



UBUHLEBEZWE MUNICIPALITY

Youth Development Strategy

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TABLE OF CONTENTS

1. INTRODUCTION	6
1.1. Purpose of the youth development strategy	6
1.2. Study objectives	7
1.3. Methodology	8
1.3.1. Secondary research	8
1.3.2. Primary research	8
2. 1.3.3. Study limitations	11
1.4. Structure of the report	11
2. LEGISLATIVE FRAMEWORK	12
2.4. Principles and Best Practice	12
2.5. Key Legislative Instruments Supporting Youth Development	15
2.5.1. International Instruments	16
2.5.2. National Policy Instruments	18
2.5.3. Interpretation/Analysis	21
3. STATUS QUO	23
3.1. Overview of Ubuhlebezwe Local Municipality.....	23
3.1.1. Location.....	23
3.1.2. Population	23
3.1.3. Local Economy	24
3.1.4. Employment	26

3.1.5.	Education.....	27
3.1.6.	Health.....	30
3.4.	Institutions that Implement Youth Focused Project in the Municipality	32
3.4.1.	Ubuhlebezwe Municipality Youth Co-ordinator.....	32
3.4.2.	Sisonke Development Agency (SDA).....	32
1.4.1.	Furtech (Umzimkhulu).....	33
1.4.2.	World Vision South Africa Ixopo Area Development (ADP) Programme...33	
1.4.3.	Woza Moya.....	34
1.4.4.	TB HIV Care	34
4.	APPLICATION/ANALYSIS	35
4.1.	The Analysis.....	35
4.1.1.	Strengths	35
4.1.2.	Weaknesses	36
4.1.3.	Opportunities.....	36
4.1.4.	Threats.....	36
4.2.	Insufficient Funding.....	37
4.3.	Lack of Skills Development Initiatives	37
4.4.	Unconvincing Interest in Self-employment	37
4.5.	Lack of Co-ordination.....	38
4.6.	Poverty Penalty and Social Ills	39
4.7.	Conclusions	39

4.8.	Pro-youth Development Institutions outside the Municipality	40
4.8.1.	DGRV	40
4.8.2.	SLOT.....	41
4.8.3.	South African Red Cross Society.....	42
4.8.4.	Tshikululu Social Investments.....	43
4.8.5.	Hope Factory	43
4.8.6.	Sanlam Foundation.....	44
4.8.7.	Cell C Foundation.....	44
4.8.8.	Shanduka Foundation.....	44
4.9.	Concept Notes.....	45
5.	CONCEPT NOTES FOR THE YOUTH DEVELOPMENT STRATEGY	48
5.1.	PROGRAMME 1: Establish Youth Representative Forum for the Municipality..	48
5.2.	PROGRAMME 2: Develop Quick-win Social Enterprise Projects for the Youth (Entrepreneurship Agenda).....	56
5.2.1.	Operate Solar Energy Distribution Facility	56
5.2.2.	Use Bicycles to Distribute Medication for the Elderly	59
5.2.3.	Encourage School-based Youth Social Enterprises	61
5.3.	PROGRAMME 3: Align Public Sector Service Delivery Programme to Youth Skills Development, Education and Entrepreneurship Agenda.....	63
5.3.1.	Revive Co-operative Programme	63
5.3.2.	Apply EPWP Methodology to Infrastructure Project	67
5.3.3.	Align Pro-poor Microfinance Initiatives to Creative and Home Based	

“The people most affected by deepening and widening poverty and inequality have been black South Africans and most notably black rural women and young people. We still have unacceptably high levels of poverty and inequality. We have a crisis of high unemployment in our country. It is only by enabling our people to free themselves from poverty, by providing decent and sustainable jobs and opportunities to become entrepreneurs that we will really bring about a better life for all.”

Excerpt from President Jacob Zuma’s ANC 99th Birthday Speech 8th January 2011, News 24, found at <http://www.news24.com/printArticle>

1. INTRODUCTION

1.1. Purpose of the youth development strategy

Ubuhlebezwe Local Municipality is mandated by Municipal Systems Act Number 32 of 2000 to develop Sector Plans as part of the Integrated Development Plan (IDP). The Youth Development Strategy will become a Sector Plan of the IDP once adopted by the Council.

The IDP contains five Key Performance Areas (KPAs). This Strategy wants to contribute to;

- KPA 1: Institutional Capacity and Municipal Transformation
- KPA 3: Local Economic Development
- KPA 5: Good Governance

The whole of the IDP is relevant to youth development and local economic development as it seeks to improve inclusive and participatory development, a key element in improving services delivery, skills development, attracting investment and creating jobs in the local economy. This strategy wants to support the development of sustainable, robust and inclusive youth strategy through the exploitation of local opportunities, potential and competitive advantages as well as addressing local needs and contributing to regional, provincial and national development objectives.

The processes of planning and implementation of development programmes to create a platform for youth development throughout the country remains a challenge. Part of the challenge, is the ongoing quest by the three spheres of government to find innovative ways to align strategies and report key planning programmes and project based information in a meaningful manner to one another. Furthermore, the increasing pressure on the economy to create jobs and the seeming failure of government macro-economic policy to address unemployment and inequality further exacerbate the problem for government. This Youth

Development Strategy is developed to provide context standards for officials in government, to facilitate, report, and manage, interpret and consolidate information from multiple government organisations, the business community and civil society organisations. This Strategy is also intended to integrate Youth Development into the Municipal IDP to facilitate budget alignment by the three spheres of government. In essence this means that the Youth Development Strategy provides the three spheres of government and stakeholders with a mechanism to hold each other accountable for planning and delivery of youth development programmes in the Municipality.

This Report is the main deliverable expected by the Ubuhlebezwe Local Municipality. This Strategy proposes a set of initiatives that would facilitate youth development and wants to improve the economic future and quality of life for the youth in communities of the Ubuhlebezwe Municipality.

1.2. Study objectives

The overall objective of this Strategy as set out in the Terms of Reference is to identify public sector organisation, the non-governmental organisations and the private sector organisations that have programmes for the youth in Ubuhlebezwe Municipality with a view of integrating and aligning such programmes to youth development. This Strategy wants to respond to challenges associated with social security, employment creation, skills development and entrepreneurship with a view of developing a “Triple E” responsive strategy. The “Triple E” agenda priorities are Education, Employment and Entrepreneurship.

The final product of this study is the Youth Development Strategy for Ubuhlebezwe Municipality. It should contain three catalytic youth initiatives that address the priorities of the “Triple E” agenda. This Strategy will be adopted by the Council so that, together with its prioritised catalytic initiatives, it will be included in the current Integrated Development Plan. This will allow the officials to submit the three concept proposals for funding to potential funders.

1.3. Methodology

Three main methodologies have been applied to develop this Strategy.

1.3.1. Secondary research

Secondary research involves a review and analysis of information obtained through a desktop study to locate the youth development strategy within the policy/legislative imperatives of the country. The documents that are reviewed include amongst others the relevant national and provincial policies, the international strategies, the current IDP and LED Strategies for both the District and Local Municipality. Second, a municipal economic profile and its development trajectory are crafted from the municipal planning documents i.e. Ubuhlebezwe and Harry Gwala Municipalities. The aim of this analysis and review was to draw implications for youth development in the Municipality.

1.3.2. Primary research

Participatory tools of research that solicit the involvement and participation of social and economic development actors and key stakeholders are used. The methodology provides for a structured and systematic process of engaging local players to gain a full understanding of the socio-economic status quo of the Municipality and to further interrogate the information obtained through secondary research. This focuses on facilitating dialogue that is outcome oriented.

Community participation is central to the successful formulation of any development strategy. First, it provides the team with the background information they need to ensure that the ensuing consultative process (the workshops) is grounded in local realities. Secondly, it enables key stakeholders in this process to communicate local

realities (status quo) and start thinking about alignment and integration of their respective development plans to the strategic direction of government.

Stakeholder consultation took two forms. Firstly, facilitation of stakeholder engagement that draws the lead players to link up with the new players in strategic value chain in line with the principles of the Base of the Pyramid approach. This included meetings with public sector institutions that are mandated to support socio-economic development. *Secondly*, focus group discussions and structured meetings were facilitated with the youth representatives, the Community Development Workers and youth representatives in the Ward Committees in the Municipality.

