entrepreneurs Representation
PGDS	Provincial Growth and Development Strategy
PMG	Parliamentary Monitoring Group
PPSE	Public and Private Procurement and the Social Economy
RDP	Reconstruction and Development Programme Fund
SDG	Sustainable Development Goal
SEDF	Sustainable Enterprise Development Facility
SEF	Social Enterprise Fund
SERSA	Socio-Economic Rights in South Africa
SME	Small and Medium Sized Enterprise
SteerComm	Steering Committee
TMS	Technical and Management Support Project
ToR	Terms of Reference
UN	United Nations
UNIZO	Organisation for the Self-Employed and SMEs
UP	University of Pretoria
VAIS	Flemish Agency for International Cooperation
VVOB	Association for Development Cooperation and Technical Assistance

Executive summary

This assignment is a high level mid-term review (MTR) with the main objective being the evaluation of the translation of the general and specific goals in the indicative second Country Strategy Paper (CSP-II), 2012-2016, into the programmes and projects funded for development cooperation between Flanders and South Africa. We have conducted the evaluation according to the OECD/DAC principles and provided findings on relevance, coherence, effectiveness, efficiency, impact, sustainability and additionality. Interviews were held in Brussels, Pretoria and the Free State. In addition, we circulated questionnaires to project managers and conducted a desk review of available project evaluations and mid-term reviews. This study relies partly on the independent findings of these evaluations and reviews.

Flanders and South Africa have had development cooperation since 1994. The first coordinated cooperation strategy (CSP-I) focussed on three provinces: Free State, Kwazulu Natal and Limpopo from 2005 to 2009, with various themes selected by the provinces. For CSP-II the geographic scope remained the same, yet the thematic areas were limited to smallholder farming and food security; and job creation and development of SMEs. An overall budget of EUR 25 million was provided by the Government of Flanders. At the time of this evaluation EUR 15,055,000 had been committed to ten projects and a further EUR 7,000,000 assigned to projects.

Overall conclusions and recommendations are provided in chapter 6. These are summarized here:

Main conclusions

Relevance and effectiveness of implementation in chosen theme areas:

- The design and strategic objectives of the CSP-II is relevant to the priorities of the South-African Government. Encouraging entrepreneurship is relevant in an economy with high unemployment and the potential for SME development - especially among groups such as youth and women, who have higher levels of unemployment.
- The projects selected under the themes of SME support/job creation were found to be relevant to the goals and objectives of the CSP-II. While, for various reasons, no focussed agriculture-related projects were included, several of the other projects implemented have an agricultural component. We then also support a narrower sectoral focus for a small donor, such as the Government of Flanders, as a broader focus risks stretching the resources and reducing the impact and effectiveness of the programme.
- It appears as though the cross-cutting themes did not receive sufficient attention in the implementation of the various initiatives. However, as some projects experienced challenges in identifying sufficient qualifying beneficiaries, strict application of requirements relating to the cross-cutting themes may have further reduced the number of qualifying beneficiaries. Continuing support for social entrepreneurship may in future enable the Government of Flanders to deepen its support of these cross-cutting themes.

- In the implementation of the CSP-II, Flanders has established itself as knowledgeable in the field of social entrepreneurship. It has played a key role in placing the social economy on the national agenda and demonstrating (through pilot projects) that social entrepreneurship can contribute to job creation. It is too early to tell whether the social economy can indeed deliver a significant amount of new jobs, but this is exactly why CSP-II can be described as risk-taking and innovative in its approach.
- Social entrepreneurship fits well with the goals and objectives of Flemish Official Development Assistance (ODA), namely to benefit communities rather than individuals, to target the most vulnerable and support the green economy. Social entrepreneurship provides a channel through which all these goals can be achieved, i.e. it forms the nexus between job creation, community development, and a green economy.
- That said, it is somewhat unclear what the strategic objective is with social entrepreneurship. There is no concept note, strategy document or stated objectives of what the Government of Flanders wish to achieve with social entrepreneurship within the CSP-II context per se.

Relevance of the geographic focus of the CSP-II:

- The CSP-II indicates that the programme will have a geographic focus on the three most needy provinces. The three provinces selected (together with the Eastern Cape) certainly have the biggest need of the nine provinces in South Africa for development assistance and capacity building.
- However, several of the CSP-II initiatives were implemented in other provinces or had a national impact. For example, support to social entrepreneurship through the Bertha Institute (Western Cape) and GIBS (Johannesburg) both have a national reach. The possible future support to the South African Government in the development of a Social Entrepreneurship Policy will also have a national impact, as will the national roll-out of the startUP&go (should this go ahead). It also appears as though some of the initiatives implemented on provincial level (e.g. the startUP&go and enterPRIZEchallenge), were intended as pilots to be rolled out to other provinces/on national level at a later stage. As such, it appears as though the CSP-II has inadvertently assumed a national flavour, in addition to its stated goal of targeting the three selected provinces.

Bilateral cooperation between the Flemish and South-African Governments

- We have found that regular and constructive communication between the General Representative Office of the Government of Flanders and National Treasury is not taking place. It is imperative to the success of the programme that this relationship be remedied. The re-introduction of the Annual Consultations in March 2015 is seen as a positive step and both parties are encouraged to build on this.

Efficiency

- The implementing partners selected under the CSP-II were found to be strong and have contributed to improved efficiency and governance in the implementation of the CSP-II relative to that of the CSP-I.
- Progress reports and audits have been developed timeously and strong governance/oversight measures have been implemented.

- As a result, the CSP-II has been much more efficient in the allocation, disbursement, administration and control of funds than was the case under CSP-I. This success can largely be attributed to the difference in the funding modality and implementing partners between CSP-I and CSP-II.

Impact and effectiveness

- Little data is available on the overall impact of CSP-I and CSP-II is still in progress. However, there appears to be indications of impact for CSP-II particularly on policy level/enabling environment.
- It appears as though less success has been achieved in programmes aimed at benefiting end beneficiaries, e.g. through direct grants. The reasons are manifold and beyond the scope of this work, but some of the reasons provided relate to challenges in identifying qualifying beneficiaries (SEF, FHR); and challenges within the broader sector. The SEDF programme in the Free State is an example of the latter, where some MSMEs who received initial grants through the programme were reportedly not sustainable due to challenges in the sector. I.e. it appears as though a value-chain approach in selected sectors may be more beneficial and impactful in achieving growth and sustainability of the beneficiary MSMEs.
- Challenges within the implementation of the Free State SEDF programme have negated the potential impact of the programme and sustainability of the programme is doubtful: the programme is viewed as owned and operated by the ILO, rather than as a Flemish initiative aimed at building capacity within the provincial government. This unfortunate outcome can be attributed to the design and implementation of the programme, as well as to challenges within the provincial government.
- It is viewed as a shortcoming that there was no end-evaluation/programme close-out report completed for the CSP-I and no overall impact assessment. As a result there is little to measure the success of CSP-II against and to guide current initiatives. Given that the Government of Flanders wish to support innovation, piloting and risk-taking, it is imperative that impact assessments must be undertaken of individual projects as well as of the programme as a whole, to ascertain whether the Government of Flanders has achieved these objectives, to extrapolate lessons learnt and to guide future activities – not only for ODA of the Government of Flanders, but also for South Africa, the region and beyond.

Additionality

- Flanders has certainly achieved additionality in their funding support, particularly as much of the focus has been on funding research to inform other initiatives, experiential piloting, and support to developing the nascent social economy in South Africa. I.e. much of the support has been focussed on a niche in which other donors do not (yet) operate. We conclude that most of the initiatives supported by the Government of Flanders (if not all) would not have happened without their support.

Recommendations

Based on these conclusions we have come to the following recommendations:

- There is some conflict in the stated intent and focus of the CSP-II, namely the reduction of unemployment by benefiting end beneficiaries in the three most needy provinces (in priority sectors identified in each province), and the actual implementation of the programme which includes several national initiatives primarily focused on enabling impact within the social economy. The Government of Flanders/DIV needs to decide, in collaboration with National Treasury, whether it wishes to continue with its explicit focus, or acknowledge the implicit strategic shift in implementation.
- Also, where the intention of a programme is to pilot on provincial level and to then roll-out into other select provinces or nationally (as has reportedly been the case with some of the initiatives in the Free State), it may be more prudent to first engage with the relevant authorities on national level, obtain buy-in and agree on the most suitable region/province in which to pilot a project. It is usually more difficult to pilot in an environment where the capacity for implementation is low (which is usually the case in the poorest regions).
- It is our view that, as a relatively small donor, the Government of Flanders is better positioned to facilitate enabling impact and systemic change, than to make a noticeable impact on end beneficiaries through direct grants (on provincial level), i.e. that the implicit nature the CSP-II has partially assumed in practice may indeed be better suited to the ODA of the Government of Flanders. Such a national focus in a narrow sector could still be complemented by experiential programming aimed at developing workable models. However, the end goal should state explicitly that these models are experiential in nature, and there should be an explicit strategy in place for national-level roll-out and implementation – rather than to consider national roll-out as an afterthought (at the risk of not obtaining national-level support and buy-in).
- The Government of Flanders and the South-African Government may therefore consider stepping away from a provincial focus, and rather assume a narrow sectoral focus on national level directed at the development of the social economy with the overarching goal of reducing unemployment. In practice, the current CSP-II is already championing the social economy in South Africa.
- We therefore strongly recommend that the Flemish and South-African Governments agree to continue working in the area of social entrepreneurship for the remainder of the CSP-II and beyond, by effectively narrowing the Flanders ODA sectoral focus while broadening its geographic focus (to national). It is recommended that the remaining funding available under CSP-II be applied to strengthen/complement some of the current initiatives, such as further supporting the development of the social entrepreneurship sector. We believe the indications for delivering promising results are there and the risks of a narrow focus outweigh the risks of exploring new themes with the limited funds available.
- We recommend commissioning a study into the findings of the CSP-I and II interventions in the social economy to date, and to construct a detailed strategy and cooperation policy on interventions for strengthening the social economy. This will also contribute to more ownership by the South African authorities for a mixed portfolio of programmes with a better understanding of the type of impact of different modalities. This forward looking study could provide an outline for cooperation beyond CSP-II and also formulate the conditions for improved overall impact and sustainability.

- The Government of Flanders should consider building on the successes achieved by partnering with tertiary institutions in the implementation of the CSP-II to date and should consider strengthening its network of tertiary institutions. Tertiary institutions include universities as well as other institutions such as vocational training centres or technical institutions of higher learning. For example, in the framework of the Flemish-South African current and future cooperation, this could be done by establishing various 'centres of excellence' in entrepreneurship, with a focus on social entrepreneurship. Social development already falls within the mandate of these tertiary institutions in South Africa and several institutions already have some initiatives in place in the field of entrepreneurship, which could be strengthened with support from Flanders. We see the following potential advantages:
 - Universities/ technikons are well positioned to undertake activities such as research.
 - They have existing networks and co-funding arrangements with the private sector and platforms for dissemination of information.
 - Tertiary institutions are well positioned to target young adults/graduates as entrepreneurs. The likes of the enterPRIZEchallenge can possibly be administered through universities in the various provinces, with some initial technical assistance from the ILO and funding support from the Government of Flanders. Business development services (BDS) and mentoring programmes also have a natural fit with tertiary institutions.
 - Students can be exposed to these areas through internships.
 - These institutions have the infrastructure, governance structures and processes in place to implement such programmes and are subjected to external auditing.
 - Tertiary institutions are governed by Councils with representation from government, civil society and the private sector, and as such provide a platform for encouraging cooperation between these parties.
 - Several tertiary institutions have relationships with foreign universities. These relationships could be expanded by linking into existing programmes of the Government of Flanders through bilateral exchanges. In the area of the social economy, both Flanders and South Africa can mutually benefit from further initiatives and research into the support for social entrepreneurs and the enabling environment.

In conclusion, we strongly recommend that the Government of Flanders and the South African Government continue working in the area of the social economy for the remainder of the CSP-II. Continuation of Flemish ODA in this sphere beyond CSP-II could have tremendous value added given the nascent stage of the social economy in South Africa and the need to create an environment where more players will become active and where more authorities recognize and understand the potential of the sector. However, the Government of Flanders should develop an explicit strategy on what it aims to achieve with social entrepreneurship in the remainder of the CSP-II, i.e. goals, objectives, how specific activities/programmes relate to specific objectives, targets and measurement. Such a strategy should be discussed and agreed with National Treasury and can also set the foundation for future cooperation beyond the CSP-II.

It is imperative to the success of the programme that the relationship between DIV/the General Representative of the Government of Flanders and National Treasury be remedied in terms of close consultation and cooperation, with regular structured feedback. The re-introduction of the periodic formal consultations in March 2015 is seen as a positive step and both parties are encouraged to build on this.

1 Introduction

This mid-term review (MTR) covers the evaluation of the Second Country Strategy Paper (CSP-II) for the period 2012-2016 as part of the Flanders-South African official development cooperation.

This MTR comes at an important point in time in the light of new policy priorities of both countries and status of South Africa as a middle-income country.

The following pages present our findings from the evaluation, which focusses on the high-level choices made and how these have been implemented into specific projects and programmes.

While the core of this MTR focusses on evaluating CSP-II, our approach has also taken into account lessons from CSP-I in the formulation of recommendations for future policy choices based on the potential added value of continued cooperation between the Flemish and South African Governments.

The report is structured as follows: Chapter 2 outlines the objectives and the methodology of this mid-term review, followed by a context analysis in chapter 3 and an overview of the strategy paper in chapter 4. Chapter 5 presents the findings of the evaluation in terms of the OECD/DAC criteria relevance, coherence, effectiveness, efficiency, impact, additionality and sustainability. Chapter 6 closes the report with conclusions and recommendations. Appendices to this report include a description of projects and programmes funded under CSP-II, a high-level evaluation of CSP-II projects visited according to the OECD/DAC criteria, as well as a list of stakeholders interviewed during this evaluation.

