Evaluation Summary

International Labour Office

Evaluation Office

Public procurement and social economy project – (PPSE) Final Evaluation

Quick Facts

Countries: *South Africa*

Final Evaluation: *December 2013*

Mode of Evaluation*:* *Independent*

Administrative Office: *DWT/CO-Pretoria*

Technical Office: *ENTERPRISES*

Evaluation Manager: *Darryl Crossman*

Evaluation Consultant: *Benedict Musengele*

Project End: *December 2013*

Project Code*:* *SAF/11/01/FCA*

Donor & Project Budget: *Govt of Flanders $840,000*

Background & Context

The PPSE project explores the potential to use public procurement to stimulate the social economy in South Africa. It responds to the New Growth Path (NGP), which identifies the social economy as a sector with the potential to create 260,000 jobs. In order to reach this target, the NGP proposes the development of a comprehensive strategy to support the social economy, which includes capacity building support for social economy enterprises and actors, and efforts to improve their access to finance and markets. It specifically refers to the need to "encourage state procurement from and service delivery through organizations in the social economy", recognizing the stimulus that this can provide to social economy enterprises as well as the multiple benefits that procurement from the social economy can bring for public authorities.

The project builds on the ILO's previous Social Entrepreneurship Targeting Youth in South Africa (SETYSA) project also funded by the Government of Flanders. The project facilitated informed policy dialogue on social economy enterprise development in South Africa and developed various social economy enterprise development tools and approaches. The SETYSA final evaluation included the recommendation that "the Government of Flanders explore new lines of support for social enterprise and social entrepreneurship in South Africa". In addition, the PPSE project also built on an existing Flemish-funded project in Umkhanyakude District managed by the KZN Educational Trust (in which the ILO was not involved), which sought to support cooperative development by linking community gardens to the National Schools Nutrition Programme.

Programme Objective and anticipated Outcomes

The development objective of the project is decent employment for women and men (including youth and persons with disabilities) in sustainable social economy enterprises. There are three immediate objectives of the project which include;

- META-level: To encourage a mindset among policy makers and policy stakeholders that appreciates the role of public procurement as a stimulus for employment creation in the social economy.
- MACRO-level: To encourage a more conducive enabling environment for public procurement from the social economy.
- MICRO-level: To improve the efficiency of interactions between individual social economy

enterprises and public procurement officials, clients, beneficiaries, service providers and other stakeholders, resulting in increased public procurement from the social economy and the growth and improved effectiveness of social economy enterprises.

The corresponding immediate outcomes are:

1. Policy makers and policy stakeholders appreciate the role of public procurement as a stimulus for employment creation in the social economy.
2. A more conducive enabling environment for public procurement from the social economy.
3. Efficiency of interactions between social economy enterprises and their stakeholders is improved, resulting in increased public procurement from the social economy and the growth and improved effectiveness of social economy enterprises.

Purpose

This evaluation, which complies with UN and international evaluation standards, is being undertaken in accordance with two main provisions. (i) Firstly, the provision under the technical cooperation agreement between the Government of Flanders and the ILO, which stipulated that an independent final evaluation would be carried out at the end of the Project. (ii) Secondly, the ILO Evaluation Policy adopted by the Governing Body in November 2005, which provides for systematic evaluation of programmes and projects in order to improve quality, accountability and transparency of the ILO's work, strengthen the decision-making process and support constituents in forwarding decent work and social justice.

Scope

The scope of the evaluation covers the project period from January 2011- December 2013 and includes assessments from all geographical areas. The evaluation will assess all outputs produced since the beginning of the project and the level achievement of the three immediate outcomes with a discussion of recommendations for a second phase of the project. Specific attention is given to the progress in capacitating both immediate and ultimate beneficiaries. Lastly, gender equality is considered a cross cutting concern throughout the methodology and deliverables of the project

Clients of the Evaluation

The primary clients of the evaluation include the constituents of the ILO (represented by the Project Advisory Committees), project partners and stakeholders, the project management unit, the ILO Office in Pretoria, and the donors. It is intended that findings and recommendations of the evaluation will be used to improve the continued implementation of the project (PPSE phase 2). This present independent final evaluation cost $13 638.11.

Methodology and approach

In accordance with ILO policy, the evaluation approach was participatory. As per the terms of reference, and due to time limitations, the evaluation methodology used entailed only the following research instruments: (i) literature review of key relevant documents; (ii) field interviews (one-on-one & group discussions), covering a wide range of stakeholders including ILO social partners, beneficiaries etc. A total of 43 respondents, who were selected jointly by the project team and the consultant using purposive sampling, were interviewed. Of this total women comprised 47% while men comprised 53%. (iii) Independent observations by the Mission. The views from the interview were analyzed using personal and professional judgments and interpretations based on the discussions/interviews.