Method and process to be followed in consultative meetings:

Step 1: Identification of key project stakeholders

The list of key respondents and strategic development players were generated in collaboration with the Municipality. Participants were informed about the purpose of the interviews and the process. They were contacted by telephone about the dates, times, venues and other related interview and meeting logistics.

Step 2: Key respondent interviews

A three-pronged key respondent interview approach was adopted i.e. representatives of public sector institutions, community representatives and the business have been interviewed. Public institutions and development practitioners are regarded as indirect stakeholders or participants that have a mandate to create the development platform for youth development. Communities are direct stakeholders that are immediately and directly affected. An open ended questionnaire focused on key issues was administered. The consultation process was guided by issues that emerged out of the analysis of the status quo.

- **Public institutions:** Key respondent interviews provided further insight to the project team about the nature and extent of youth development. During the

process key respondents were requested to identify strategic people and key development players in Municipality.

- **Community Consultation:** These players included civil society organizations that are active in their communities. These were invited to one half-day workshop. Participatory learning techniques were utilized. This methodology is able to identify strengths and opportunities and means of realizing or capitalizing. The approach aims to achieve quick and visible results.

Step 3: Documentation of outcomes, resolutions and actions

This involved the recording of the following information that is integrated into the strategy:

- Prioritized projects and/or initiatives
- Institutions and people responsible for initiating and implementing projects or initiatives
- Available resources that can be accessed and resources yet to be mobilized
- Proposed Timeframes

Step 4: Data Synthesis: The data generated through the research methodologies outlined above has been synthesized into a single document which has been used as a foundation for the Strategy formulation process.

SWOT Analysis

The SWOT analysis is a strategic planning method that has been used to evaluate the Strengths, Weaknesses, Opportunities, and Threats to youth development of Ubuhlebezwe Municipality. It sets out the socio-economic development objective of the Municipality that will be achieved through the implementation of this Strategy. The SWOT analysis identifies the internal and external factors that are favourable and unfavourable to achieve the set objective.

2. 1.3.3. Study limitations

The main obstacle that has been encountered by the project team was invisibility of youth development programmes in all sectors operating in the Municipality. There was also loss of goodwill by youth on municipal processes, thus a high degree of mistrust in the exercise.

1.4. Structure of the report

This report is organised into four sections, as follows.

The introduction to this report has been provided in the section above.

The following sections are presented as follows:

Section 2: The legislative framework

Section 3: Status quo analysis

Section 4: Application of analysis

Section 5: The concept notes

- **Programme 1** deals with the establishment of youth representative forum for the Municipality.
- **Programme 2** presents 3 quick-win social enterprise projects for the youth. These are solar energy distribution, collection and distribution of medication for the elderly and school based youth social enterprises.
- **Programme 3** is interested on aligning of public sector service delivery programme to youth skills development, education and entrepreneurship to youth development agenda. It presents three programmes for doing this. These include the revival of co-operative programme, application of EPWP methodology to

infrastructure projects and alignment of pro-poor microfinance to home-based industries.

2. LEGISLATIVE FRAMEWORK

This phase results from extensive review of existing literature on the national youth development trajectory in the Republic of South Africa. This section gives an overview of policy and strategic planning documents that talk to the priorities of the youth.

First, it is informed by five national development priority areas and the twelve Cabinet outcomes.

Second, it summarizes the key legislative instruments that deal with youth development.

And lastly, it recommends strategic focus areas the Municipality should prioritize. These areas are backed by the clear and unambiguous policy regime for youth development.

2.4. Principles and Best Practice

There are universally accepted principles that govern service delivery in any development sector. These are outlined below:

- Realistic and achievable targets should be established for every development initiative.
- The key role of public institutions is to create an enabling environment and creating the conditions that stimulate youth engagement, business establishment, expansion and investment. The pillars of such development are structured education and skills development programmes.

- Public institutions should provide and maintain infrastructure that supports social and economic development.
- The Local Economic Development (LED) in particular should aim to build competitive partnerships firstly between business, government and civil society, but also between competitive established businesses and sectors and aspirant and emerging black business formations and BBBEE investors. This competitiveness should be based on promoting linkages and connections between informal and formal economy. There should be focus on those sectors, clusters, supply and value chains with the greatest potential to integrate aspirant emerging black businesses, youth, farmers, community based enterprises and BBBEE investors into the economic supply and value chain. Innovative ways must be found to encourage informal emerging enterprises to take up opportunities in these local value chains. This should not be confused with poverty alleviation and sustainable livelihood priorities.
- The strategy should result in the formulation of key priorities and a few focused actions. The strategy cannot address every economic issue in the municipality. It must focus on those few areas where there is commitment, capability and where there is the greatest chance of success and impact.

Internationally the discipline of Local Economic Development focuses on strengthening ongoing economic entities to improve their competitiveness. In the recent past there has been a particular emphasis on education, skills development and entrepreneurship in socio-economic development mix. This has been brought into focus by the impact of technology on large scale industries significantly reducing jobs for the unskilled and semi skilled. This section considers international best practice for the LED sector as its role in job creation is increasingly becoming significant.

The new concept and approach to entrepreneurship is emerging with social enterprises that operate within a value chain continuum that wants to balance the social and economic imperatives. Social entrepreneurs employ innovative and sustainable approaches to development that benefit society in general. The

emphasis of such initiatives is largely on those sections of society that are marginalized and poor. The Bottom of the Pyramid (BOP) approach has been used by many countries and found relevant for the poor and developing countries. The BOP approach argues that business organisations that look beyond profits are best placed to address social and economic global problems in an equitable manner.

Prahalad and Hart (2000) argue that poor people who constitute about four billion of the total world population and who live on one US Dollar per day present the greatest consumer base for businesses, governments and donor agencies to transform and rebuild national inclusive economies. It argues that the poor are creative entrepreneurs as well. They have proved to survive the most traumatic social and economic conditions. The proponents of the BOP argue that the poor must be given a chance to claim their positions and roles in the consumer value chains.

With regards to this approach the following can be said. First, all stakeholders in social and economic development arena including the private sector institutions need to work progressively to reduce barriers to entry into formal economy. This poses a question as to how partnerships between multinationals, big local firms and civil society sector organisations could help to overcome the institutional barriers at each stage of education, skills development, entrepreneurship and employment processes. In order to ensure partnership between the private sector firms and small producers or entrepreneurs, the following actions are recommended:

- All development sectors should prioritise the provision of education and skills development that support the local economy. The economy is in dire need of artisans, industrialists and innovators.
- Develop clear career guidance and support system for the youth in school and the youth out of school. In the main, this should prioritize and promote the role of Further Education and Training (FET) colleges so that artisans that are needed by the economy can be produced.
- Business ownership of small producers should be formalized. Formalization increase chances for emerging entrepreneurs to be recognized by the state. This

allows them to access state grants and increases chances of getting multiple financial services including loan capital. This also allows them to invest on assets and even to buy equity in big business.

- Engage the private sector at all three levels, namely, at charity, social investment strategy and core business level. At a charity level the private sector may be philanthropic supporting the civil society sector and other philanthropist. The social investment strategy level allows the company to position itself in the market. Lastly the emerging enterprises should focus on engaging at the core business level.

2.5. Key Legislative Instruments Supporting Youth Development

This section provides a synopsis of recent policy developments at the national government and the international arena. This section sets out the policy context within the youth development strategy is formulated. The discussion places emphasis on the applicability of these policies and their strategic alignment to Ubuhlebezwe Municipality.

In January 2010, the South African Cabinet adopted 12 outcomes within which to frame public service delivery priorities and targets. These 12 outcomes are informed by five national priority development areas, namely,

- Decent work and sustainable livelihoods
- Education
- Health
- Rural development, food security and land reform
- Fight against crime and corruption

In each term all Cabinet ministers sign performance agreements with the President of the Republic of South Africa and commit themselves to deliver on these priority areas. Their performance agreements are linked to these outcomes and have since been developed to cascade from national government to provincial departments, municipalities, Chapter 9 institutions and to State Owned Enterprises.