The consultants wish to thank the Governments of Flanders and South Africa and their respective officials for the assistance rendered during the compilation of this MTR. In addition, the consultants are grateful to all representatives of beneficiary organisations and other stakeholders interviewed for this evaluation.

2 Objectives and methodology of mid-term review

2.1 Objectives

The terms of reference (ToR) for this assignment calls for a broad-based MTR with the following objectives:

- Translation of the general and specific goals of the CSP-II (2012-2016) into the programmes and projects funded to determine the overall relevance of the portfolio.
- Coherence with international development cooperation principles as laid down in the Paris, Accra and Busan declarations.
- Importance of the evaluation in the light of new policy priorities of both countries and status of South Africa as a middle-income country, in particular with a focus on reduction of poverty and inequality.
- Consideration of additionality or value added of the programmes and projects in of the context of innovation and risk taking, given the available means and the agreed goals and sectors.
- The review will focus on the *ex ante* and *ex post*, i.e. the choices made at the time of approval of the programmes and projects and how they reflect the priorities and circumstances at the time of the MTR.
- The choices for NGOs or governmental implementing agencies or organisations and the cooperation and partnerships which have resulted from the programmes and projects.
- The focus on capacity building of the organisations and agencies involved, including the organizational capacity to spend and monitor the funds made available by the Government of Flanders.

The evaluation is centred on the OECD DAC criteria of relevance, coherence, effectiveness, efficiency, impact, sustainability and additionality. The evaluation provides an analysis and review of choices made under the CSP-II: projects and programmes are reviewed on a high level, but not on a detailed project level.

The review is put against the background of a changing policy environment. The value-add of CSP-II in the context of South Africa being a high-middle income country is an important element of this evaluation, which is also reflected in the extent to which the intended focus on innovative implementation models in CSP-II has been followed.

2.2 Methodology

An Inception Meeting was conducted with the Government of Flanders, Department of Foreign Affairs (DIV) on 10 April 2015 in Brussels, after which an Inception Report was submitted for approval by DIV. DIV also submitted the inception report to the National Treasury of South Africa, and comments were received through DIV.

During the Inception Meeting it was agreed to focus on a select number of projects (listed below) for purposes of conducting a high-level review on policy level (not individual project level). The projects were selected to include the most important ones in financial terms, but also to obtain diversity across different objectives and result areas of the CSP-II. It was also agreed to visit one of the CSP-II's three target provinces, namely the Free State, which also provided the opportunity to explore the quality of cooperation on sub-national government level.

The sample of projects agreed on are listed below. The sample of projects was selected for purposes of the policy evaluation and cannot be considered as project evaluations.

Funded directly by the CSP-II:

- Social Enterprise Fund (SEF), implemented by the Industrial Development Corporation (IDC) based in Johannesburg.
- Participation and Development of Capabilities of Civil Society in realising Socio-Economic Rights in South Africa (SERSA), implemented by the Foundation for Human Rights (FHR) based in Johannesburg.
- Land Observatory, implemented by the University of Pretoria (UP).
- Sustainable Enterprise Development Facility (SEDF), implemented by the International Labour Organisation (ILO), based in Pretoria (project implementation in the Free State and KwaZulu Natal provinces).
- Building the Eco-system for Social Entrepreneurship, implemented by Gordon Institute of Business Science (GIBS) in Johannesburg.

Funded outside CSP-II:

- Technical Management Support (TMS), National Treasury – including Lebone Village in the Free State.
- Partnerships for Empowered Entrepreneurs Representation in South Africa (PEERS), implemented by TRIAS in Johannesburg.

Note: It transpired that the main activity in the Free State is the SEDF project being implemented by the ILO. Given that several meetings were held with SEDF stakeholders in the Free State – as well as with ILO staff and management based in Pretoria - much more detail was obtained on the SEDF project than on other projects. The SEDF project serves as the only example of provincial-level co-operation and the findings related to the SEDF/ Free State cannot necessarily be extrapolated to other provinces.

Methodology:

- Interviews were conducted with representatives of the Government of Flanders regarding the country strategy and the perception of the results that should be achieved by the cooperation between South Africa and Flanders. Interviews were held in Brussels and Pretoria with DIV and National Treasury as well as with the Flemish Government representatives in South Africa, the Embassy of Belgium in South Africa, the Delegation of the EU in South Africa and the Flemish organisation 11.11.11.
- A desk review was undertaken of the development context of South Africa, the programmatic context set by the Government of Flanders and whether international development principles were adhered to.
- An in-depth analysis was conducted of available documents on programme and project level (project proposals, progress reports, evaluations and audits).
- Interviews were conducted with stakeholders and project managers of the selected projects in Johannesburg, Pretoria and the Free State. A meeting was also conducted in Brussels with TRIAS and a telephone interview was held with the Organisation for the Self-Employed and SMEs (UNIZO) coordinator for South Africa.
- Questionnaires were sent to the implementing organisations involved in the CSP-II and not covered by the field study. We received replies from three organisations.
- Synthesis and triangulation of findings based on the desk review and interviews with stakeholders.

A list of stakeholders interviewed are included in Annex 3.

Debriefing sessions were conducted with the Government of Flanders and South African Government representatives in Brussels and Pretoria in July 2015. This report incorporates the feedback received at these debriefing sessions.

2.3 Limitations of the assignment

We have encountered several limitations during this assignment which were taken into account when formulating our findings:

- The availability of stakeholders involved in the projects and programmes. It was not possible to speak to all envisaged candidates for interviews. In some cases an interview was postponed and had to be conducted by telephone.
- The absence of a final review or comprehensive analysis of CSP-I programmes and projects. CSP-II was apparently designed to build on CSP-I, incorporate lessons learnt and remedy some challenges experienced in the implementation of CSP-I. Without an end-evaluation on CSP-I, it is difficult to ascertain the extent to which lessons learnt in the implementation of CSP-I were addressed in the design and implementation of CSP-II; and also to compare the effectiveness and efficiency of the revised approach followed in CSP-II relative to the approach followed in CSP-I. Much time was required during the interviews and analyses trying to understand the context of the CSP-II projects and programmes.
- Furthermore, some projects and funding was carried over from CSP-I to CSP-II. This presented further challenges in understanding the context and rationale of some of these projects, in the absence of a comprehensive end-evaluation on CSP-I.
- The assignment was short in duration and as projected could not entail an in-depth evaluation of the projects and programmes in the sample. It means some of the findings are based on the mid-term and end evaluations available for some projects. As such, we had to depend on the quality of those reports, which varied.
- Several projects were only launched in January 2015, and there are no progress or evaluation reports available yet, nor much to gauge the success of these projects to date. We only have the project proposals and opinions of the project managers (of those projects we have visited) to go by in our evaluation.

As only one province was visited, we cannot draw conclusions on the level of success achieved by the CSP-II on provincial level in general. Our findings on the success of the CSP-II in the Free State is provided based on the findings relating to one project, namely the SEDF.

3 Context analysis of CSP-II

This chapter provides a brief analysis of the cooperation in CSP-II from the perspective of South Africa, Flanders and the international development agenda. Subjects raised here are:

- The development cooperation agenda of the Government of Flanders for South Africa.
- The political and economic context in South Africa. Main priorities for the South-African Government.
- Relationship to the international development agenda and Paris, Accra and Busan declarations.

3.1 Flemish official development cooperation with South Africa

The Government of Flanders conducted fully-fledged international relations on its own mandate after its constitutional reforms of 1993. The priorities included the contribution to international solidarity, the basis for official development cooperation. Priority was given to Southern Africa right from the start and South Africa figured prominently in the development cooperation plans. A bilateral agreement between the governments was signed in 1996. Initially, many departments in Flanders were involved in the cooperation. As of 2002 a separate budget line was included for the bilateral cooperation with South Africa and the overall amount increased.

The Government of Flanders' framework for development cooperation was developed after 2002 and this led to the adoption of the 2007 Decree (Kaderdecreet inzake Ontwikkelingssamenwerking). Main goals listed are:

- Structural poverty reduction in the South.
- Broadening support for development cooperation in Flanders.
- Promotion of political attention to North-South issues and internal policy coherence.

The Flemish Association for Development Cooperation and Technical Assistance (VVOB), a non-profit organisation, was asked to identify and monitor projects financed by the Government of Flanders. In 2006 the Agency for International Cooperation in Flanders (VAIS) was founded and the VVOB was relieved of its services. It was meant to signal that the Government of Flanders was ready to take on the development cooperation completely on its own. It also meant to signal that the inter-government cooperation would be the main implementation channel of choice and that the other non-governmental relationships would be gradually phased out. This was in line with the international trend in development cooperation where support to governments was the preferred way to move forward to promote ownership, coherence and effectiveness. Through the years several multilateral organizations were supported as well - in part through contributions to the entire region of Southern Africa, but also as part of the earmarked funding for South Africa. In 2014, VAIS was integrated into the Flanders Department of Foreign Affairs.

Between 1995 and 2013 around EUR 200 million was spent on Southern Africa by the Government of Flanders in terms of international development cooperation, both by VAIS, its predecessors and several Departments of the Government of Flanders. Around EUR 66 million was spent on health and EUR 35 million on agriculture, EUR 34 million on social infrastructure and EUR 33 million on education. For South Africa the total amount for that period was EUR 86,7 million with most assistance committed to social infrastructure and services, and education. The 2001 bilateral agreement on development cooperation and the first country strategy (CSP-I: 2005-2009, extended to 2011) laid the foundation for the gradual build-up and expansion of the programme and project portfolio and practice. In their development cooperation policy for South Africa the Government of Flanders made explicit reference to the 2009 EU-South Africa Trade, Development and Cooperation Agreement. In terms of delivery of Official Development Assistance (ODA) to South Africa, effective and focussed assistance are the main objectives of this EU Agreement.

In CSP-I, three provinces were selected in line with the Memorandum of Understanding (MoU) on development cooperation between Flanders and South Africa: the Free State, Limpopo and KwaZulu-Natal. The provincial authorities were asked to come forward with thematic priorities. HIV/AIDS prevention (Free State), agriculture and food security (KwaZulu-Natal, Limpopo) and SME development (Free State) were selected. According to the 2009 independent MTR of CSP-I (Particip GmbH/ DPC & Associates), even though the assistance under CSP-I was characterized by a well-defined focus in terms of geography and themes, the practical implementation was hampered by long delays; consultation mechanisms did not yield the desired problem-solving; and some lack of clarity was prevalent among the coordinators both in Flanders and on provincial level.

Table 1: Overview of relative spending per beneficiary group of Government of Flanders in South Africa (1995-2013)

Overview of relative spending per beneficiary group of Government of Flanders in South Africa (1995-2013)	
Government	39,95%
UN and other multilateral organizations	13,83%
Local NGOs	15,46%
Flemish NGOs	14,26%
International NGOs	1,87%
Academic Institutions	11,96%
SMEs, other private sector actors	2,13%
Other	0,54%

Source: Internal memorandum DIV 30 May 2014: 20 jaar internationale samenwerking van Vlaanderen in Zuidelijk Afrika

Table 2: Overview of contributions to South Africa per sector (1995-2013)

Overview of contributions to South Africa per sector (1995-2013)	EUR	%
Social Infrastructure and services	29.215.403,35	35,30
Education	23.557;151,42	27,16
Agriculture	10.907.427,60	12,58
Health	6.883.303,81	7,94
Government and NGOs	5.059.288,85	6,99
Private sector	3.390.778,63	3,91
Water and Sanitation	2.049.519,15	2,36
Environment, energy and forestry	1.471.076,26	1,70
Other	1.789.330,71	2,06
Total	86.719.560,62	100,00

Source: internal memorandum DIV 30 May 2014: 20 jaar internationale samenwerking van Vlaanderen in zuidelijk Afrika

The Government of Flanders announced in its Policy Note for Foreign Policy (2014-2019) that the relationship with South Africa would be evaluated in light of the diminished importance of aid in a middle income country. The Government announced it wanted to review the value-added of the partnership to determine whether future financing would be desired and beneficial. Such a decision on the future cooperation should also be viewed in the context of the decision of many donors to diminish their aid or focus more on economic cooperation. Furthermore, the Policy Note mentioned the wish to explore the role of the private sector in development cooperation. The cooperation with South Africa is referred to by the Government of Flanders as an example of a shift towards more attention to private

sector development without deviating from the delivery of aid not tied to exclusive funding of Flemish entities.

The participation of Flanders in the debate on the post 2015 development cooperation agenda to define the Sustainable Development Goals (SDGs), is seen as important to understand the current context and the choices for future cooperation. In fact, the Flemish Parliament has indicated in a resolution adopted on 5 March 2015 that it would like to debate on the SDGs to consider the relevance to Flanders. The Policy Note announced a biannual debate on development cooperation with all stakeholders (Staten-Generaal). Parliament wants the SDGs to figure prominently in that debate and to discuss the wider relevance to the citizens of Flanders beyond the interests of developing countries.

3.2 Political and economic context in South-Africa relevant to CSP-II

Since 1994, the key priority of the post-Apartheid South African Government has been the upliftment of the poor through improved access to social services, infrastructure and employment. This requires continued support of the formal sector as the engine for economic growth and employment creation.

Several policies and strategies have been implemented by the South African Government to address these challenges to promote an inclusive society and increase the living standards of the poor. The main initial initiative was the Reconstruction and Development Programme (RDP) (1994), which was reinforced by the Macro-Economic Strategy for Growth, Employment and Redistribution (GEAR) (1996). These initiatives did not achieve the desired results, and several other policies and plans have subsequently been introduced to address specific challenges, most notably the Integrated Sustainable Rural Development Programme (ISDRP), the Urban Renewal Programme (URP), the Accelerated and Shared Growth Initiative (AsgiSA), a new Industrial Policy and a National Skills Development Strategy (2005-2010). In 2000, the Government adopted the Millennium Development Goals (MDGs). The objectives of the MDG are embedded in the 5-year Medium-Term Strategic Framework (MTSF) 2009-2012 and form the basis of the National Development Plan (NDP), adopted by Parliament in 2012.