The structure of the evaluation assesses the relevance and strategic fit of the project in relation to the development aspirations of stakeholders in the project; the validity of project design and implementation processes; the achievements of the project in relation to planned outputs, the anticipated outcomes and impact; the effectiveness of management arrangements and the efficiency of resource use; the sustainability and the impact orientation; and lessons learned.

Relevance and Strategic Fit

The interventions of the PPSE project are relevant to *target beneficiaries, ILO constituents, national* stakeholders and collaborating partners. Virtually all respondents, especially from among target social enterprises and Government institutions, feel that the project closure (which was scheduled for December 2013) has come rather prematurely and hope that another initiative will carry on with what they consider as a very noble agenda towards their common aspirations. As far as the beneficiaries are concerned, the decision to extend the project is be a very welcome development.

Validity of Design

Project design was founded on reasonably adequate and reliable information base which included:

- Information from the Flemish-funded ILO SETYSA project (2009-2011) which resulted in a suite of approaches and tools those constituents in South Africa can use to create an enabling environment for social enterprise development.
- Project design processes strongly embraced stakeholder consultations.
- The project strategy was timely and in line with the national government's New Growth Path's (NGP) and the development of the National Development Plan (NDP).
- A wide spectrum of stakeholders confirmed that the ILO systemic enterprise development approach was the right approach. However, many of them, especially target social economy enterprises (SEEs) felt that the project should have included financial access as one of the immediate objectives.

Although the Project Document did not explicitly provide specific outputs, outcomes and impact indicators for gender, the management unit was constantly conscious of the need to proactively engage and involve women in the project activities. However, the Mission observes the following:

- That the Project was rather ambitious from the point of view of the multiplicity of activities that were needed to deliver anticipated project outcomes and impact against a modest budget and a short period of two years.

Main Findings & Conclusions

It was anticipated that Project interventions would lead to policy makers and policy stakeholders appreciating the role of public procurement as a stimulus for employment creation in the social economy, a more conducive enabling environment for public procurement from the social economy and efficiency of interactions between social economy enterprises and their stakeholders is improved, resulting in increased public procurement from the social economy and the growth and improved effectiveness of social economy enterprises.

The project added to ILO comparative advantage including capacity building through training, and entrepreneurship development towards poverty alleviation.

In part due to the project activities, there is an increasing number of institutions showing interest in social enterprise development and taking steps to support it. The public sector is increasingly embracing the social economy concept and has taken major steps in supporting the sector using public procurements as stipulated in the new growth path.

Recommendations & Lessons Learned

1. The project management should give greater emphasis to facilitation of access to finance as one of the immediate objectives as it has emerged that it is a major challenge in the context of SEEs development in South Africa.

2. The project management should have a gender mainstreaming strategy as we move to the second phase of the project.

3. The second phase of the project should take care of the lessons learnt and expand into private sector procurement to encourage social enterprises to increase market access beyond public tenders.

4. The project should shift towards promoting social enterprises within existing procurement legislation advocating and lobbying to develop and implement procurement policies within partner organizations that promote procurement from the social economy rather than changing regulations.

5. The project management and the ILO office in Pretoria should intensify consultations at the National

Treasury and Department of Economic Development so as to ensure full ownership of the project at the national level as it is the case at the provincial level.

6. In the second phase the project should expand to other municipalities as to have a greater impact.

7. In the second phase there is need to expand the project management team by retaining the current National project Coordinator and coopting focal persons in all the selected Municipalities to support the National Project Coordinator.

8. The PAC needs to develop a clear sustainability strategy to facilitate orderly and smooth closure of the initiative and continuity of service delivery given that the second phase of the project has been approved by FICA.

9. The second phase of the project should ensure close collaboration with other FICA initiatives to ensure added value to all FICA projects.

- What are the emerging good practices?
  - That consultations at all levels is critical for success of the project hence there is need for dialogue with the National Department of Economic Development as the project moves to the second phase of the project;
  - That relevance of intervention underpins the realization of broad-based support and quick "buy-in" by target beneficiaries and other stakeholders, and in this regard, target beneficiaries diagnosis should always be emphasized to ensure relevance of interventions; and
  - Securing the active involvement of stakeholders with sufficient influence to prevent/overcome bureaucratic and other barriers early on in a project is critical to achieving outcomes within the planned timeframe.

- What should have been incorporated?
  - Risk and assumptions relating to variations in project intermediate objectives and associated outputs and activities over the lifespan of the project. This should always be explicitly built into the project design given the heavy reliance on feedback and support of stakeholders outside the project.
  - Gender (women)-specific outputs, outcome and impact indicators in the Project log frame to ensure that their participation and sharing of benefits is not (inadvertently) sidelined.
  - Stronger emphasis of facilitation of access to finance as one of the immediate objectives should have been more strongly considered in phase one as it has emerged that it has been major challenge in the context of SEEs development (in South Africa and elsewhere).