For the purpose of this Strategy, the analysis will focus on the provision of decent work and sustainable livelihoods, education, rural development and food security. This direction is supported by Cabinet Outcomes 1, 4, 5 and 7, that is, improving the quality of basic education; provision of decent employment through inclusive economic growth; ensuring that there is a skilled and capable workforce to support inclusive growth; and facilitation of vibrant, equitable and sustainable rural communities and food security. All these outcomes are talking to the provision of appropriate education and skills development programmes.

This section presents the international and national legislative and policy instruments that support youth development.

2.5.1. International Instruments

South Africa is a signatory to international declarations and Charters such as the United Nations World Programme of Action for Youth (2000), Millennium Development Goals (MDGs) (2000), Commonwealth Youth Charter (2005) and African Youth Charter (2005).

Basically the United Nations World Programme of Action for Youth (2000) wants to ensure the well-being of young women and men and their full and active participation in the society in which they live. The same is provided in the **United Nations Charter (1945)**.

This Charter makes provision for the young women and men to attain " ... educational level commensurate with their aspirations; access to employment opportunities equal to their abilities; food and nutrition adequate for full participation in the life of society; a physical and social environment that promotes good health and protection from disease and that is free from all types of violence. Human rights and fundamental freedoms without distinction as to race, sex, language, religion or any other forms of discrimination; participation in decision - making processes; and places and facilities for cultural, recreational and sports

activities to improve the living standards of young people in both rural and urban areas".

In the same year, 2000, the international community agreed on **Millennium Development Goals** and specific targets that were to be achieved 15 years later. In the main these included the eradication of hunger and poverty; achieving universal primary education; promotion of gender equity and empower women; reduction of child mortality; improvement of maternal health; combat of HIV and AIDS, malaria and other diseases; prioritization of environmental stability; and development of global partnership for development.

In 2005 the Commonwealth nations developed a **Commonwealth Youth Charter** (2005) which provided guidelines for the development of national youth policies as basis for creating just societies where young women and men are empowered to develop their creativity, skills and potential as productive and dynamic members of their respective societies.

Consequently a Commonwealth Plan of Action for Youth Empowerment (2007 to 2015) was developed.

Three priority targets are 1) Youth Enterprise and Sustainable Livelihoods: an integrated package of micro-credit, enterprise training and business support targeted at young women and men with potential for self-employment; 2) Youth Work, Education and Training: a programme dedicated to professionalizing youth work, building a body of specialist knowledge for youth development work; and 3) Governance, Development and Youth Networks: a programme aimed at promoting youth participation in policy making.

Similarly, drawing from various international agreements and commitments **Africa developed its own Charter in 2005**. The Charter commits African governments to ensure that issues that affect youth in the areas of development such as employment, sustainable livelihood, job creation including self-employment, peace, security, law enforcement, education, health, youth participation, and others are prioritised.

2.5.2. National Policy Instruments

South African national policy instruments emanate from the Constitution of South Africa (1996) that recognizes the role of young people in participating in all sectors of development in South Africa. This was followed by **National Youth Commission Act** (Act No. 19 of 1996).

Besides showing government's commitment to youth development, this Act made provisions for the establishment of National and the Provincial Youth Commissions (NYC). Basically the National Youth Commission (NYC) was mandated with tasks for advancing youth development priorities. The NYC and supportive policy documents are informed by two major underlying principles.

First, it is about the provision of opportunities to the youth through the programmes and services provided by all development sectors in the country, namely, the public sector, the business community and the civil society sector – in order to enable the youth to reach their full potential as active participants in society.

Second, and related to the point above, it is about the active involvement of the youth in national development through promoting a spirit of co-operation and co-ordination of government departments, non-government organization and youth groups in youth development.

The **National Youth Development Policy Framework 2002-2007** was developed by the National Youth Commission. It is aimed at promoting holistic and integrated approach to youth development through the identification of strategic intervention areas to address specific needs, challenges and opportunities confronting the youth of South Africa. It sets out in a comprehensive guide for youth development. It also provides an outline for the mainstreaming of youth development as an integral part of the broader transformation project and challenges in South Africa.

The **National Youth Policy 2009-2014** is informed by the experiences of youth development between 1994 and 2007. It reveals that in many instances, youth

development initiatives have resulted in far-reaching transformation. However, there are still too many gaps and inefficiencies that need to be plugged. This policy wants to close the identified gaps, address the challenges and recommending new measures to improve and accelerate implementation of pro-youth development programmes and ensuring that positive impacts are felt by the communities.

Other policies that deal with youth development priorities are listed below. These are also guided by *Constitution of South Africa and Bill of Rights (1996)*. The Bill of Rights (Chapter 2 of the Constitution) protects the rights of everyone in the country to life, dignity and equality, and to exercise their socio-economic, civil and cultural rights. Section 28 of the Bill of Rights provides specific rights and protection for children, including the rights to parental, family or other appropriate care, food, shelter, health and social services, and protection from neglect, abuse and exploitation. It also states that the child's best interests are of 'paramount importance' in every matter concerning the child.

Section 29 guarantees the right to education, including basic education, taking account inter alia of equity and the need to redress past racially discriminatory laws and practices.

There is a handful of legislation that guides youth development, however, the three pieces of legislation below are more relevant to what the Municipality wants to achieve. These are;

- **The South African Schools Act (SASA) Number 84 of 1996; and other relevant Education Policies** make provision for planning and delivery of quality education and pronounced by the Constitution of the country.
- **Skills Development Act Number 7 of 1998** aims to develop the skills of South African citizens, including youth. It wants to improve the quality of life of workers. It also wants to promote prospects of work including self-employment. Under this Act, skills programmes and learnerships are provided to young people.
- **Employment Equity Act No. 55 of 1998** seeks to protect workers and job seekers from unfair discrimination. Its aim is to achieve equity in the workplace by:

promoting equal opportunities and fair treatment in employment through the elimination of unfair discrimination; and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups to ensure their equitable.

- **Comprehensive Rural Development Strategy (CRDP):** Ubuhlebezwe Municipality is a predominantly rural Municipality. There are various rural policies developed by the Department of Rural Development and Land Reform to be considered. Overarching to these strategies is the Comprehensive Rural Development Programme, which has as its aim the development of rural South Africa, to create Vibrant, sustainable and equitable rural communities. The CRDP is different from past government strategies in rural areas due to its approach which focuses on proactive participatory community-based planning rather than an interventionist approach to rural development.

The two main themes of this policy are, Agricultural Reform and Land Reform. National government envisages the rural development to be done through agrarian transformation, which implies the rapid and fundamental change in the relations (systems and patterns of ownership and control) of land, livestock, cropping and the communities. The strategic objective of this approach is “social cohesion and Development” by training emerging farmers to become commercial farmers as well as developing land use management framework that depicts good to high potential agricultural land which is currently not utilized for agricultural purposes.

In conclusion, and further to this;

President Zuma confirmed the commitment of the government during the 99th Birthday of the African National Congress on the 8th of January 2011.

“The people most affected by deepening and widening poverty and inequality have been black South Africans and most notably black rural women and young people.”

The ANC is therefore committed to addressing the problem of unemployment through practical measures in this year. Therefore, 2011 will be the year of job creation through meaningful economic transformation. It is not enough to say that more and equitable sharing of economic growth will lead to the creation of jobs. We know that South Africa experienced relatively strong economic growth during the 2000s, but we also know that this growth did not address the structural challenges in the economy.

We still have unacceptably high levels of poverty and inequality. We have a crisis of high unemployment in our country. It is only by enabling our people to free themselves from poverty, by providing decent and sustainable jobs and opportunities to become entrepreneurs that we will really bring about a better life for all. *(Excerpt from President Jacob Zuma's ANC 99th Birthday Speech 8th January 2011, News 24, found at <http://www.news24.com/printArticle>).*

2.5.3. Interpretation/Analysis

The common thread that runs through the National Policy Framework that has implications for Ubhlebezwe Local Municipality can be summarized as follows:

- Creation of an environment conducive for economic development, these include amongst others, enhancing the capacity of government institutions and non-governmental organisations to facilitate integrated development that promote education, skills development, employment and entrepreneurship. This includes amongst others the competencies to partner with the business community and civil society on a range of key youth development drivers such as facilitation of skills development, promotion of technology and innovation, leveraging procurement and development of infrastructure to support youth participation in service delivery and economic growth.
- Provision of direct support to the second economy through localized support to the emerging, survivalist and small economic sector such as advisory services, development and maintenance of a data base on developments as well as development and training to upgrade overall productive capability. The activities

of the Economic Development unit of the Ubuhlebezwe Municipality have to be evaluated against these imperatives set out by the National Policy.