The NDP sets as Vision 2030 the reduction of inequality and elimination of poverty by 2030. Vision 2030 summarizes the challenge as the need for faster growth and more inclusive growth. Key elements of this strategy include raising exports, improving skills development, lowering the costs of living for the poor, investing in a competitive infrastructure, reducing the regulatory burden on small businesses, facilitating private investment and improving the performance of the labour market to reduce tension and ease access to young, unskilled work seekers. The next MTSF 2014-2019 has been developed in line with the goals of the NDP to address what has been referred to as the triple challenge of poverty, unemployment and inequality in South Africa. The corresponding Provincial Growth and Development Plans elaborated further on the MTSF taking into account the specific challenges and circumstances in the respective provinces. As regards the geographic focus for cooperation with Flanders, i.e. Free State, KwaZulu Natal and Limpopo the importance of job creation and rural development are equally high on the agenda.

As a middle income country, South Africa is not dependent on external development aid. However, the country faces several socio-economic challenges, including high unemployment and income inequality. Development cooperation is valued especially in terms of exchange of best practices as well as new approaches to tackle development challenges defined in the MDGs and the SDGs. ODA is spent in areas such as health, education and social infrastructure and services. In 2013 South Africa received USD 3,7 billion in external aid. Major donors include France, Germany, Japan, the Netherlands, Spain, United Kingdom and the United States.

An independent Development Cooperation Review (DCR) conducted in 2010 found that the ownership of the South African Government has improved, because of clear strategic policy instruments at national, provincial and local level, the leadership by the IDC over ODA, as well as a shift by donors to more programmatic and budget support-type arrangements to deliver ODA. However, the DCR-

evaluators also concluded that ownership by South African institutions of ODA-supported initiatives were not as consistently strong at provincial, departmental and local levels as at the centre. In this DCR the choice of funding channel combined with choices regarding how the project was to be managed, were deemed important for ownership. Programmes/projects that are funded directly by the development partner or through third party arrangements were less likely to have ownership than projects funded through the RDP channel, but can still be owned by the South African Government depending on the quality of the programme/project and its management structures.

3.3 International Development Agenda

The Government of Flanders has actively participated in the international development aid effectiveness discussions. The Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2006) and the Busan Partnership for Effective Development Co-operation (2011) constitute the basic documents on which the principles of effective development aid are based. The 2007 EU division of tasks between donors is also important in terms of EU coordination for development cooperation. As regards the content of the cooperation, the Millennium Development Goals for 2015 are key for the development cooperation discussions with South Africa for the CSP-II. Obviously the current agenda as defined by the SDGs is not reflected yet in the CSP-II, but it will affect the future for the Flemish development cooperation according to declarations of both Government and Parliament in Flanders.

The Government of Flanders attaches high priority to be a best practice donor as confirmed in the 2014-2019 Policy Note. In concrete terms this implies the following principles for best practice ODA are enshrined in the Flemish cooperation with South Africa. Examples of this are the integrated programme approach agreed in partnership in a five-year country strategy and the delivery of untied aid. In paragraph 5.2 we provide the findings of our assessment on the extent to which CSP-II was coherent with these principles.

4 Overview of the CSP-II

In this section we provide a brief overview of the learnings from CSP-I, the CSP-II strategy and implementation plan, and the actual implementation to date (current portfolio and budget allocation).

4.1 CSP- I and MTR 2009

The MTR of CSP-I identified several strengths and weaknesses in the design and implementation of CSP-I. The main challenges were as follows:

- The implementation of several projects were delayed and desired results not achieved.
- Low levels of capacity to coordinate and manage ODA support on provincial and local government level. This varied among provinces, with the weakest capacity for coordinating ODA experienced in the Free State. This included challenges such as a high turn-over among key staff members.
- Relationship challenges between the two governments and in the Free State.

The evaluation concluded that the following priority areas remain relevant:

- Employment creation through support to small enterprise development.
- Agricultural sector and food security.
- Focus on the most vulnerable population groups and the prevention of HIV.
- Focus on the three selected geographic areas: Free State, KwaZulu Natal and Limpopo.

Cross-cutting themes which remain important and which should be considered in future programming:

- Gender.
- Children's rights.
- HIV/AIDS.
- Sustainable development.
- Good governance.
- Climate change.

Factors critical to the success of future bilateral cooperation:

- Careful selection of implementation partners.
- Facilitation of communication and co-operation across the three levels of government in South-Africa: national, provincial and local.
- Ownership on local and provincial government level.
- Facilitation of co-operation between government, civil society and the private sector.

General recommendations on bilateral cooperation and the implementation of future programmes:

- Remedial action required to restore trust between the two Governments.
- Roles of different players should be clearly identified – with specific reference to the roles of VAIS and Treasury.
- Coordinating role of Treasury should be strengthened in line with the agreements and to allow for timely interventions when serious conflict arises.
- Annual Consultations between the Flemish and South-African Governments as a proper policy dialogue forum.
- Ownership on local and provincial government level through more active participation and capacity building on provincial and local government level.
- Increased visibility of the Government of Flanders in the Free State.
- Annual strategic consultations on provincial level.

4.2 Country Strategy Paper II: strategy and implementation plan

The bilateral co-operation agreement for CSP-II 2012-2016 was signed in 2011. The overall goal of the CSP-II is the reduction of poverty and equality, as outlined in the South-African Government's Medium-Term Strategic Framework (2009-2014), National Development Plan, Millennium Development Goals and the European Union and South Africa Joint Country Strategy Paper (2007-2013). The agreed strategic focus areas are Presidential Outcomes 4 and 7 of the NDP. These are presented in Table 1 against the relevant MDGs.

Table 3: CSP-II priorities mapped to South-African Government Outcomes and the MDGs

CSP-II	Government Outcome	MDGs
Job creation through small enterprise development	Outcome 4: Decent employment through inclusive economic growth	Goal 1 (Target 1B): Achieve full and productive employment and decent work for all including women and young people
Sustainable smallholder agriculture and food security	Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all	Goal 7(Target 7A): Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources. Goal 1 (Target 1C): Halve, between 1990 and 2015, the proportion of people who suffer from hunger

Source: Republic of South Africa - Millennium Development Goals, Country Report 2013

4.2.1 Programme priorities

The core-principles of the Flemish development cooperation in South Africa, which form the basis for CSP-II, have been constructed from documents and interviews as follows:

- The significance of the Flemish relationship with South Africa is a focused agenda and unique interests which carves a niche not covered by other donors or agencies given the limited budget available for CSP-II.
- The contribution to a policy dialogue on the issues addressed in the NDP, the MTSF and the various provincial strategies and development plans.
- The wish to be a constructive and efficient donor.
- The wish to delegate the implementation of project or programmes or fund management to other agencies or donors.
- To wish to focus and concentrate the assistance in geographic and thematic terms. Initially two sectors were chosen (job creation through small enterprise development and sustainable smallholder agriculture and food security) and this has evolved into one sector only: jobs creation and SME development. The geographic focus of CSP-I on the provinces Free State, Kwazulu Natal and Limpopo has continued in CSP-II.
- The wish to identify innovative programmes and projects with relatively higher risk, but with good chances for replication or embedding them in South-African Government programmes.
- The focus on capacity building at organisational level.
- The focus on creating partnerships and networks among state and non-state actors.
- The wish to pay attention especially to following the cross cutting themes gender equality, climate change prevention and good governance.
- The goal to reduce poverty and inequality in South Africa.

In its original design (paragraph 3.2 of the CSP-II) two programme priorities are specified:

(1) Job creation through small enterprise development

A special emphasis of the programme would be on facilitating access of the marginalised and poor to the labour market through the promotion of decent work, skills development, entrepreneurship training, and small enterprise development.

The supported projects would aim at contributing to some of the following results:

- A policy environment which is more conducive to facilitate growth and development from national to local level.
- Increased skills and entrepreneurship, supporting access to employment among the most disadvantaged groups in KwaZulu-Natal, Limpopo and the Free State.
- Increase in decent work opportunities at local level - taking into account the effects of climate change - in the above mentioned provinces.
- Improved access to SME and cooperative development services.
- Improved inter-governmental cooperation and relations.
- Strengthened coordination between the relevant government departments.

(2) Sustainable smallholder agriculture and food security

This priority area will aim at focussing Flemish support on the reduction of poverty levels in the rural areas of South Africa through food security and the increase of smallholder and emerging farmers' incomes by improving agricultural production and marketing.

(3) Other core principles

Other priorities of the country strategy paper can be summarised as follows:

- Support to monitoring South-African Government plans and policy in the above two key focus areas.
- Inclusion of cross-cutting themes - specifically gender, HIV/AIDS, and climate change.
- The CSP-II would be a national programme with a focus on implementation in the three provinces identified in CSP-I and which has the greatest socio-economic need, namely the Free State, KwaZulu Natal and Limpopo.

The challenges experienced with the implementation of CSP-I would be addressed through capacity building of local and provincial governments through active participation in the implementation of initiatives in the selected provinces, and alignment of the programming with provincial priorities within the framework of the CSP-II.

Flanders wish to be a supportive, flexible, pragmatic, knowledgeable and innovative partner.

4.2.2 Project selection

Given the context, framework and objectives of the CSP-II, criteria for the selection of interventions were defined in paragraph 4.2 of CSP-II as:

- Strengthening enabling environment for SMEs.
- Promoting access for most vulnerable groups to employment by strengthening skills and entrepreneurship.
- Creating opportunities for decent work.
- Increasing access to services for SMEs.
- Promoting intra-governmental cooperation and relations.
- Facilitating communication between the three levels of government.

The role of the Flemish and the South African Government in the selection and implementation of interventions (para 5.1 CSP-II) would be as follows:

- The South-African Government will identify appropriate interventions, which Treasury and DIV would then evaluate. Where necessary, external expertise and stakeholders would be co-opted to

assist with the evaluations. DIV would then facilitate the design of the project and oversee the implementation.

- When an international organisation would be considered as implementing partner, DIV will consult with Treasury; and a decision would be taken together with Treasury.
- When an NGO would be considered as implementing partner, DIV would keep Treasury informed, but the final decision would rest with Flanders.

4.2.3 Funding

The total value of the ODA would be EUR 5 million per annum or EU 25 million over the 5-year period of the CSP-II.

4.2.4 Risk management

- The principles of the Paris Declaration would be adhered to in terms of providing untied aid and aligning ODA with the agreed priorities of the multi-year programme to promote ownership and decrease the risk of local authorities not cooperating during the implementation of projects and programmes.
- Flanders would be responsible for identifying and managing risk and will liaise with the South-African Government in resolving challenges identified.
- Should there be signs of increased risk and declining performance, DIV could reallocate funds to NGOs or international organisations, which were previously earmarked to support the Government.

4.3 Country Strategy Paper II: Implementation

An implementation proposal was developed for CSP-II with a list of potential projects identified under the three themes of decent jobs/SME support, agriculture and food security and governance. This list of proposed projects were further refined through a scoping exercise, evaluations conducted by external consultants of some potential implementing partners and beneficiary funds, consultations and negotiations between VAIS and National Treasury. Certain 'funding windows' were agreed for disbursement of funds through different types of partners/ implementing agencies. The allocation of funding as at June 2015 and the list of projects being implemented at the time of the evaluation (June-July 2015) are summarised below.

4.3.1 Allocation of funding as at June 2015

Table 4: Spend against total budget as at June 2015

Total planned budget (EUR)	25,000,000
Total committed (to date)	15,055,000
Assigned	7,000,000
Uncommitted and unassigned	2,944,577

Table 5: Allocation of funds per implementing partner as at June 2015 (excluding TMS and TRIAS)

Implementing window/ partner	Planned (EUR)	Actual (EUR)
Government (national execution)	10,000,000	10,000,000
Cooperation between government and non-state actors or private sector (strategic management within government and operational management with non-state actor)	10,000,000	7,041,973
Non-state actors and Chapter 9	5,000,000	5,013,450
Unassigned		2,944,577
Total	25,000,000	25,000,000

Table 6: Sectoral allocation of funds as at June 2015 (excluding TMS and TRIAS)

Sector	Actual spent or assigned to date (EUR)
SME Development – committed	12,743,973
SME Development – assigned	7,000,000
Smallholder agriculture and food security	0
Good governance and civil society participation	2,311,450
Unassigned	2,944,577
Total	25,000,000

No funds have been allocated directly under the theme smallholder agriculture and food security.

4.3.2 Project portfolio as at June2015 (including TMS and TRIAS)

In annex 1 a brief description is provided of the objectives of all projects approved up to the time of this evaluation.