- Identification of key economic sectors that will achieve both job creation and economic growth objectives of the country. It is recommended that this will be achieved through the improvement of the regulatory framework, identifying investment opportunities as well as opportunities along the value chains. The youth of Ubuhlebezwe Municipality are best positioned to benefit from the following sectors;
 - Business tourism, cultural, heritage and mission tourism
 - Forestry, paper, pulp and bio-fuels
 - Green energy (solar energy)
 - Agriculture and agro-processing (dairy and vegetables)
 - Information and Communication Technology (ICT)
 - Home-based health care services
- The development of the agricultural sector in rural communities such as Ubuhlebezwe is further supported by the Comprehensive and Rural Development Strategy that envisages that the transformation of rural South Africa will be possible through the change in systems, patterns of land control and skills development.

3. STATUS QUO

3.1. Overview of Ubuhlebezwe Local Municipality

3.1.1. Location

Ubuhlebezwe Municipality is one of the five sister local municipalities of the Harry Gwala District Municipality (DC 43) in the province of KwaZulu-Natal. Its administrative town is Ixopo. The town of Ixopo lies on the major intersection of provincial roads R56 and R612. Ixopo borders Richmond on the north towards Pietermaritzburg along R56. The R56 Route links Pietermaritzburg and Kokstad while Route R612 links the municipality to the east and the south coast of KwaZulu-Natal. The St Faiths Road links the Municipality from Highflats cutting through Umzumbe Municipality on the south. The R56 and R612 provide the municipality with strong north-south linkages.

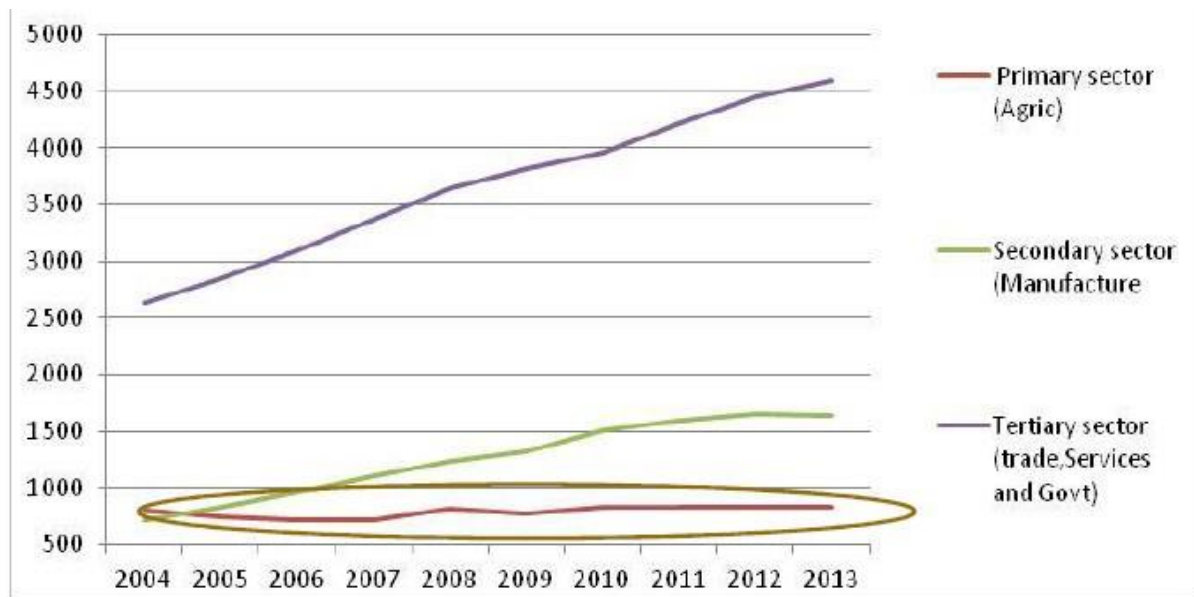
Some public sector institutions are in the town of Ixopo. Besides Harry Gwala District Municipality and Ubuhlebezwe Local Municipality, the Department of Social Development, the Department of Public Works, Department of Health including Christ the King Hospital and the Department of Agriculture are established in this town. The offices of the Department of Education are in Highflats.

3.1.2. Population

The Integrated Development Plan (IDP) of the Harry Gwala District Municipality (2012 – 2017) sets the total population of the district to 461 420 people of which 22% or 101 691 reside in the Ubuhlebezwe Municipality. About 98% Black Africans are found in rural settlements of the Ubuhlebezwe Municipality with a staggering 34% of unemployment. 34.8% of people live in poverty. The dominating economic sector is agriculture with timber, sugar cane, dairy and limited fresh produce sub-sectors.

3.1.3. Local Economy

Harry Gwala District Municipality Economic Drivers: 2003 to 2013



Source:

Agriculture is the main economic sector in the Municipality. It is followed by the manufacturing sector that is also dominated by agro-processing. Agriculture is dominated by timber and sugarcane however the dairy sector appears to provide huge growth prospects for the entire district. Timber is mainly produced by Sappi, Mondi, Mondi/Shanduka, Mesonite, NTC and some private farmers. A very limited number of emerging farmers are engaged in timber production through SAPPI and government supported grower's schemes.

The majority of emerging and small farmers produce cash crops like maize, beans, madumbe, potatoes, sweet potatoes, pumpkin, butternut, groundnuts, and sorghum. Maize, beans and potatoes are the main crops. Most crops are largely grown for home consumption; however some small farmers are starting to produce for the formal local market. Emerging and small farmers are mainly the most disadvantaged group.

Within the province, the Harry Gwala District Municipality is characterised by tourism activities associated with the scenic beauty of the area, rather than with wildlife, or

beach experiences. More specifically, the 2007 District Tourism Strategy identifies three unique tourist advantages in the district:

- Rail tourism, associated with the Alan Paton Express and the Sisonke Stimela. Alan Paton Express is in Ubuhlebezwe Municipality and Sisonke Stimela is in Ingwe Municipality.
- Avi- tourism associated with bird watching and the unique species of birds in the area.
- Mission tourism, associated with the Trappist Monasteries in the area. This is concentrated in Ubuhlebezwe and Ingwe Municipalities.
- In addition, adventure tourism provides a distinct competitive advantage for tourism in Sisonke. Within Ubuhlebezwe, the Sani2C cycle race, for example, provides specific economic opportunities.

The Ubuhlebezwe Municipality Tourism Route examined the local tourist market based on the limited local data available, the defined tourist experiences in the area, and the various spending opportunities available to tourists and travellers on the main routes that bisect Ixopo. It goes on to identify opportunities that the municipality could address or support in order to increase spending by tourists and travellers passing through Ubuhlebezwe. It identifies seven competitive tourism brands, namely;

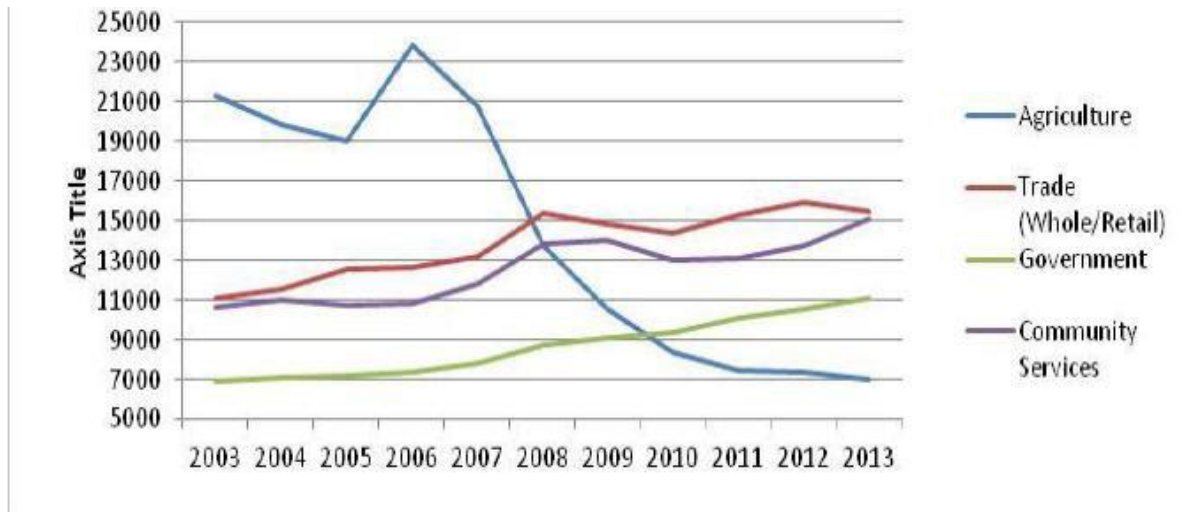
- The Alan Paton Express steam train
- The Sisonke Stimela steam train
- Birding
- Monasteries
- Adventure activities
- The Creighton Aloe Festival
- The Sani2C cycle race