Table 7: Projects relating to job creation and MSME development

Projects w.r.t job creation and MSME development	
Project Name:	The Sustainable Enterprise Development Facility (SEDF) for Job Creation in South Africa – Phase 2 of the SME Facility implemented 2011-2014
Implementing Partner:	International Labour Organisation
Value:	EUR 3.305 million
Timeframe:	January 2014 – December 2016
Coverage:	Free State and Kwa-Zulu Natal Provinces
Agriculture:	Limited/ indirectly
Project Name:	Public Procurement and the Social Economy (PPSE)
Implementing Partner:	International Labour Organisation
Value:	EUR 630,000
Timeframe:	January 2012 – December 2013 (extended to December 2014)
Coverage:	Kwa-Zulu Natal Province
Agriculture:	Limited/ indirectly
Project Name:	Private and Public Procurement and the Social Economy (PPSE) – expansion to additional provinces
Implementing Partner:	International Labour Organisation
Value:	EUR 1,735,926
Timeframe:	January 2014 – December 2016
Coverage:	Free State and Kwa-Zulu Natal Provinces
Agriculture:	Limited/ indirectly
Project Name:	Job Creation through SME Development – a knowledge sharing project
Implementing Partner:	International Labour Organisation
Value:	EUR 600,000
Timeframe:	January 2015 – December 2017
Coverage:	National + Malawi and Mozambique
Agriculture:	Limited/ indirectly
Project Name:	Supporting Social and Environmental Entrepreneurship in South Africa
Implementing Partner:	SEED Initiative/Adelphi
Value:	EUR 771,047
Timeframe:	December 2012 – June 2016
Coverage:	Free State, Kwa-Zulu Natal and Limpopo Provinces
Agriculture:	Dedicated component
Project Name:	Support for the Expansion of the IDC Social Enterprise Fund (SEF)
Implementing Partner:	Industrial Development Corporation
Value:	EUR 4,000,000
Timeframe:	1 April 2014 – 1 April 2016
Coverage:	Free State, Kwa-Zulu Natal and Limpopo Provinces
Agriculture:	Limited/ indirectly
Project Name:	Social Enterprise Eco-system support
Implementing Partner:	UCT/Bertha Centre for Social Entrepreneurship and Social innovation
Value:	EUR 1,000,000
Timeframe:	1 January 2015 – 31 December 2017
Coverage:	National

Agriculture:	Limited/ indirectly
Project Name:	Building the eco-system for social entrepreneurship and enterprise development in South Africa to catalyse socio-economic growth and promote job creation
Implementing Partner:	UP/GIBS
Value:	EUR 702,000
Timeframe:	1 January 2015 – 31 December 2017
Coverage:	National
Agriculture:	Limited/ indirectly
Project Name	PEERS
Implementing partner:	TRIAS
Value	EUR 900,000 (not technically a part of the CSP-II budget)
Timeframe	1 January 2013- 31 December 2015
Coverage	National
Agriculture	Limited/indirectly

Table 8: Projects relating to good governance and civil society

Projects with regard to good governance and civil society	
Project Name:	Participation and development of capabilities of civil society in realising socio-economic rights in South Africa (SERSA)
Implementing Partner:	Foundation for Human Rights
Value:	EUR 1,285,000
Timeframe:	1 January 2013 – 31 December 2015
Coverage:	National + Free State, Kwa-Zulu Natal and Limpopo Provinces
Agriculture:	50% of beneficiaries
Project Name:	Monitoring of parliamentary committees promoting small enterprises, smallholder agriculture and food security
Implementing Partner:	Parliamentary Monitoring Group (PMG)
Value:	EUR 200,000
Timeframe:	2012- 2016
Coverage:	National, but with some focus on the priority provinces
Agriculture:	Direct focus
Project name:	South AfricaA Land Observatory, a platform for supporting evidence-based and participatory decision making on land in South Africa
Implementing Partner	University of Pretoria (UP)
Value:	EUR 406,450
Timeframe:	1/10/2014 – 30/9/2017
Coverage:	National/international
Agriculture:	Strong focus (land)
Project Name:	Strengthening knowledge sharing partnerships for effective adaptation to climatic variability and change in South Africa
Implementing Partner:	Environmental Monitoring Group (EMG)on behalf of the Climate Adaptation Network
Value:	EUR 420,000
Timeframe:	1 January 2015 – 31 December 2017
Coverage:	National
Agriculture:	Strong focus
Project Name:	Technical and Management Support Project (TMS) (not technically a part of the CSP-II budget)
Implementing Partner:	National Treasury
Value:	Approx. EUR 2 ,000,000
Timeframe:	August 2012 – December 2016
Coverage:	National + Free State, Kwa-Zulu Natal and Limpopo Provinces
Agriculture:	8 dedicated projects

5 Analysis of CSP-II according to OECD/DAC criteria

In this chapter we provide a high level analysis of the CSP-II according to the OECD/DAC criteria, based on a review of a sample of projects, available project evaluations and interviews with stakeholders. Annex 2 provides a summary of each project reviewed.

5.1 Relevance

In this section we consider the relevance of the CSP-II to the Joint Country Strategy Paper between South Africa and the EU, the Government of Flanders's ODA priorities, and the national priorities of the South-African Governments. We differentiate between relevance in design/ intent and in implementation of the CSP-II.

5.1.1 Strategic relevance of CSP-II goals to Government of Flanders

The CSP-II is relevant in the context of the declared and intended development cooperation principles of the Government of Flanders. It is in line with the main goals of the 2007 Decree (Kaderdecreet inzake ontwikkelingsamenwerking). The CSP-II is aimed at structural poverty reduction in South Africa (goal 1). The focus is on reducing inequality and reaching out to the poor, in order to be as relevant as possible in a middle income country. The CSP-II does not specifically aim at broadening support for development cooperation in Flanders nor at the promotion of political attention to North-South issues and internal policy coherence. However, CSP-II can be used for these purposes by the Government of Flanders, for example, as envisaged in the broad consultations (Staten Generaal) for 2016.

With regard to the objective of aligning the Government of Flanders ODA with the EU cooperation with South Africa, we can conclude that CSP-II is within the stated areas of cooperation. The indicative programme for cooperation with South Africa for 2007–13 indicates two areas on which attention should be focused: job creation in the informal economy sector and integration into the formal economy; and capacity-building for the provision of basic social-security services and social cohesion.

Most EU donors have changed or diminished the scope of cooperation in South-Africa. The EU budget for development cooperation with South Africa for 2014-2020, has been downsized to a quarter of the previous period. The debate among EU countries about whether to continue providing support to a middle income country such as South Africa, also reflects on the current position of the Government of Flanders. Many EU countries concentrate more on value-added technical assistance, including research and academic exchanges. The current and especially the recently approved projects and programmes of CSP-II, seem to follow that trend with the inclusion of studies and policy recommendations for development in the area of the social economy.

Representatives of the Government of Flanders interviewed for purposes of this MTR, indicated that they wish to continue cooperation with an important international player such as South Africa. Being involved in South Africa provides valuable insights into global issues and can also help in the debate around SDGs in Flanders. In their view a relationship with South Africa can bring insights of an important country to the fore in Flanders. The organisation 11.11.11., the platform for all organisations active in Flanders in the field of development cooperation, also underscored this point.

With regard to consultation with civil society in Flanders about Flemish development cooperation 11.11.11. expressed criticism about the lack of opportunities to do so. They also expressed criticism for the lack of administrative capacity at the Government of Flanders in Brussels (DIV) and in Pretoria, and this is seen as hampering proper coordination of the CSP-II.

5.1.2 Strategic relevance of design of the CSP-II in relation to South African national priorities

The strategic focus of the CSP-II is considered relevant. The bilateral country strategy is aligned with the national priorities of South Africa as outlined in the MTSF 2009- 2012, NDP, MDGs and the Provincial Growth and Development Strategies (PGDS) of South Africa. The main strategic focus of the CSP-II is on Presidential Outcome 4: Decent employment through inclusive economic growth; and Presidential Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all.

The target date for the achievement of the MDGs is at the end of 2015. The SDGs are meant to define the current international development priorities. The respective United Nations conference in Rio de Janeiro in 2012 started a process of designing SDGs, which are “action-oriented, concise and easy to communicate, limited in number, aspirational, global in nature and universally applicable to all countries while taking into account different national realities, capacities and levels of development and respecting national policies and priorities”. Currently, in the relevant UN working group, 17 SDGs are being discussed. The Eighth Goal is defined as: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. The CSP-II fully adheres to this draft SDG Goal.

5.1.3 Relevance in implementation of CSP-II

Repertoire of projects

The projects selected under the themes of ‘SME support/job creation’ and ‘good governance’ are found to be relevant to the goals and objectives of the CSP-II.

However, the CSP-II did not succeed in including any projects under the theme ‘sustainable smallholder agriculture and food security.’ Two projects were identified in this area: the first was working in collaboration with the Department of Agriculture, Forestry and Fisheries (DAFF) and the Development Bank of Southern Africa (DBSA) on the Drylands Fund, but then this did not materialise. Other options were then explored with DAFF, but no quality proposals were received

In 2014, an external review of the SME project portfolio was undertaken (Simon White, 2014). It concluded that several of the existing projects implemented under the other two theme areas (SME support/decent jobs and good governance) have a component that addresses small-scale agriculture and food security. These include the UP Land Observatory, PMG, FHR, PPSE, SEED and TMS (8 agricultural projects). Other projects indirectly address small-scale agriculture and food security, such as the various projects relating to the social economy and SME support, which also include agriculture-related end beneficiaries.

A decision was therefore taken by DIV to reallocate the funds initially earmarked for agriculture-related projects to the SME portfolio. The development of SMEs and entrepreneurship is seen as the growth engine for South Africa and directly addresses the triple challenge of poverty, unemployment and inequality in South Africa. The Foreign Policy Note for Foreign Policy, International Economic Relations and Development Cooperation 2014-2019 confirmed that one sector would be chosen, i.e. job creation and development of SMEs.

The repertoire of projects has a strong common thread with a focus on social entrepreneurship, which also encompasses the green economy and food security.

We conclude that, despite the implementation deviating from the initial plan as stated in the CSP-II, the challenges have been successfully remedied to arrive at a portfolio relevant to the original objectives.

Cross-cutting themes

The cross-cutting themes gender, climate change and good governance have been explicit criteria in the calls for proposals. Good governance has been an explicit objective in the projects aimed at strengthening the role of civil society. As regards climate change, a specific project (Climate Change Network) has recently been selected within CSP-II.

In several progress reports attention is given to the prevalence of cross-cutting themes. For example, there is evidence of an attempt to focus on female entrepreneurs. However, besides the projects with explicit inclusion of the cross cutting themes, the degree to which these have been/are being incorporated in the execution of the remaining projects vary and have not been effectively monitored. It is our impression that the cross cutting themes have not been effectively addressed in all projects.

Provincial level

In response to the recommendations of the 2010 MTR, a MOU was signed between Department of Economic Development, Small Business, Tourism and Environmental Affairs (DESTEA) in the Free State and the ILO. The MOU is aligned with the provincial Annual Performance Plan (APP). However, some senior officials in the provincial government are of the view that the implementation of the SEDF falls short of addressing the provincial priorities and as such do not view the interventions as relevant. The end-evaluation of this project under the CSP-I (including the no-cost extension to 2014), reached the same conclusions, namely that there was no ownership of the project among the local government representatives and that this strongly contradicts the views of the ILO.

It is unclear why these shortcomings have not been addressed at the SteerCom, which includes representation from the provincial government and is chaired by the provincial government. I.e. the individuals which expressed their dissatisfaction with the programme are also the ones who signed the MoU and who are part of the SteerCom. This challenge is further elaborated on under Effectiveness.

It is not known what has transpired in KwaZulu-Natal and Limpopo, as the evaluation was restricted to a visit to Free State Province only.

5.2 Coherence

Coherence treats the questions of whether the CSP-II implementation has been aligned with the South African Government and DIV's processes and procedures, as well as with international ODA guidelines.

5.2.1 Alignment of CSP-II implementation with South-African Government processes and procedures

National level

The official channel for bilateral ODA in South Africa is through the RDP Fund, which is coordinated by the International Development Cooperation (IDC) Directorate of National Treasury. In practice, however, donors do not always channel ODA through the RDP and ODA is often channelled through other government departments or agencies, or directly through the private sector and civil society.

In the CSP-I funding model, all funds were channelled through the RDP Fund in line with the systems of ODA in South Africa. This resulted in several challenges and relationships were harmed in the process. The CSP-II therefore opted for an alternative funding modality, in line with the recommendations of the DCR. As such, funds were channelled through government agencies (such as the Industrial Development Corporation) and civil society.

The MTR of 2008 explicitly stated that trust between the two Governments need to be re-established and relationships remedied on national and provincial level, that funding must be aligned with national

and provincial priorities, that the roles of DIV and National Treasury must be explicitly clarified in the CSP-II and annual consultations reinstated.

The CSP-II is very specific with respect to aligning the goals of the CSP-II with the national and provincial priorities (discussed under 'Relevance'), the channelling of funds, the roles of the various parties and regular consultations:

- Funding modalities: to circumvent the challenges experienced in CSP-I with delays in disbursements as well as underspending, the CSP-II identified three funding windows (government/ agencies (40%), government and/or non-state actors (40%), non-state actors (20%). The relative spending targets were laid down in the implementation proposal for the CSP-II. The selection of implementation partners under the CSP-II to date, is aligned with these funding windows.
- Roles: specific roles were allocated to Treasury and DIV in the selection of projects.
- Regular report-back to Treasury/ collaboration: The periodic formal consultations have not been undertaken in five years. This has been reinstated and a formal Bilateral Consultation was convened in March 2015.

The relationship between National Treasury and the General Representative of Flanders remains strained. While National Treasury acknowledges that not all ODA from other donors flows through the RDP, it indicated that with other countries there is closer collaboration with more consultation on project selection and regular feedback on progress. With ODA not flowing through the RDP and insufficient collaboration between Flanders representatives and National Treasury, there is the risk that the ODA is not aligned with national priorities. National Treasury has the mandate to coordinate all ODA on national and provincial level, and cannot effectively do so without being consulted and kept in the know on CSP-II implementation.

The reinstatement of the formal consultations in 2015 has partially addressed the breakdown in communications and relationships. Both parties appear to recognize the need to re-assess the nature of the relationship and agree to a mutually accepted process for strengthening relationships.

Provincial level – Free State

As mentioned in the preceding section: Relevance, an MoU was signed with the Free State Government. The MoU is aligned with the priorities of the provincial government as stated in the APP. A Steering Committee has been set up which comprises a broad range of stakeholders, including the provincial government, private sector and civil society. The Steering Committee is chaired by the provincial government and meets quarterly. This is in alignment with the agreements reached in formalization of the CSP-II.

However, we have found that there remains dissatisfaction among senior provincial government officials, because the funding is channelled through an international organisation (ILO), rather than through the province in the form of budgetary support; and that this is not in alignment with provincial processes and procedures. According to these officials, implementation of the SEDF is also not aligned with provincial priorities and the provincial government cannot influence this as the funding is not under their control. It should be noted that the provincial government officials consulted with during the MTR were part of the MoU consultations and are on the SteerCom. It is therefore unclear why the SteerCom is not used to address the dissatisfaction.

5.2.2 Alignment of CSP-II implementation with Flemish ODA criteria and objectives

The Government of Flanders' policy for CSP-II declared that more assistance could be provided outside government channels through non-state organizations in line with the international development debate to provide for a broader coalition to tackle development issues. A portfolio

approach was desired with a mix of bilateral assistance, multilateral organisations and NGOs. This spread would be good in terms of risk management and the administrative capacity of the Government of Flanders. The Government of Flanders wished for strengthened national coordination to overcome the administrative inertia experienced when working directly with provincial authorities under CSP-I. The Joint Mid Term Review of CSP-I held in 2009 addressed the need to choose a more effective mode of operation. In terms of criteria for selection, Flanders affirmed the need to provide well focussed assistance and to concentrate on well-defined areas where Flanders would also have value added in terms of its own expertise. The policy not to fund smaller projects any longer would also be continued.

In terms of alignment between Flemish priorities for the ODA relationship we can conclude that the policy has been translated into practice with as result a coherent and effective portfolio. In terms of a well functioning national coordination and consultation CSP-II is not meeting the Flemish policy objective of having effective national coordination.

5.2.3 Alignment of CSP-II implementation with international ODA guidelines

The cooperation should take place within the principles of the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2006) and the Busan Partnership for Effective Development Co-operation (2011)

If the CSP-II is held against the agreed principles of the international development cooperation declarations (Paris, Accra, Busan) we can conclude that it is aligned, with the one exception that the funds are not channelled through the national system. The third external DCR (2010) recognises the need to channel funds directly to implementing partners, rather than through the RDP, under certain circumstance. The DCR recommended that modalities should be chosen to suit programme and institutional circumstances. Even if sector budget support and RDP fund arrangements are favoured (and it has been demonstrated that they have a higher chance of success), there are circumstances under which these approaches do not make sense and should be abandoned, or should only be proceeded with if supporting arrangements are in place. Our findings are summarized in the table below.

Table 9: Alignment of CSP-II with international development principles

International development principle	CSP-II alignment
Untie aid to the maximum extent possible (Busan).	There is no stated or informal preference to select Flemish partners. This is also codified in the 2007 Governmental Decree on development cooperation.
Provision of transparent indication of expenditure plans and regular updates and consultations (Busan).	At the outset in 2012 the CSP-II choices and division of budget between implementing channels (government, civil society and multilateral sector) was provided.
Foster an environment for civil society organizations as independent development actors (Busan).	A separate window exists within CSP-II which strengthens civil society's monitoring capacity of government actions.
Alignment: Donor countries should use local systems (Paris) and use the country public financial management systems as the default option for development financing: CSP-II intends to channel resources (Busan).	The Government of Flanders has declared its intention to channel the funds destined to government agencies through the budget and expenditure mechanisms run by the South African National Treasury. This was the case in CSP-I. Because of challenges experienced also during the implementation of CSP-II, this was adjusted in CSP-II. The third DCR concluded that other (major and smaller) donors are also not channelling (all) ODA through the RDP in South Africa.
Focus on results and sustainable impact (Paris, Accra, Busan).	CSP-II has the explicit objective to select effective result oriented, yet risky and innovative projects.

Capacity development - to build the ability of countries to manage their own future and strengthening national institutions (Accra, Busan).	Capacity development is a main priority/ window within CPS-II.
Partnership to recognize complementarity and diversity, including cooperation with other donors, foundations and civil society (Accra, Busan).	Some degree of EU coordination is followed in terms of policy and thematic areas. Also a separate window exists within CSP-II for the cooperation between South-African Government and non state actors.
Ownership: Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption (Paris, Accra).	CSP-II follows the priorities set by the South-African Government in the actual MTSF.
Harmonisation: Donor countries coordinate, simplify procedures and share information to avoid duplication (Paris).	A harmonized joint approach is not sought in the framework of joint sectoral budget support. CSP-II is meant to be filling a niche not covered by other donors to avoid duplication.
Mutual accountability: Donors and partners are accountable for development results (Paris).	CSP-II projects and programmes are subject to independent evaluations and audits.

5.3 Effectiveness

Effectiveness measures the extent to which the implementation of the CSP-II has attained its objectives.

Project selection

The project selection process has been effective in implementing a series of projects which address the priority themes of SME support/ job creation and good governance. Challenges have been experienced in identifying projects under the theme smallholder agriculture and food security. However, this has been successfully remedied through the coverage of this theme under several of the other projects.

The TMS project, while funded outside the CSP-II (TMS is using the remaining unspent funds and interests from projects started up before 2006), has achieved the goal of laying the foundation for several initiatives under the CSP-II: the programme assisted with the identification of relevant partners and funded experiential projects and research which complemented and informed other projects. The TMS has been a successful and pragmatic application of unspent funds.

There is much synergy among the selected projects with a common theme of supporting social entrepreneurship in several of the projects. In this sense, the projects effectively complement each other and contribute to the development of the social economy. Several of the projects focus on enabling impact, strengthening the overall sector and laying the foundation for future initiatives. Long-term commitment to this sector will be required to reap the benefits in future.

DIV is well-positioned to effectively support the further development of social entrepreneurship, which is in its infancy in South Africa.

Implementing partners

The CSP has been successful in identifying implementing partners detailed in the CSP implementation strategy. The partners have found to be credible institutions with strong well qualified project managers.

Enhance cooperation and communication between government, civil society and the private sector

These have been explicit criteria in the selection of projects and have in most instances been achieved through the nature of the implementing partners and the projects, enhanced through synergy and information sharing across projects.

In the Free State, a formal MoU was signed aligning the SEDF with the Annual Performance Plan (APP). The Steering Committee comprises members of the provincial government, private sector and civil society, and as such facilitates cooperation and communication between the various parties. Implementation of initiatives also involves all levels of government, the private sector and civil society.

Capacity building

The outcomes of effectiveness in capacity building are mixed: several project managers and beneficiaries reported on their learnings and improved capacity resulting from the support from the Government of Flanders – not only in financial terms, but also through knowledge sharing and technical assistance. The support from Flanders has, for example, enabled several universities and civil society organisations to strengthen their skills in the fields of social entrepreneurship, SME development, research and project management.

On the other hand, the challenges experienced in receiving quality proposal from the Department of Agriculture, Forestry and Fisheries (DAFF) led to the exclusion of agricultural-related projects and DAFF as an implementing partner, i.e. a missed opportunity to strengthen capacity within DAFF.

In the Free State, provincial government staff have been seconded to the SEDF, while the SEDF operates from the provincial government offices. Activities have been implemented in partnership with the provincial and local government, the private sector and civil society. Other government departments have also been involved in the implementation of some initiatives. I.e. the objective of facilitating communication between different government departments, different levels of government and between government and non-state actors have been built into the design of the programme.

Unfortunately, these efforts have seemingly not yielded the desired effect in practice: the provincial staff member seconded to the SEDF is based at the ILO office in Pretoria and not in contact with the ILO and Provincial government staff in the Free State. Also, while the SEDF physically operates from the provincial government offices, these are still ILO staff and are not perceived (by the provincial government) as part of/imbedded in the provincial government. Essentially, the skills will leave when the project comes to an end. Furthermore, there have reportedly been continued changes in the provincial government staff/management. In short, little if any capacity has been built within the provincial government and the provincial government views the project as an external ILO/ UN initiative.

The view of civil society, the private sector and some local government officials is quite different: the design and implementation of the programme is generally seen as effective, even if there have been some logistical problems; the quality of the programme material and the technical assistance provided are viewed as outstanding; and the impacts of the programme (primarily the enterPRIZE challenge) have been viewed as effective and beneficial not only to the direct end-beneficiaries, but also to the sector as a whole, as it has focussed attention on the challenges and importance of SMEs in the Free State economy.

It is clear that the branding and association of the project is still primarily with the ILO and not with Flanders, despite the recommendations in the MTR of 2010 that Flanders needs to be more visible in the province.

The SEDF has been replicated and rolled out into KwaZulu Natal in January 2015, and may be further rolled out in other provinces in the near future. The effectiveness of the programme in KwaZulu Natal has not been explored in the MTR. However, apparently the programme is led by an ILO staff member, supported by two foreign interns. It is therefore doubtful that there will be real local capacity building, ownership and skills transfer in the province.

Knowledge sharing

Knowledge sharing and networking within and among project implementers and beyond has been addressed in the programme, although there have been some challenges as TMS has fallen behind with the development of case studies and as such has not completely achieved its objectives relating to the dissemination of best practices. The ILO knowledge sharing project was therefore introduced to strengthen dissemination.

A number of other dissemination efforts have also been undertaken during the course of implementation of the CSP-II. Notably, the knowledge sharing events organised by the Government of Flanders have helped to build bridges between projects and share lessons learned. The General Representation of the Government of Flanders regularly organises networking events and sees it as one of its functions to connect organisations that work on similar or related aspects within the context of CSP-II. A first round table was organised in 2013 on SME development. It aimed at stimulating debate and knowledge-sharing among government departments, private sector organizations, academia and civil society on different models and lessons learned regarding SME development and job creation. In July 2014 a major event with 75 participants - including thought leaders from government, academia, private sector and civil society – was held to share knowledge on what has worked in the past, on what seems to work in the present and on what problems SMEs face that prevent them from succeeding. Other activities are planned for 2015 and 2016. As a result of the SME round table in 2014, Flanders approved a knowledge sharing project on SME development, implemented since 2015 by the ILO, and also involving Mozambique and Malawi.

5.4 Efficiency

Under efficiency, we review the selection and implementation processes of the CSP-II and communication between the various stakeholders, as well as the reporting of projects.

Oversight

Project Managers are expected to submit regular progress reports. The frequency of reports depends on the duration of the projects and range from six-monthly to annually. At the time of the MTR, all reporting appeared to be up to date.

Communication between the project managers and the Flemish Representative in South Africa is very good. The larger projects are governed through Steering Committees, which normally meet quarterly. This calls for additional reporting and ensures good governance.

The one problem area appears to be in the reporting and communication between the Flanders Representative and Treasury, and according to management at Treasury, they have not been kept informed on project progress and impact. It appears as though this has been remedied at the formal bilateral consultations held in March 2015, and hopefully this will now be resolved in future.

Allocation and disbursement of funds

The CSP-II has been much more successful than its predecessor in the identification of projects, disbursement and allocation of funds. Only EUR 3 million remained unallocated at the time of this MTR.

In terms of the allocation of funding, the CSP-II follows a hybrid method: it has a limited scope and budget and a pro-active identification of small and larger interventions, typical for a smaller donor programme. At the same time, CSP-II is based on national coordination following a multi-year programme with a substantial focus on capacity building for government agencies, which is typical for a larger donor. The budgetary division between three channels (NGO support, multilateral and government agencies) also reflects this hybrid nature. Identification of NGO support is one-sided fully managed by Flanders (albeit within the theme agreed upon with the South African Government). The government support is to be mutually agreed upon. When the funding under CSP-II is channelled through international organisations, National Treasury is meant to be consulted. This hybrid nature of CSP-II has been found to be reasonably efficient in practice, albeit with the important marker that the communication and coordination at national level is found to be unsatisfactory and the necessary agreements were not made nor proper consultations taking place.

On project level, the actual usage of funds have in some instances fallen behind target (for example with SEF, Adelphi and the PMG). This has partially been as a result of the challenge of finding suitable projects in the still nascent social economy of South Africa. When there is lowing expenditure on the programme activities, this can increase the percentage spent on overhead costs.

Financial management and control

Again, unlike the challenges experiences in CSP-I, to date there have been no problems with the control or allocation of funds which have been disbursed. Project Managers are required to submit regular progress reports, including on the disbursement of funds. All implementing partners/ projects are subject to audit. Not all have been audited yet as some of the projects only started in January 2015.

5.5 Impact

Impact measures the extent to which the activities of the CSP-II have had an effect on the target group.

The CSP-II has been designed to focus on enabling impact and experiential implementation, and as such to facilitate innovation and lay the groundwork for future interventions. It is difficult to ascertain enabling impact, as the benefits potentially goes beyond the specific programme and direct stakeholders and beneficiaries. Several Project Mangers described the impact of the Flemish' support as 'catalytic'.

No programme-wide impact study has been conducted for CSP-I. In the evaluation of CSP-II we were limited to a review of project evaluations, progress reports and interviews. As several projects have only been running for a few months, progress reports and evaluations are not available yet. Below are a few observations:

Social entrepreneurship

Several initiatives have been supported by the Government of Flanders in this nascent sector, notably the SEF being implemented by the IDC, and the programmes being implemented by GIBS and the Bertha Centre. Both GIBS and SEF described the TMS-funded UK study trip as a 'tipping point' for social entrepreneurship in South Africa.

The research funded through SEF and the IDC - and the subsequent publications - has informed the discourse on the social economy in South Africa. An exploratory meeting has then also recently been held between Flanders and the Economic Development Department (EDD) in which both parties expressed interest in developing and testing a policy for the social economy, based on the experiences of Flemish supported projects. Further discussions will determine whether it is feasible to

submit a proposal for approval by the Government of Flanders to support EDD in this initiative. Should this go ahead, the Government of Flanders would have achieved a systemic impact on the social economy in South Africa with lasting benefits.

SME Support, Free State

This programme was implemented by the ILO under CSP-I with a no-cost extension to December 2014. The evaluation report was finalised in December 2014. The second phase and roll-out to KwaZulu Natal recently started under the SEDF banner.