The Municipality has two active centres, that is, Ixopo on the west and Highflats on the east. There is a fairly large informal sector within these towns. Informal sector operators include informal traders and vendors near taxi ranks, informal shops, garment making, car repairs and many other informal income generating activities.

This group is however not organized and as such do not enjoy the benefits of proper trading facilities, services and opportunities.

3.1.4. Employment

Harry Gwala District Municipality Employment per Sector: 2003 to 2013



Source:

The graph above indicates that the district municipality suffered a huge drop in the agricultural sector. The Ubuhlebezwe Municipality IDP (2014) indicates that unemployment rate is high in the Municipality. It estimates that employment sits at 27%. About 16% is employed while 58% is not economically active. **The youth remains the most affected population in this regard.**

There is an extreme dependency on public sector employment and job opportunities. In the main these include Community Works Programme (CWP) and public infrastructure projects implemented through Extended Public Works Programme (EPWP) philosophy.

The challenge is made worse by migration. The youth that hold tertiary qualifications are forced to migrate to cities hence there are less job opportunities

in the region. Some youth are trapped in unskilled labour pool. In worse cases, some youth chose to remain unemployed rather than taking general labour job opportunities. The following is blamed for poor participation of youth in social and economic development agenda.

Non- involvement of the Business Community in Development: The silence of the private sector in youth development is deafening. There are no projects committed by the private sector. The role of local business community in supporting youth development is not convincing.

Lack of Co-ordinated Effort: The effort by civil sector and public sector institution is appreciated; however the co-ordinating body is not there. It is unfortunate that these structures are not working together, which has led in duplication and waste of resources.

Enterprise Development: There is generally a lack of zeal and effort amongst the youth to start and operate their businesses. Most of them blame lack of capital. The stringent requirements by many donors and financiers do not help the youth to access available funding.

3.1.5. Education

The challenges of education facing this country are known. They also affect this Municipality. Besides the aging school infrastructure and the demand of new classrooms, sanitation facilities, libraries and laboratories, and the capacity of educators to teach remains the biggest worrying factor. This is reflected by unsatisfactory academic performance of children in reading and mathematical skills in the foundation phase.

There is a huge disconnect between the Early Childhood Development (ECD) and the primary schools. The challenge is even worse with senior secondary learners. Secondary schools continue to offer subjects that are misaligned with the demand of the local economy. This region is not seeing learners getting into agri-business industry.

Both towns of Highflats and Ixopo are best positioned to provide essential facilities and services for both urban and rural schools. However, the Municipality has only one library in Ixopo and no other educational support infrastructure. The Department of Education has a great infrastructure development plan for the next ten years in this Municipality.

But the Municipality remains disconnected from the institutions of higher learning. It remains under-resourced to prepare the learners to make it into these institutions either in Pietermaritzburg, Durban or beyond.

Disconnected Career Guidance

Lack of career guidance is blamed for unemployment. And low levels of youth entrepreneurship are seen as a result of poor career guidance. Most schools offer limiting subject combinations. In other words, they shy away from sciences and economic management subjects. As a result, the school over-produce learners with social and general subjects.

Limited Access to Educational Facilities

First, tertiary education institutions are located in Pietermaritzburg and Durban. These are public institutions such as University of KwaZulu-Natal, Durban University of Technology, Mangosuthu University of Technology and the University of South Africa.

Second, all private educational colleges are also located in these cities including Port Shepstone. These are the likes of Damelin, Varsity College, ICESA, Boston College, and others.

Third, there is a negative perception about Further Education and Training (FETs) colleges both in rural and urban areas. However, the rural areas are affected the most. There is a perception that the local FET is not properly resourced. And consequently there are no enough numbers of learners registered in this institution.

Lastly, scholarships and bursaries are very scarce. This is exacerbated by poor subject combinations and the achievement results achieved at Grade 11 (results used for applications).

Poor Preparation of the Young/Lack of ECD Centres

Early Childhood Development Centres are disconnected from the mainstream education. Early Childhood Development (ECD) refers to a spectrum of interventions for young children to enable them to realise their full potential and exercise all their human rights. Such development takes place with the active participation of parents and caregivers, supported by statutory and community services.

ECD covers the period from birth to nine years of age. It encompasses cognitive, emotional, social and physical development. It also applies to the policies and programmes through which children grow and thrive, physically, mentally, emotionally, spiritually, morally and socially. Education is only one part of this but the provision of education ideally creates the mechanism for other needs to be met. Comprehensive ECD services include child care and protection, play projects, health and nutrition support, home visiting and welfare interventions, parenting skills.

ECD provision in South Africa targets two specific age groups: 0-4 years and age 5 (Grade R or Reception year). Historically, the majority of children in South Africa have been raised in poverty and excluded from ECD services. Children raised in such conditions are most at risk of infant death, low birth-weight, stunted growth, poor adjustment to school, increased repetition or dropping out from school, and reduced employment opportunities. International research shows that prioritising investment in young children brings the best returns for individuals and for society at large, in terms of personal growth, productivity and economic development.

3.1.6. Health

Ixopo is well located to provide an increased medical service to surrounding communities however the real improvements are needed in rural communities surrounding the two towns of the municipality. Mobile clinics operate from the central clinic at the town of Ixopo to serve the surrounding rural areas. The establishment of Health Stations throughout the Municipality remains a priority for the Municipality.

The Department of Health has a plan for rural clinic infrastructure development programme for the next ten years.

The impact of AIDS and diseases such as tuberculosis already affect the ability of the hospital and the clinics to serve the population.

Early pregnancy for young and school going women cannot be ignored. The negative impact of AIDS that has resulted in orphans and child-headed households cannot be ignored either.

Teenage Pregnancy

Studies show that the youth engage in sexual activities at a very tender age. This results in high rate of teenage pregnancy. Teenage pregnancy is one of the social ills that affect society. Teenage pregnancy has proved to disrupt efforts of social development, and particularly of the girl-child.

Only 38% of teen mothers who fall pregnant before the age of 18 graduate from high school, compared to approximately 75% of women who delay child bearing until 20-21. This is attributable to the girls' age and the absence of any consistent means of support to care for the children and themselves when they should have been in school.

It is perceived that teenage pregnancy and its associated motherhood status are characterized with shame, disgrace, and school dropout and sometimes end of the individual's dreams of achieving higher pursuits.

Yampolskaya, Brown, and Greenbaum (2002) confirm the pregnancy phenomenon that approximately 60% of adolescent mothers live in poverty at the time of the birth of their babies, and approximately 73% are supported by a welfare regime. Cunningham and Boulton (1996) further assert that teenage pregnancy has a lot of social consequences and social ills associated with school drop-out or interrupted schooling, child neglect, crime, lack of social security, poverty, repeated pregnancy and many other social ills.

The Reality of HIV and AIDS

HIV and AIDS is a reality. Sadly, national statistics show that the infection rate of infection especially among the young people is very high. The youth is the most sexually active group, and it has become the fastest growing HIV infected population.

Several factors make youth particularly vulnerable to HIV and AIDS. These include their age, biological/physical and emotional development and their financial dependence.

Studies indicate that although the majority of young people across the world is aware about the epidemic, many of them are still unaware of how to protect themselves particularly against the misconceptions about HIV and AIDS. These dangerous perception and risk behaviours suggest lack of access to education, economic opportunities and health promotion services.

Social Ills

Other challenges that the Municipality faces are drug and substance abuse, child headed families, crime, and forced migration in search for work, and participation of youth in recreations activities such as sports and music is questionable.

3.4. Institutions that Implement Youth Focused Project in the Municipality

3.4.1. Ubuhlebezwe Municipality Youth Co-ordinator

The Department of Social and Community Services of the Municipality employs the services of the Youth Co-ordinator. Amongst other things, the Youth Co-ordinator of the Municipality has the following responsibilities;

- To provide guidance and co-ordinate youth development initiatives in the Municipality
- To advise the Municipality on developing appropriate project strategies that enable the Municipality to meet its policy commitments and legal obligations to the youth
- To manage projects for, and report on, various interventions aimed at youth development
- To initiate projects for Municipality and ensure their inclusion in the IDP of the municipality including its regular updates and amendments
- To provide a stakeholder liaison and representation function on youth matters on behalf of the management at local, regional and national levels
- To consolidate youth development proposals, business plans and youth programming in the Municipality

3.4.2. Sisonke Development Agency (SDA)

The Sisonke Development Agency is the institution established by the Harry Gwala District Municipality to promote and facilitate economic development and create jobs in the District. One of the offerings of the SDA is skills development and training. Besides running learnerships for the youth in different economic sectors, the SDA facilitates linkages that connect the youth to internships, in-service training, jobs and enterprise development. The planned National Skills Fund (NSF) programme will benefit hundreds of learnership opportunities for the youth in the District.

1.4.1. Furntech (Umzimkhulu)

Furntech is a DTI initiative. It was established to provide outcomes-based and comprehensive training and incubation services to assist in job and wealth creation in South Africa's furniture and wood products sector. It aims to create an enabling environment for Small and Micro Enterprises (SMMEs) in the furniture and wood products industries to grow through business technology incubation. Furntech provides accredited training in cabinet making, wood machining, wood finishing and upholstery. Learners are able to establish their enterprises such as coffin making, home furniture making and office furniture making.

Address: T52 Hospital Road, Umzimkhulu Industrial Area, Umzimkhulu, 3297

Tel: (039) 259 0993 **Fax:** (039) 259 0995 **Email:** lulamap@furntech.org.za

1.4.2. World Vision South Africa Ixopo Area Development (ADP) Programme

World Vision is an international Christian organisation. It operates in over 90 countries across the globe. The national office in South Africa is based in Johannesburg. The Ixopo Area Development Programme office is one of the 17 offices across South Africa.

The overall goal of this programme office is to improve the well-being of children in three municipal wards of Ubuhlebezwe Municipality. This goal is being pursued through Local Economic Development (LED), Education, HIV and AIDS, and Sponsorship Projects. The following list presents strategic activities that World Vision South Africa implements in the Ubuhlebezwe Municipality.

- Curbing infant (under 5) and maternal mortality
- Facilitating improved access to essential health services for children and alongside with their caregivers

- Training and supporting Community Caregivers (CCGs) to master Integrated Management of Childhood Illnesses (IMCI), collaborate with local health partners, conduct household profiles, support immunisation of children
- Engaging schools and education authorities to support education programmes including ECD, improving literacy and maths levels, facilitation of sporting events such as the as Readathon and Olympiads.
- Facilitating LED projects for emerging and small farmers in selected wards of the Municipality. Recently World Vision has assisted farmers with small irrigations systems and farming inputs. 12 micro-bakers have been assisted with wood ovens and training.

Ubuhlebezwe Municipality and World Vision South Africa signed a Memorandum of Understanding (MoU) on the 17th of June 2014. This MoU relates to the areas of collaboration between the Parties, clarifies respective roles and responsibilities and outlines mechanisms in place to promote effective relationships. Both parties want to share the goal of supporting all relevant health, education and local economic development priorities including the latest legislative and policy directives from the South African Government as it relates to specific development objectives and outcomes in this province.

1.4.3. Woza Moya

Woza Moya is a community-based non-governmental organisation operating in the Ufafa Valley in Ixopo in KwaZulu-Natal. It seeks to empower women in all aspects of social life. It serves approximately 8000 people in the sub-villages of the Ufafa community. It specializes on home-based care, food security, child and youth care, ECD paralegal services and youth and social media.

1.4.4. TB HIV Care

TB/HIV Care is a registered non-profit organisation that is focused on improving TB and HIV management by increasing access to TB and HIV diagnosis, care, treatment

and community-based treatment adherence support. TB Care's role includes the community-based DOT (Directly Observed Treatment) and Community based support for patients with HIV. It has offices in Ixopo.

4. APPLICATION/ANALYSIS

As this situational analysis demonstrates, there is sufficient effort at all spheres of government, as far as youth development is concerned. It is also clear that youth development has been identified as a critical sector on all spheres of government. This section considers the main gaps in youth development agenda in the Municipality, and subsequently makes preliminary recommendations going forward.

4.1. The Analysis

The weaknesses of the youth development agenda in South Africa in general, and Ubhlebezwe Municipality in particular are associated with poor education, lack of skills development opportunities, unconvincing interest in entrepreneurship, lack of co-ordinated effort and the deepening of poverty. Below is the summary of the SWOT analysis.

4.1.1. Strengths

- Proximity and well positioned for trade with Durban, Portshepstone, Pietermaritzburg and the Eastern Cape
- Good climate and arable land for agriculture
- Stable local government administration
- Growing number of non-governmental organisations in the region
- Supportive public infrastructure
- Rich culture and heritage

4.1.2. Weaknesses

- There are no post matric educational institutions
- Lack of qualified artisans and professional labour
- Qualified youth migrate to neighbouring cities in search of better opportunities
- The private sector is unable to absorb new job entrants
- Poor or no access to information related to youth development, bursaries, scholarships, careers, internships, job opportunities, etc
- Absence of youth co-ordinating structure
- Dependency on public sector
- Inability of local government to integrate youth development and infrastructure programme

4.1.3. Opportunities

- A number of public sector infrastructure projects are currently implemented and many planned by local government and provincial government such as low cost housing, water supply projects, household sanitation, road construction, urban regeneration projects
- There are huge opportunities in the ICT sector
- Growing tourism sector
- Opportunities for agro-processing

4.1.4. Threats

- Youth not willing to accept entry level jobs and salaries
- Youth unwilling to take agricultural opportunities
- Politicized public sector opportunities
- Civil disobedience and unrest due to poor service delivery
- Growing pregnancy and sexually transmitted diseases

4.2. Insufficient Funding

A lot of projects have been suggested in the past, but unfortunately there has been limited funding for these projects. The solution to this issue might lie on joint efforts between Public and Private Stakeholders. It will also be useful to explore partnerships especially with non-governmental organisation and international donors.

4.3. Lack of Skills Development Initiatives

The agriculture sector (timber, sugar cane, diary and fresh produce) is the dominating sector in the Municipality. Business tourism and government services are also recognised in the Municipality. The challenge is that there are no efforts of investing on skills development so that the youth can be absorbed by these industries. It is not very clear whether the public sector is absorbing the youth into infrastructure projects in the built infrastructure such as low cost housing, town regeneration, water provision (and maintenance), household sanitation and provision of electricity.

4.4. Unconvincing Interest in Self-employment

There is a gross insufficiency of incentives when it comes to self-employment and entrepreneurship. Access and availability of finance and suitable financial services are still the biggest challenge facing the development of emerging enterprises in South Africa. This is made worse by lack of technical skills and business management skills on the part of the applicants (entrepreneurs). These challenges include access and quality of financial services including accessibility to financial institutions and investors, access to credit facilities and financial advisory services among others.

The bottom end market, i.e. small sized loans experience major difficulties in attracting investors, obtaining financial service such as short-term loans, overdraft facilities, risk capital, etc without any collateral. Many emerging entrepreneurs still

target banks in South Africa to obtain business financing loans. The application process usually requires the emerging entrepreneur to have some sort of income already or collateral which in many cases is larger than the loan applied for. This attitude of the financial institutions frustrates the growth of the emerging sector. This challenge is even worse with the emerging farming communities.