The *enterPRIZE challenge* fell far short of its quantitative targets in the Free State, with only 43 new enterprises and 160 new jobs created against the targets of 1000 and 5000 respectively. The project end-evaluation report describes the cost per job created as too high/inefficient. However, several implementation challenges have been addressed and a single sector approach has subsequently been adopted in Phase 2 of the project (SEDF), which should improve the efficiency and impact in future. According to some interviewees from the private sector and civil society, the real benefit has been that the programme has put the importance of the SME sector back on the agenda in the Free State. Some SMEs who received initial grants through the programme were reportedly not sustainable due to challenges in the sector. I.e. it appears a value-chain approach in selected sectors may be more beneficial and impactful in achieving growth and sustainability of the beneficiary SMEs, than merely focussing on start-up capital and business development services.

The *startUP&go* initiative was piloted in 62 schools, according to plan. A baseline and interim evaluation has been conducted, but the final impact will only be known once the end-evaluation has been completed following the first 'graduates' of this programme (the programme was introduced in grade 10 in 2013, grade 11 in 2014 and in grade 12 in 2015).

The provincial government did not view the pilot as relevant and requested that initiatives be focussed on young graduates in Phase 2 (SEDF). However, the national government has shown much interest in the initiative and the ILO is currently in discussions with the Ministry of Education on embedding the initiative into the national curricula. Should this go ahead, it will be a second systemic change facilitated with the support of the Government of Flanders by developing and piloting the programme in the Free State.

Outcomes relating to the research conducted by the *SME Observatory* (funded by TMS and the SME Project) at the University of Pretoria, are mixed:

- The findings were used by the ILO in guiding the sectoral approach of the SME project, and as such the research has been found useful and impactful.
- The initial intention was for the SME Observatory to be replicated on national level, but there has seemingly not been sufficient interest by stakeholders and the national roll-out will not happen. However, the University of the Free State intends to continue with the research in future with own and complementary funding.
- As for the provincial government: they did not view the research as relevant, have not used it and have subsequently approached another university (UNISA) to assist them with research.

Support to civil society

The support to civil society under CSP-II may have a long term impact by allowing citizens to channel their opinions and issues to ensure transparency and facilitate consultations with the government. In the case of the FHR project's 'participation and development of capabilities of civil society in realising socio-economic rights in South Africa,' the impact to date has been found to be low in the project evaluation (South Research, 2014). According to the evaluation, no substantial impact in the form of improved knowledge of rights can be expected among smallholder farmers in the short time in which

the project provides support: there is a mismatch between the duration of the projects (grants for one year) and the intended long-term outcomes and impact.

In the case of the TRIAS project, the main outcome realised is the shift in focus of the South African employers' organisations to work more in vulnerable areas and to support start-up entrepreneurs. The project evaluation (Greater Capital, 2015) recommended clearer monitoring at small business and entrepreneur level to determine the impact on beneficiaries.

5.6 Additionality

Under additionality we evaluate the extent to which the funding support of CSP-II has contributed to enabling the implementation of the projects. On a strategic level, additionality raises the question of whether the ODA support to South Africa covers a niche which is not yet filled by other donors/ the South-African Government itself.

The Government of Flanders has certainly achieved additionality in their funding support - both in their choice of a niche (social entrepreneurship) as well as by not financing joint or similar donor initiatives. Much of the CSP-II's focus has been on funding research to inform other initiatives, experiential piloting, and support to developing the nascent social economy in South Africa, areas in which other donors do not (yet) operate. We conclude that most of the initiatives supported by the Government of Flanders (if not all) would not have happened without their support. Also, from the perspective of the South African Government the CSP-II fulfils the requirement of piloting catalytic initiatives as well as building capacity for South African organisations to provide value-added.

The self-declared indicator of 'value-added' by Flemish ODA, is the degree to which innovative practices can be introduced while at the same time ensuring alignment with national development plans (such as the MTSF). According to most of the interviewees, the interventions can be regarded as adding value. A common theme repeated by several project managers during the interviews, is that the Representative of the Government of Flanders is very knowledgeable and pragmatic. As such, the project managers do not only value the financial support received, but also the technical assistance and knowledge shared. The Government of Flanders is viewed as being 'different' to other donors in their flexibility, pragmatic approach and interest in supporting innovative initiatives which do not form part of the 'usual' donor repertoire.

Also, the CSP-II has been fully aligned with the national development plans, although in the Free State alignment to provincial priorities was questioned by some. Most of the interventions promote innovative ventures. The Government of Flanders can certainly be seen as exploring alternative non-standard interventions at the design and implementation phase compared to other donors. The Government of Flanders is generally perceived as a non-traditional donor that is easy to work with.

5.7 Sustainability

Sustainability considers whether CSP-II programmes and projects will continue to have a positive development impact beyond the timeframe of the programme; or whether the initiatives will be integrated into existing government or non-state structures.

For those projects which had as goal to fund research and experiential implementation, the concept of sustainability is less relevant, as once the research/pilot has been completed, the value of the projects (and 'sustainability') will be reflected in the degree to which these pilots and knowledge generated are shared and used by the government and other institutions to inform future initiatives and policies.

In some instances the intention was to achieve sustainability by facilitating capacity building within local institutions and government. As discussed under 'Effectiveness,' this has been achieved to

varying degrees of success: more success has been achieved among implementing partners from civil society than with (provincial) government.

Those projects which intend to have a direct impact on the end beneficiaries have had mixed outcomes. Some have been able to attract additional funding and support (e.g. SEF, GIBS, SEDF) or may in future be embedded in national activities (e.g. the startUP&go). However, in the Free State, it appears as though none of the initiatives will be adopted and implemented by the provincial government in future.

6 Conclusions and Recommendations

The conclusions and recommendations of this high level mid-term review are listed below. First we provide the conclusions according to the OECD/DAC principles in terms of relevance, coherence, effectiveness, efficiency, impact, sustainability and additionality. Thereafter we provide the recommendations.

Conclusions

Relevance and effectiveness of implementation in chosen theme areas:

- The design and strategic objectives of the CSP-II is relevant to the priorities of the South-African Government. Encouraging entrepreneurship is relevant in an economy with high unemployment and the potential for SME development - especially among groups such as youth and women, who have higher levels of unemployment.
- The projects selected under the themes of SME support/job creation were found to be relevant to the goals and objectives of the CSP-II. While, for various reasons, no focussed agriculture-related projects were included, several of the other projects implemented have an agricultural component. We support a narrower sectoral focus for a small donor, such as the Government of Flanders, as a broader focus risks stretching the resources and reducing the impact and effectiveness of the programme.
- It appears as though the cross-cutting themes did not receive sufficient attention in the implementation of the various initiatives. However, as some projects experienced challenges in identifying sufficient qualifying beneficiaries, strict application of requirements relating to the cross-cutting themes may have further reduced the number of qualifying beneficiaries. Continuing support for social entrepreneurship may in future enable the Government of Flanders to deepen its support of these cross-cutting themes.
- In the implementation of the CSP-II, Flanders has established itself as knowledgeable in the field of social entrepreneurship. It has played a key role in placing the social economy on the national agenda and demonstrating (through pilot projects) that social entrepreneurship can contribute to job creation. It is too early to tell whether the social economy can indeed deliver a significant amount of new jobs, but this is exactly why CSP-II can be described as risk-taking and innovative in its approach.
- Social entrepreneurship fits well with the goals and objectives of Flemish ODA, namely to benefit communities rather than individuals, to target the most vulnerable and support the green economy. Social entrepreneurship provides a channel through which all these goals can be achieved, i.e. it forms the nexus between job creation, community development, and a green economy.
- That said, it is somewhat unclear what the strategic objective is with social entrepreneurship. There is no concept note, strategy document or stated objectives of what the Government of Flanders wish to achieve with social entrepreneurship within the context of the CSP-II per se.

Relevance of the geographic focus of the CSP-II:

- The CSP-II indicates that the programme will have a geographic focus on the three most needy provinces. The three provinces selected (together with the Eastern Cape) certainly have the biggest need for development assistance and capacity building.
- However, several of the CSP-II initiatives were implemented in other provinces or had a national impact, e.g. support to social entrepreneurship through the Bertha Institute (Western Cape) and GIBS (Johannesburg), both of which has a national reach. The possible future support to the South-African Government in the development of a Social Entrepreneurship Policy will also have a national impact, as will the national roll-out of the startUP&go (should this go ahead). It then also appears as though some of the initiatives implemented on provincial level (e.g. the startUP&go and enterPRIZE challenge), were done so as pilots to be rolled out to other provinces or on national level at a later stage. As such, it appears as though the CSP-II has inadvertently assumed a national flavour, in addition to its stated goal of targeting the three selected provinces.

Bilateral cooperation between the Flemish and South-African Governments

- We have found that regular and constructive communication between the General Representative Office of the Government of Flanders and the National Treasury is not taking place. It is imperative to the success of the programme that this relationship be remedied. The re-introduction of the Annual Consultations in March 2015 is seen as a positive step and both parties are encouraged to build on this.

Efficiency

- The implementing partners selected under the CSP-II were found to be strong and have contributed to improved efficiency and governance in the implementation of the CSP-II relative to that of the CSP-I.
- Progress reports and audits have been developed timeously and strong governance/ oversight measures have been implemented.
- As a result, the CSP-II has been much more efficient in the allocation, disbursement, administration and control of funds than was the case under CSP-I. This success can largely be ascribed to the difference in implementing partners between CSP-I and CSP-II.

Impact and effectiveness

- Little data is available on the overall impact of CSP-I, and CSP-II is still in progress. However, there appears to be indications of impact for CSP-II particularly on policy level/enabling environment.
- It appears as though less success has been achieved in programmes aimed at benefiting end beneficiaries, e.g. through direct grants. The reasons are manifold and beyond the scope of this work, but some of the reasons provided relate to challenges in identifying qualifying beneficiaries (SEF, FHR); and challenges within the broader sector. The SEDF programme in the Free State is an example of the latter, where some MSMEs who received initial grants through the programme were reportedly not sustainable due to challenges in the sector. I.e. it appears a value-chain approach in selected sectors may be more beneficial and impactful in achieving growth and sustainability of the beneficiary MSMEs.

- Challenges within the implementation of the Free State SEDF programme, has negated the potential impact of the programme and sustainability of the programme is doubtful: the programme is viewed as owned and operated by the ILO, rather than as a Flemish initiative aimed at building capacity within the provincial government. This unfortunate outcome can be ascribed to the design and implementation of the programme, as well as to challenges within the provincial government.
- It is viewed as a shortcoming that there was no end-evaluation/programme close-out report completed for the CSP-I and no overall impact assessment. As a result there is little to measure the success of CSP-II against and to guide current initiatives. Given that the Government of Flanders wish to support innovation, piloting and risk-taking, it is imperative that impact assessments must be undertaken of individual projects as well as of the programme as a whole, to ascertain whether the Government of Flanders has achieved in these objectives, to extrapolate lessons learnt and to guide future activities – not only for the Flemish ODA, but also for South Africa, the region and beyond.

Additionality

- Flanders has certainly achieved additionality in their funding support, particularly as much of the focus has been on funding research to inform other initiatives, experiential piloting, and support to developing the nascent social economy in South Africa. I.e. much of the Flemish support has been focussed on a niche in which other donors do not (yet) operate. We conclude that most of the initiatives supported by the Government of Flanders (if not all) would not have happened without their support.

Recommendations

Based on these findings and our interviews and desk research we have come to the following recommendations:

- There is some conflict in the stated intent and focus of the CSP-II, namely the reduction of unemployment by benefiting end beneficiaries in the three most needy provinces (in priority sectors identified in each province), and the actual implementation of the programme which includes several national initiatives primarily focused on enabling impact within the social economy. The Government of Flanders/DIV needs to decide, in collaboration with National Treasury, whether it wishes to continue with its explicit focus, or acknowledge the implicit strategic shift in implementation.
- Also, where the intention of a programme is to pilot on provincial level and thereafter to roll-out into other select provinces or on national level (as has reportedly been the case with some of the initiatives in the Free State), it may be more prudent to first engage with the relevant authorities on national level, obtain buy-in and agree on the most suitable region/province in which to pilot a project. It is usually more difficult to pilot in an environment where the capacity for implementation is low (which is often the case in the poorest regions).

- It is our view that as a relatively small donor, the Government of Flanders is better positioned to facilitate enabling impact and systemic change, than to make a noticeable impact on end beneficiaries through direct grants (on provincial level), i.e. that the implicit nature the CSP-II has partially assumed in practice may indeed be better suited to the ODA of the Government of Flanders. Such a national focus in a narrow sector could still be complemented by experiential programming aimed at developing workable models. However, the end goal should state explicitly that these models are experiential in nature, and there should be an explicit strategy in place for national-level roll-out and implementation – rather than to consider national roll-out as an afterthought at the risk of not obtaining national-level support and buy-in.
- The Government of Flanders may therefore consider stepping away from a provincial focus, and rather assume a narrow sectoral focus on national level directed at the development of the social economy with the overarching goal of reducing unemployment. In practice, the current CSP-II is already championing the social economy in South Africa.
- We therefore strongly recommend that the Flemish and South-African Governments agree to continue working in the area of social entrepreneurship for the remainder of the CSP-II and beyond, by effectively narrowing the sectoral focus while broadening its geographic focus (to national). It is recommended that the remaining funding available under CSP-II be applied to strengthen/ complement some of the current initiatives, such as further supporting the development of the social entrepreneurship sector. We believe the indications for delivering promising results are there and the risks of a narrow focus outweigh the risks of exploring new themes with the limited funds available.
- We recommend commissioning a study into the findings of the CSP-I and II interventions in the social economy to date, and to construct a detailed strategy and cooperation policy on interventions for strengthening the social economy. It would also contribute to more ownership by SA authorities for a mixed portfolio of programmes with a better understanding of the type of impact of different modalities. This forward looking study could provide an outline for cooperation beyond CSP-II and also formulate the conditions for improved overall impact and sustainability.
- The Government of Flanders should consider building on the successes achieved by partnering with tertiary institutions in the implementation of the CSP-II to date and should consider strengthening their network of tertiary institutions. Tertiary institutions include universities as well as other institutions such as vocational training centres or technical institutions that teach specific capacities of higher learning or centres of excellence. For example in the framework of the Flemish-South Africa current and future cooperation, this could be done by establishing various 'centres of excellence' in entrepreneurship, with a focus on social entrepreneurship. Social development already falls within the mandate of these tertiary institutions in South Africa and several institutions already have some initiatives in place in the field of entrepreneurship, which could be strengthened with support from the Government of Flanders.