Many emerging enterprises continue to lose lucrative contracts due to the long processes of securing finance. There is a feeling that the traditional financial sector is not positioned to meeting the needs of the emerging enterprise market. However, it is important to acknowledge that other forms of business financing are available outside the bank sector. This is a relatively new aspect of business practice in South Africa. In the main these financing instruments include establishing community based financial institutions that are mentored to provide a basket of financial services and products to poor and vulnerable populations.

4.5. Lack of Co-ordination

There is lack of co-ordinated effort in most areas of youth development such career guidance, skills development, social development and entrepreneurship. The tendencies by a cluster of local municipalities to operate independently not only undermine their development potential, but also the potential of the neighbouring municipalities. In this instance, the entire Municipality is surrounded by at least 5 other local municipalities. The Municipality is also strategically located along tourism routes and busy provincial roads that link at least four major towns in KwaZulu-Natal. The same happens with the provincial government departments. In this instance, the most strategic departments such as Education, Health, Social Development, Agriculture and Economic Development have not exploited their collaborative effort yet.

4.6. Poverty Penalty and Social Ills

Poverty penalty and social ills frustrate development initiatives. Food security remains the biggest challenge. Every household has to put at least one loaf of bread on the table every day. Prices for basic food items are growing every day. The rate of unemployment is also growing. Inadequate service delivery and high reliance on social grants tend to perpetuate poverty. However, the same presents vast self-employment opportunities. Poor households are feeling the pinch.

4.7. Conclusions

The application of youth policy and national strategic development strategies should be informed by three key thrusts, namely,

- First, is the admission of the women and youth are continually affected by unemployment and poverty;
- Second, is the admission that poverty is worse in rural communities;
- Third, is the commitment of government to skills development, job creation and meaningful economic transformation and particularly through entrepreneurship; and
- Lastly, that youth development programmes should be aligned and be integrated to public sector service delivery strategies. The Municipal Systems Act (2000) makes provision for the development of Integrated Development Plans (IDPs). Youth programmes should be clearly and unapologetically pronounced in the IDP.

Based on the status quo, the following programmes should be prioritized.

- Establish institutional arrangements
- Focus on career guidance at schools
- Focus on skills development for the out of school youth
- Concerted effort to fight food insecurity at a household level and the declining levels of sustainable livelihoods
- Aligning public sector infrastructure programmes to social development objectives

- Support and strengthen social entrepreneurship agenda by promoting some municipal services to be provided by social entrepreneurs and the civil society sector.

4.8. Pro-youth Development Institutions outside the Municipality

The following are recommended institutions that should be engaged to support youth development. However, it is recommended the Municipality establishes a dedicated unit for youth development. This unit should establish representative associations for each cluster of municipal wards. The key role of this unit will be to engage prospective funders and supporters of youth development. Below is a very short list of prospective supporters of youth development.

4.8.1. DGRV

DGRV stands for Deutscher Genossenschafts- und Raiffeisenverband, that is, a German Cooperative and Raiffeisen Confederation. It is a national apex organisation and top-level auditing federation of the German cooperative sector according to the German Cooperative legislation.

DGRV's aim is to support the development of micro and small enterprises into sustainable self help units. This is done through practical and theoretical training. They provide two services for the co-operatives. They provide fully-fledged co-operative training up to a level of securing funding and mentorship. They also help with establishing community bakery co-operatives and provide the necessary technical training as well. They are based in Pretoria in South Africa. DGRV promotes an integrated approach to community development through their long-term development programs.

Tel: +27 12 346 6020 **Email:** dgrvsa@worldonline.co.za **Address:** 1150 Justice Mahomed Street, Brooklyn, 0181

4.8.2. SLOT

SLOT stands for School Leavers Opportunity Training. It is a non-profit, non-government organisation which has a focus of empowering youth to take advantage of opportunities which they are presented with. This is fully captured by the mission statement, “To guide educationally deprived and unemployed out-of-school youth, in order to improve their opportunities for gainful employment of self-employment.” They are committed to;

- Uplifting youth in crisis by helping them become economically able,
- Addressing the unemployment crisis in South Africa,
- Teaching skills and changing lives,
- “In Loco parentis” support for vulnerable youth, and,
- Helping youth to help themselves their families and communities.

The SLOT programme is structured in such a way as to achieve four key objectives.

- Attitude adjustment,
- Basic skills development,
- Contact/support, and,
- Enterprise development/job placement

This is done through phases of a Life Skills Development (LSD) Course, a Basic Information Technology (IT- HP and United Nations Program) skills course and then a series of business principle discussion lectures. The LSD and IT phases are typically spread over a 3 month period and business principle lectures occur indefinitely depending on the individual – generally for a further 3 months. SLOT is based in Pietermaritzburg.

Telephone: +27 33 398 0508 **Email:** admin@slot.org.za **Address:** 3 Sutherland Road, Edendale, Pietermaritzburg

4.8.3. South African Red Cross Society

The Geneva Conventions and their additional Protocols are international treaties that all countries around the world have signed. These conventions and protocols establish the Red Cross Societies for member states. In our case, the Government of the Republic of South Africa and the SA Red Cross Society are party to, and governed by the Geneva Conventions. This makes the SA Red Cross Society an auxiliary to the state and the state responsible for the Red Cross.

The Geneva Conventions contain protocols and treaties that are at the core of international humanitarian law. The international humanitarian law regulates the conduct of armed conflict and seeks to limit its effects. It seeks to protect people who are not taking part in conflict, wars and hostilities. It seeks to protect the civilians, health workers and aid workers. It wants to protect those that are no longer participating in the conflict such as wounded, sick soldiers and prisoners of war.

The vision of the South African Red Cross Society is to be an effective, high profile, and dynamic humanitarian organisation, that is sensitive to the human needs of the most vulnerable communities, whilst acting in accordance with the fundamental principles of the Red Cross and Red Crescent Movement

The South African Red Cross Society is member organisation of the International Federation of the Red Cross and the Red Crescent Societies (IFRC).

Much of the work of the SA Red Cross Society has changed with time. Much of the work is related to health and care services and community-led disaster risk reduction issues priorities. SA Red Cross Society also implements other programmes of international significance as informed by the International Conventions and Protocols. These are programs such as the Restoration of Family Links, dissemination of the Fundamental Principles, International Humanitarian Law (IHL) and the use and protection of the Red Cross and Red Crescent Emblem. These programs are essential for the SA Red Cross Society is to be respected during peacetime and times of conflict.

4.8.4. Tshikululu Social Investments

All major private companies in South Africa have Corporate Social Investment (CSI) strategies. CSI initiatives are becoming crucial in the corporate environment. Tshikululu Social Investments is South Africa's leading corporate social investment (CSI) manager. It was formed to support companies to implement their CSI objectives. Tshikululu does not provide funding; however they facilitate linkages between client companies and social enterprises. Tshikululu provides private sector entities with a one-stop service to undertake comprehensive social investment and community grant making. The team of professionals offers financial management, risk and legal services and expertise in education, health, social development, job creation, agricultural livelihoods, bursary management, the environment, arts, culture and heritage and capital projects. Their website is: <http://www.tshikululu.org.za/content/page/contact>

4.8.5. Hope Factory

The Hope Factory is an established Enterprise Development Non Profit Company. It is established and governed by the South African Institute of Chartered Accountants (SAICA). Its goal is to develop black business owners. It offers a strategic mentorship programme to help entrepreneurs achieve their goals, vision and purpose to grow their business, and to ultimately give back to their community.

Hope Factory wants to support home based enterprises by developing them from a survivalist nature to successful micro enterprises in the future. **Contact:** Chenai Kadungure **Tel:** 011 479 0608 **Email:** chenaik@thehopefactory.co.za **Web:** www.thehopefactory.co.za

4.8.6. Sanlam Foundation

Sanlam Foundation hires and trains community based financial education facilitators. The majority of these facilitators are youth. They are trained to facilitate financial education and wealth creation community education. To-date Sanlam Foundation has created 22 registered training providers. This intervention builds a solid foundation for enterprise development and wealth creation.