We see the following potential advantages:

- Universities/ technikons are well positioned to undertake activities such as research.
- They have existing networks and co-funding arrangements with the private sector, and platforms for dissemination of information
- Tertiary institutions are well positioned to target young adults/ graduates as entrepreneurs. The likes of the enterPRIZE challenge can possibly be administered through universities in the various provinces, with some initial technical assistance from the ILO and funding support from the Government of Flanders. Business development services/ mentoring programmes also have a natural fit with tertiary institutions.
- Students can be exposed to these areas through internships.

- These institutions have the infrastructure, governance structures and processes in place to implement such programmes, and are subjected to external auditing.
- Tertiary institutions are governed by councils with representation from government, civil society and the private sector, and as such provides a platform for encouraging cooperation between these parties.
- Several tertiary institutions have relationships with foreign universities. These linkages could be expanded by linking into existing programmes of the Government of Flanders through bilateral exchanges. In the area of social economy both Flanders and South Africa can mutually benefit from further initiatives and research into the support for social entrepreneurs and the enabling environment.
- In conclusion, we strongly recommend that the Government of Flanders and the South African Government continue working in the area of the social economy for the remainder of the CSP-II. Continuation of Flemish ODA in this sphere beyond CSP-II could have tremendous impact given the nascent stage of the social economy in South Africa and the need to create an environment where more players will become active and where more authorities recognize and understand the potential of the sector. However, the Government of Flanders should develop an explicit strategy on what it aims to achieve with social entrepreneurship in the remainder of the CSP-II, i.e. goals, objectives, how specific activities/programmes relate to specific objectives, targets and measurement. Such a strategy should be discussed and agreed with National Treasury and can also set the foundation for future cooperation beyond the CSP-II.
- It is imperative to the success of the programme that the relationship between DIV/ the Representative of the Government of Flanders in South Africa and National Treasury be remedied in terms of close consultation and cooperation, with regular structured feedback. The re-introduction of the formal periodic consultations in March 2015 is seen as a positive step and both parties are encouraged to build on this.

Appendix 1: Description of Projects and Programmes funded under CSP-II

Projects with regard to job creation & SME development:

Partner	Title and goal	Duration	Budget (EUR)
International Labour Organisation	<p>Sustainable Enterprise Development Facility</p> <p>The development objective of the proposed Sustainable Enterprise Development Facility (SEDF) for South Africa is to create decent jobs for men and women in three provinces through entrepreneurship promotion and development of Micro, Small and Medium Enterprises in sectors and value chains with employment potential. The creation of jobs and enterprises within these sectors will be achieved through a strengthened collaboration between private and public sector partners to identify gaps in the market where real business opportunities lie.</p> <p>The project proposal must be seen in the context of the Free State SME Development Initiative, which is a 3 year project funded by the Government of Flanders. This initiative is similarly seeking to promote a culture of entrepreneurship, to create a more conducive environment for SME development, strengthen the capacity of business development service providers to provide sector specific service and to stimulate business development services uptake among entrepreneurs. The budget for the SME development initiative was EUR 4,498,000. This project was subject to a final evaluation.</p>	2014 - 2016	3.305.000
International Labour Organisation	<p>Public and Private Procurement and the Social Economy</p> <p>Main purpose is the use of public procurement to stimulate the social economy in South Africa. The project budget was USD 840,000 and duration was between March 2012 until January 2014. The second phase started June 2015 and a budget of EUR 1,735 million is reserved.</p>	2014 - 2016	630.000 (phase 1) 1.735.926 (phase 2)
International Labour Organisation	<p>SME knowledge sharing</p> <p>Main purpose of the ILO executed project on is to establish a knowledge sharing network around a common shared goal of job creation through SME development within and between the three countries. The purpose of this network is to bring organizations and individuals together to share existing knowledge as well as develop, distribute and apply new knowledge.</p>	2015-2017	600.000
Industrial Development Cooperation	<p>Social Enterprise Fund</p> <p>The Fund provides investments to establish start-up and develop social enterprises and entrepreneurs and facilitate the integration of these enterprises into the main-stream economy. It aims to build and strengthen social capital and inclusivity and support initiatives for community-driven empowerment.</p>	2014 – 2015	4.000.000
SEED Initiative, hosted by WCMC	<p>Supporting Social and Environmental Entrepreneurship</p> <p>Through an annual, global awards scheme SEED finds and reveals a wealth of novel ways of doing business. An international independent jury of experts selects and recognizes the most promising and innovative start-up social and environmental enterprises. Based on their needs, award winners</p>	2013 – 2016	771.047

	receive an individually-tailored support package which includes: working to interested organisations and with SEED Winners; profiling their initiatives nationally and internationally; providing management, financial and technical expertise; business planning; a financial contribution.		
Bertha Centre	Social Enterprise Ecosystem support The goal is to support the ongoing work of the Bertha Centre in contributing to the understanding and development of the social economy, and outlines a three year programme of applied research, education, policy, tool development, scaling support and stakeholder engagement.	2015-2017	1.000.000
GIBS	Building the eco-system for social entrepreneurship Main purpose of the project is to address unemployment in South Africa through the promotion and acceleration of small business, by strengthening the eco-system for social entrepreneurship, recognising its role to catalyse socio-economic change. The overall project outcome is to mainstream the principles of social entrepreneurship, train existing and aspiring social entrepreneurs and inform the policy environment by producing research.	2015 - 2017	702.000
TRIAS (funded outside CSP-II but included in this review)	PEERS: partnerships for empowered entrepreneurs representation Main purpose of the Partnerships for Empowered Entrepreneurs Representation in South Africa PEERS is institutional strengthening through a twinning arrangement between the Flemish catholic SME employers' union UNIZO and three South African employers' unions, NAFCOC, SACCI and AHI. The capacity building of the employers organisations is used to better reach SMEs and especially start up entrepreneurs in townships & rural areas.	2013-2015	(Funded outside CSP-II: 900,000)
Total:	8 projects		12,743,973

Projects for good governance and civil society participation:

Partner	Title	Duration	Budget (EUR)
Foundation for Human Rights	Participation and development of capabilities of civil society in realising socio-economic rights in South Africa Main purpose of the Participation and Development of Capabilities of Civil Society in realising Socio-Economic Rights in South Africa is improved access to Justice for vulnerable groups and enhanced participation of CSOs in a public policy dialogue, including in areas such as food security and climate change.	2013-2015	1.285.000
Parliamentary Monitoring Group	Monitoring of parliamentary committees promoting small enterprises, smallholder agriculture and food security Main purpose of the project is to monitor five parliamentary committees in areas relevant to CPS-II themes (small holder farming and food security as well as job creation) and inform the general public about their work. The contribution of the Government of Flanders is EUR 200,000	2012-2016	200.000
University of Pretoria	Land Observatory, a platform for supporting evidence-based and participatory decision making on land in South Africa Main purpose of the project is to promote evidence-based and inclusive decision-making over land resources in South Africa and beyond by generating, analysing and making available land-based information and by widening participation to all stakeholders.	2014-2017	406.450
EMG for the Climate Adaptation network	Strengthening knowledge sharing partnerships for effective adaptation to climatic variability and change in South Africa The objective of the programme is to ensure the functioning of an effective national platform for adaptation to climatic variability and change by and for vulnerable communities that contributes to strengthened capacities, improved public participation, knowledge sharing and policy development relating to adaptation to climate change.	2015-2017	400.000
National Treasury	Technical and Management Support programme Main purpose of the Technical and Management Support Project (TMS) which runs from 2012 – 2016 is to develop the capacity and knowledge base of development in South Africa in order to ensure that design and implementation of effective projects and initiatives contribute to the objectives of CSP-II as agreed between the Governments of Flanders and South Africa.	2012-2016	(approx. 2.000.000 revolved from previous non CSP-II commitments)
Total	4 projects (ex TMS)		2,311,450

Appendix 2: High level evaluation of CSP-II projects and programmes according to OECD/DAC criteria

1. Technical management Support (TMS) – Treasury <i>Interviews, progress report.</i>	
Relevance and coherence	The goal of the TMS fund is to lay the groundwork for future project design and implementation. Sub-projects comprised mostly research and experiential implementation around SE and the green economy, a study visit on SE. I.e. innovative interventions focused on job creation, the social economy, environment/ food security – highly relevant to South-African Government priorities.
Additionality	It is doubtful that any of these small catalytic projects would have happened without the funding from Flanders via TMS. Projects encouraged innovation; facilitated communication between government, private sector and civil society.
Effectiveness – including communication, innovation & risk	Result Area 1 – Project Management Unit/ project proposals and PM: achieved. Result Area 2 – capacity building through TA: partially achieved. Challenges in some areas, e.g. in reaching out to DAFF and KZN. Result Area 3: Advocacy – under-achieved. Result Area 4: M&E: under-achieved. 16 beneficiaries were selected by mid-2014 (newer report not available yet). The progress report lists challenges: TMS beneficiaries have been unable to submit proposals that are in line with and support the objectives of TMS and CSP-II. Also, the process of finalising and signing of the MoUs with the partners took longer than envisaged resulting in underspent/ delays.
Efficiency (administrative, financial, time)	Regular communication with Flanders. Steering Committee reportedly working well. Delays in implementing some of the research projects – has delayed case studies (advocacy). Delays in M&E. Spending behind budget. Funds accounted for separately within the RDP Fund. On occasion, have had a challenge in releasing funds from RDP to beneficiaries.
Sustainability	The intention has not been for the TMS Fund to be sustainable per se, but rather to lead to/ inform other projects. Once the TMS fund has been depleted and the projects completed, it will come to an end.

Concluding comments/ recommendations	Need to strengthen knowledge sharing/ advocacy to reap the benefits of the learnings of these innovative projects and research.
<p>2. Employment Creation through SME Development in the Free State - changed to 'Small Enterprise Development Fund (SEDF) in Phase II (2014-2017). ILO (and CDS at UFS which set up the SME Observatory, co-funded by the SEDF (ILO) and TMS.)</p> <p><i>[ILO Final independent evaluation of Phase 1: Employment Creation through SME; progress report December 2014; several interviews with stakeholders and project beneficiaries. No interviews or reports on activities in KZN, which started in January 2015]</i></p>	
Relevance and coherence	<p>Goals and result areas relevant w.r.t. job creation through facilitating the creation of MSMEs.</p> <p>MoU aligned with provincial priorities (APP).</p> <p>Some government representatives view <u>implementation</u> of intervention as not aligned with provincial priorities.</p>
Additionality	<p>Project highly valued by private sector, civil society and some provincial government representatives - – would not have happened without the support from the Government of Flanders. However, some government representatives interviewed question value-add (see relevance).</p>
Effectiveness – including communication, innovation & risk	<p>Technical assistance and material provided of high quality.</p> <p>Research by SME Observatory relevant and used by ILO, but not by provincial government which has now approached alternative tertiary institute to conduct research serving their needs.</p> <p>No known policy influence on provincial level. Quantitative targets on creation of MSMEs and jobs fell far short according to the final evaluation of first project. Revised approach to enterPRIZE Challenge (one priority sector per challenge), should improve future effectiveness. Start UP&Go pilot): reached planned number of schools, but some implementation challenges. Effect will only be known after final evaluation.</p> <p>Discussions under way with national government on embedding in national school curricula – if successful, will have national lasting impact. Facilitated communication between various local government departments and the private sector, but limited capacity building and ownership created within local government. Slight positive bias to women and youth in end beneficiaries of enterPRIZE Challenge, but cross-cutting issues of HIV and environment not achieved.</p>
Efficiency (administrative, financial, time)	<p>Strong financial control by ILO. Regular reporting and audits. External end-evaluation on completion of Phase 1.</p> <p>Some challenges with staffing and secondments from provincial government. Some overruns on administrative fee in Phase 1.</p> <p>High average cost per job created. Some delays in implementation leading to a no-cost-extension of 6 months in Phase 1.</p> <p>Research reports not all on time.</p>
Sustainability	<p>The project has not generated a sustainable future within the Free State government environment: none of the interventions have been adopted in policy and budgeted for by departments, little ownership and capacity building within local government means no sign of continuation at this stage should the Flemish/ILO support cease.</p>

	Possible sustainability of startup&grow if adopted and implemented by National Government.
Concluding comments/ recommendations	The ILO interventions are relevant to the CSP-II theme of job creation through MSME. Effectiveness in first phase disappointing according to evaluation report. Alignment with provincial government provinces differently perceived by ILO and Government.
3. Participation and development of civil society in realizing socio economic rights in South Africa (SERSA) - Foundation for Human Rights (FHR) [Mid Term evaluation December 2014; completed questionnaire, interview]	
Relevance and coherence	Improved access to Justice for vulnerable groups and enhanced participation of civil society organizations in a public policy dialogue, including in areas such as food security and climate change is relevant to CSP-II. It addresses cross cutting themes as mentioned in CSP-II. Issue such as land rights are also relevant to job creation theme.
Additionality	In terms of value added it is a continuation of part of an earlier programme, financed by the EU. Also future funding from the EU is expected. Financially the value added is limited. The project is risky in terms of dealing with contentious issues such as land rights.
Effectiveness – including communication, innovation & risk	The evaluation notes that the grants have led to the planned activities. The evaluation has focused more on outcomes. It concludes that although the programme has assisted in achieving gains in outcomes, its full potential has not yet been realized.
Efficiency (administrative, financial, time)	The organisation of calls for proposals is relatively expensive. The size of the grants is small so it is more time consuming to select projects and spend the money as well as monitor progress.
Sustainability	The improved access to justice for small scale farmers depends on a support network which is not in place yet. The midterm evaluation notes the dependence on external financing (grants) also for the grantees of FHR.
Concluding comments/ recommendations	Valuable and effective programme under CSP-II. It addresses cross-cutting themes relevant to CSP-II. Flemish funding aligned with previous EU intervention. This is good but makes financial additionality less clear.

4. Social Entrepreneurship Fund (SEF) – Industrial Development Corporation (IDC) <i>(Interview, progress report, audit) *Also received funding under TMS to participate in study trip to UK; and to conduct research into sustainability of SEs.</i>	
Relevance and coherence	<p>Aligned with goal of supporting creation of employment.</p> <p>Synergy with other CSP-II projects: ILO Public Procurement, GIBS, Bertha Centre making it relevant in the overall CSP-II context.</p>
Additionality	<p>According to IDC Flanders have been the ‘mid-wife’ of SE in South Africa, their contribution catalytic. South-African Government created initial fund, but study trip to UK tipping point; research would not have happened without assistance of the Government of Flanders.</p> <p>The SEF started as a pilot initiative in 2011. Initially (2012/13), ADS invested R12m into this programme, topped up with R100m over the following five years. The contribution of Flanders amounts to R44m, which is ca. 30% of total funds. In general, the IDC is well capitalized and does not need additional funding for the moment.</p>
Effectiveness – including communication, innovation & risk	<p>According to management the sphere of influence way beyond the actual programme.</p> <p>The contribution was scheduled over a period of 2 years (from April 2014 to April 2016), with most investment activities taking place in the second year. A total of 10 investments should have been carried out by the end of that period. However, by the time of this mid-term evaluation (May 2015), only two investments had taken place yet out of the contribution of the Government of Flanders. The main progress was made on the integration of systems and governance procedures. According to the latest progress report, there were no delays in the implementation of the activities in the work plan.</p>
Efficiency (administrative, financial, time)	<p>Interview: Difficult to find suitable projects/ grant recipients, making it a time consuming intervention.</p> <p>Progress report: Up to date w.r.t. budget and implementation. Unqualified audit.</p> <p>The Flemish contribution can leverage on the existing institutional framework of the IDC with regards to its established legal frameworks, tested operational policies and procedures and an internal and external audit system. This increases the operational efficiency of the programme. Original budget division reasonable:</p> <ul style="list-style-type: none"> - 84% of the funds are used for directly supporting social entrepreneurs. - 11% for additional personnel costs. - 5% for general management and monitoring and evaluation. <p>Given the low deployment of funds so far, the effective costs for management and administration are considerably higher. From a current perspective, the use of funds has not been very efficient.</p>
Sustainability	<p>SEF will probably continue with South-African Government funding.</p> <p>South-African Government at the time of this evaluation considering development of policy framework for SEs – which will mean long-term systemic impact</p>
Concluding comments/ recommendation	<p>Merits of working with IDC as an important player in SME development in South Africa straightforward. Effective identification of beneficiaries needs attention. Additionality of continued Flanders funding is in terms of type of projects selected in terms of risk and content.</p> <p>Efficient project; reporting average in terms of content.</p>

5. Building the eco-system for social entrepreneurship and enterprise in South Africa to catalyse socio-economic growth/ GIBS. <i>[Interview, questionnaire, project proposal]. *Also received funding under TMS to participate in trip to UK; and funding for book on social entrepreneurship:</i>	
Relevance and coherence	Strategic fit with goal of employment creation – also benefit to communities through social entrepreneurship. Address cross-cutting issues such as green economy, food security.
Additionality	<p>The social entrepreneurship network was already in existence at GIBs, but support through TMS and Flanders have pushed social entrepreneurship to a different level.</p> <p>Research would not have happened without support from Flanders.</p> <p>Courses on social entrepreneurship are subsidised by Flanders making it more accessible.</p> <p>Facilitated connections with private sector CSR partners and IDC/SEF through the TMS-funded study trip.</p> <p>SE includes green/ environmental entrepreneurship</p>
Effectiveness – including communication, innovation & risk	<p>TMS-funded study trip to the UK described as a ‘tipping point’: learnt much about what SE is really about; created network of gov, civil society and private sector in SE space.</p> <p>As highly credible academic institution, GIBS has ability to disseminate and influence policy.</p> <p>Facilitated communication between private sector, government and university.</p> <p>Some provincial government officials from the Eastern Cape have also attended course.</p> <p>Real impact difficult to ascertain – enabling impact – will be felt over years to come. Catalytic</p>
Efficiency (administrative, financial, time)	<p>GIBS is a strong institution. Capable and passionate project manager.</p> <p>The support of the Government of Flanders described as ‘knowledgeable, pragmatic, flexible; more partner than donor.’</p> <p>Overhead set on 10%. GIBS is subject to mandatory audits – tight financial management and governance.</p> <p>Project is new, but reportedly on plan and budget. [First progress report due in July 2015.]</p>
Sustainability	<p>The benefits of the research – enabling impact – and learnings built into GIBS programmes will benefit many in future.</p> <p>Always look for complementary/ additional funding – some already obtained.</p>
Concluding comments/ recommendations	Relevant and with value added on content. Sustainability ensured within the organisational set-up.

6. Supporting Social and Environmental Entrepreneurship in South Africa/ SEED Initiative <i>Progress report.</i>	
Relevance and coherence	The intervention to support start up social entrepreneurs is relevant to the goals of CSP-II.
Additionality	The SEED initiative is not new and runs in South Africa already since 2010 with 11 selected enterprises in 2010-2011. The co funding of the Government of Flanders is not considered high risk nor innovative. One aspect of the activities is further investment in past winners in order to benefit also current new activities. Around 20% of the budget is reserved for that.
Effectiveness – including communication, innovation & risk	The prize winners have been selected and advise has been provided. Dissemination and research also took place. The approach therefore can be deemed effective. No information is available yet on expected impact in terms of enhancing socio-green entrepreneurship.
Efficiency (administrative, financial, time)	In terms of efficiency of the project the 10% overhead calculated is within the norm. The budgeted EUR 116,000 for high level dissemination events and workshops is substantial, in light of the total of EUR 770,000 but perhaps logical if the idea is to raise the profile of the entrepreneurs with policy makers and opinion leaders and the concept of social-ecological enterprises. Some of the events have been held outside South Africa such as the SEED Africa conference in Nairobi in 2014 where all the winners gathered.
Sustainability	The SEED Initiative in South Africa is part of an international programme and in that sense embedded and sustainable. External funding is necessary for future activities.
Concluding comments/ recommendations	Relevant and effective. Fits well in the CSP-II albeit perhaps not a very innovative and risky profile as intended.

7. Land Observatory – University of Pretoria

Project proposal. Project started end 2014 only.

Relevance and coherence	The establishment of an evidence base for informed decision-making on land and land-based activities in South Africa and beyond, in its broader context is relevant to CSP-II the initial theme of food security and small holder farming and also relevant to job creation in the MSME sector.
Additionality	In terms of value added this funding fills a niche not covered by other donors. The University of Pretoria cannot fund these activities from its own budget although some funds are provided as co-financing.
Effectiveness – including communication, innovation & risk	The effectiveness and potential impact of the project is ex ante to be positive. The University of Pretoria is well placed to deliver the results as projected. The potential impact can be high given the relevance of the subject in the current political setting in South Africa.
Efficiency (administrative, financial, time)	In terms of efficiency of the project the overhead is calculated to be 10% of the total costs of the project. The salaries of the university staff charged to the project are reasonable and in line with the usual salaries paid to university staff. The ex ante efficiency can be rated as good.
Sustainability	The sustainability cannot be rated yet at this early stage.
Concluding comments/ recommendations	Relevant to CPS-II and in current political context of SA.

8. Partnerships for Empowered Entrepreneurs Representation/ TRIAS

Interviews in SA and Brussels, evaluation, progress reports

Note: funded outside CSP-II, relevant to theme and included in sample. Future funding under CSP-II envisaged.

Relevance and coherence	Relevant to goal of creation decent jobs by drawing small and micro-enterprises into networks of three selected large national chambers
Additionality	The Chambers in SA have traditionally only served the interests of large corporations. This is a new initiative and would not have happened without the PEERS/ TRIAS project. Innovative intervention.
Effectiveness – including communication, innovation & risk	<p>According to the progress report, all activities are on track/ have been carried out in line with the work plan by the four partner organisations.</p> <p>The evaluation by Great Capital recommends to engage better with local governments, including lobbying activities. The project has strengthened the lobby capacity of the three beneficiary employers' organisations.</p> <p>Impact on meta-and macro-level: putting into place a framework which can benefit many in future – enabling impact. Catalytic insofar as it is setting a process and framework in motion which cannot be reversed - embedded change/ enabling impact.</p>
Efficiency (administrative, financial, time)	<p>Highly capable, experienced and passionate project manager.</p> <p>Efficiency seems high as it reportedly does not require much funding for broad reach, given the nature of the project (i.e. working with structures of existing Chambers);</p> <p>Difficult to quantify efficiency/ value for money as target group is only indirectly reached.</p> <p>Implementation and spending reportedly on plan/ budget.</p> <p>Relatively high overhead costs (23%), although leaning on existing structures and procedures of chambers. High efforts for coordination due to structure of programme (4 partner organisations) but seemingly efficiently implemented.</p> <p>Comprehensive and extensive reporting.</p>
Sustainability	<p>The evaluation recommends to monitor at small business and entrepreneur level to find out whether impact of the project has been realized. The project proposal does not address sustainability.</p> <p>Once framework put in place, will continue to exist – i.e. sustainability through the very nature of the project. Can also possibly attract external funding in future from the private sector and Chambers.</p>
Concluding comments/ recommendations	<p>Relevant to CSP-II theme of job creation and MSME development.</p> <p>Start has been slow as it requires time to achieve a change in mindset (meta level). Requires time to bear fruit – requires continued support from Flanders. There is an opportunity to increase effectiveness by exploring synergies with other projects, e.g. by linking TRIAS with the SEDF initiatives which also deal with Chambers and large corporates on provincial level.</p>

Appendix 3: Stakeholders interviewed

Interviews	Organisation	Interviewees
Pretoria and Johannesburg		
1	Government of Flanders	Geraldine Reymenants, General Representative of the Government of Flanders Katrien Dejongh, Attaché Development Cooperation
2	Delegation of the European Union to the Republic of South Africa	Arno Schaefer, Minister Counsellor, Head of Cooperation
3	Embassy of the Kingdom of Belgium	Patrick de Bouck, Development Counsellor, Deputy Head of Mission
4	National Treasury, IDC	Mr Robin Toli, Chief Director, IDC National Treasury Seema Naran, Director: IDC National Treasury Akona Nakani Emmanuel Ramathuba
5	National Treasury, Capacity Building [Technical Management Support Project (TMS)]	Dr Newton Stoffels, Director: Capacity Building Sheila Edwin, TMS Programme Coordinator
6	University of Pretoria, Post Graduate School of agriculture & Rural Development [Land Observatory]	Dr Ward Anseeuw, Development economist and policy analyst: CIRAD Research Centre
7	International Labour Organisation (ILO), Country Office for Botswana, Namibia, Lesotho, Swaziland & South Africa	Vic van Vuuren, Director: Decent Work for Southern & Eastern Africa
8	International Labour Organisation (ILO)	Jens Dyring Christensen, Project Manager Knowledge Sharing (former Technical Advisor of SME project in Free State)
9	International Labour Organisation (ILO)	Valerie Flanagan, Technical Advisor, SEDF (Phase 2 of SME Project)
10	Industrial Development Corporation (IDC) [Social Enterprise Fund (SEF)]	Stuart Bartlett, SBU Head: Agency Development & Support Department Bukelwa Zweni

11	Foundation for Human Rights (FHR)	Yasmin Sooka, Director Mamashoabathe Noko, Project Coordinator Hanif Vally
12	TRIAS	Stephen Miller, Country Director
13	GIBS	Kerryn Krige, Senior Programme Manager: Network of Social Entrepreneurs

Interviews	Organisation	Interviewees
Free State		
14	Department of Economics, Small Business Development, Tourism & Environmental Affairs (DESTEA) - Free State	Mokokare Seleke, Head of Department
15	Department of Economics, Small Business Development, Tourism & Environmental Affairs (DESTEA) - Free State	Gadija Brown, Chief Director Small Business Development Mr Moremi, Acting Head of Department
16	Office of the Free State Premier	Bafana Mthembu, Chief Director ODA
17	International Labour Organisation (ILO) [SEDF - Free State]	Winnie Sereeco, SEDF Project Coordinator, Free State
18	Central University of Technology (CUT)	Prof Ryk Lues
19	Centre for Development Studies (CDS), University of the Free State [SME Observatory]	Deidre van Rooyen, Acting Director, CDS
20	Centre for Development Studies (CDS), University of the Free State [Iebone Village]	Anita Venter, Researcher (Project Manager Iebone Village)
21	Manguang Local Municipality: Tourism	Angus Peterson
22	Black Management Forum	David Uwah

Interviews	Organisation	Interviewees
Brussels		
23	Flanders Department of Foreign Affairs/ DIV	Anne van Autreve, Head of Division Mieke Govaerts, Policy Officer Els Yperman, Programme Manager
24	Flanders Department of Foreign Affairs/ DIV	Koen Jongbloet, Head of Division
25	11.11.11.	Koen Detavernier, Policy Officer
26	TRIAS	Patrick Eeckloo, Head of Department Nancy Snauwaert, Programme Manager
27	UNIZO	Jan Boulogne, coordinator cooperation with SA



Carnegie Consult B.V.
Maarssen, the Netherlands

Planetenbaan 28
3606 AK Maarssen

T +31 346 29 07 45
M +31 651 16 73 13
F +31 346 29 07 49

www.carnegieconsult.nl



Marketworx Africa (Pty) Ltd
Cape Town, South Africa

M +27 833 25 54 52

gerda@marketworxafrica.com