Tel: 021 947 6008 Email: adele.latchman@sanlam.co.za Web: www.sanlam.co.za

4.8.7. Cell C Foundation

Cell C foundation is aimed at promoting gender equality and the empowerment of women through education. To attain this goal, it has developed a three-tiered approach through **Cell C take a girl child to work day**, **Cell C girl child institute of mentorship** and **Cell C girl Child bursary fund**. More than 50 000 young people benefit annually from this programme and almost 400 companies and government departments around the country participate in these events annually. For more information visit www.cellc.co.za/girlchild or email Binisiwe Dlamini – boni.dlamini@cellc.co.za

4.8.8. Shanduka Foundation

Shanduka foundation strives to develop South Africa's human potential in various ways. From building schools to supporting black entrepreneurs and from making university studies possible for disadvantaged students to providing work experience for young work seekers. Over the last decade, Shanduka has created opportunities for educational development career growth and entrepreneurial advancement. This is achieved through a five tiered partner network as follows:

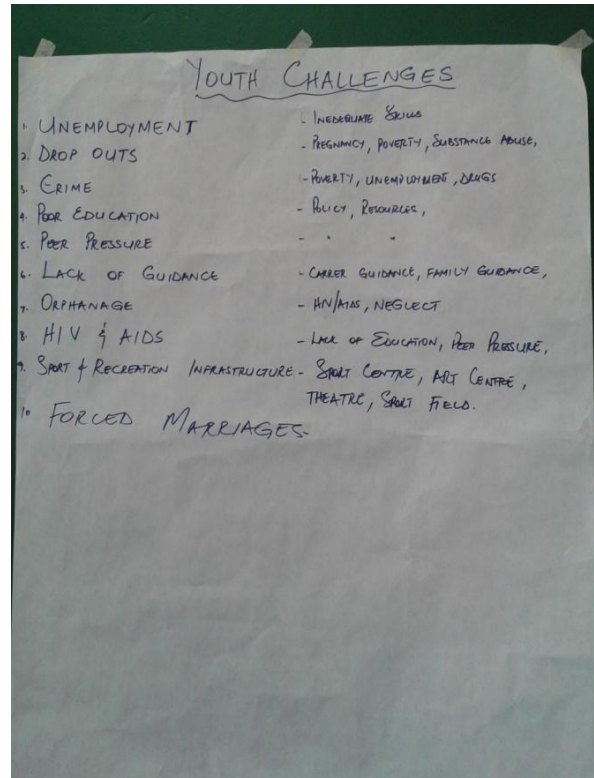
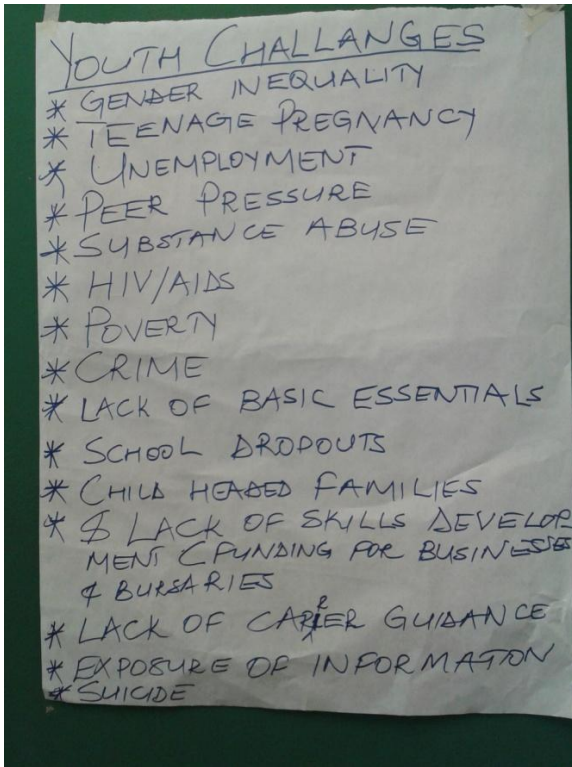
- **Adopt-a-school foundation:** it mobilises companies and individuals to invest in education by adopting disadvantaged schools throughout South Africa.

- **Kagiso Shanduka Trust (KST):** A collaboration between Free state department of education Kagiso Trust and Shanduka Foundation to develop and implement a district wide school development model.
- **Shanduka Black Umbrellas (SBU):** It develops qualifying 100% black owned businesses to a level where they may gain meaningful access to markets, networks and finance.
- **The Cyril Ramaphosa Education Trust:** It provides bursaries to disadvantaged students and organises holistic holiday work programmes for all its students.
- **The Shanduka Experiential Work Programme:** Provides opportunities for selected graduates and job seekers within the Shanduka group and partner network.

For more information visit: shanduka.co.za/shanduka-foundation or call Melanie Spencer on 011 305 8947

4.9. Concept Notes

The Municipality should choose and prioritize three projects for implementation in the next financial year. Three concept notes should be submitted to prospective donors.



Youth Dialogue Workshop: 19 November 2014

Assessment of status quo has also included suggested initiatives which need to complement current implementation of the IDP. The report has also drawn attention to constraining factors of youth development. These presentations have ultimately concluded into a gap analysis discussed in the preceding sections. And based on interacting with the youth and the realities on the group, **three** priority interventions have been identified. These are;

- **Priority 1:** Strengthening youth co-ordinating structures from community to municipal level
- **Priority 2:** Align public sector service delivery programme to youth skills development, education and entrepreneurship agenda
- **Priority 3:** Plan and implement quick-win initiatives that will boost the confidence of the youth to participate in public sector service delivery programmes

The most pressing priority activity for the Municipality is to work on institutional arrangements. The main objective of this exercise is to strengthen institutional arrangements and ensure that structures are established which represent and serve the interest of the youth, with strategic support from the Municipality. The main output should be a capacitated and functional youth development unit in the Municipality. This includes the training and supervision (mentorship) of 10 youth ambassadors that will be responsible for youth development programming in their respective wards.

The consultants have developed seven (7) concept notes instead of three (3) as required in the terms of reference of this assignment. Seven (7) concept notes have been developed. This gives the Municipality and opportunity to re-prioritise three (3) projects that it wants to implement from January 2015. The seven concept notes are presented as follows:

- Concept Note 1: Establish Youth Representative Forum for the Municipality
- Concept Note 2: Operate solar energy distribution project for the Municipality
- Concept Note 3: Distribution of medication for the elderly
- Concept Note 4: School based youth social enterprises
- Concept Note 5: Revive Co-operative Programme
- Concept Note 6: Apply EPWP Methodology to Infrastructure Projects
- Concept Note 7: Align Pro-poor Microfinance to Home Based Industries

5. CONCEPT NOTES FOR THE YOUTH DEVELOPMENT STRATEGY

5.1. PROGRAMME 1: Establish Youth Representative Forum for the Municipality

This is the most important preparatory activity for the Municipality. For the youth projects to happen, the Municipality needs to invest in social and institutional development of youth structures starting from the communities and municipal wards. This will then escalate to a Municipal Youth Forum that will represent all the youth and their aspirations from individual wards. This should be informed by the Constitution of the Republic of South Africa, White Paper of Local Government, the Municipal Structures Act and the Municipal Systems Act. The Municipality will require a facilitator and a trainer for this.

The Constitution of the Republic of South Africa; Act Number 108 of 1996:

- Section 151 obliges municipalities to encourage the involvement of communities and community organisations in local government.
- Section 152 presents the objects of local government which include encouraging the involvement of communities and community organisations in the matters of local government.

White Paper on Local Government; 1998:

- The municipality must encourage community participation by affording organised civil society the opportunity to enter into partnerships and contracts with local government in order to mobilise additional resources.

- Municipalities should develop mechanisms to ensure citizen participation in the affairs of the municipality including policy initiation and formulation, decision-making, implementation and monitoring and evaluation.

Municipal Structures Act, Number 117 of 1998 as amended:

- The Act makes provision for the involvement of communities in the affairs of the municipality in order to provide services in a financially and sustainable manner and to promote development in the municipality. The Act establishes structures for public participation such as the ward committees contained in Section 72 and 74.
- The Act makes provisions for the executive committees or executive mayors to report on the involvement of communities and community organisations in the affairs of the municipality on annual basis.

Municipal Systems Act, Number 32 of 2000

Chapter 4 Section 16 and 17 set out ways for the development of culture of community participation and mechanisms and procedures thereof.

- The municipality should contribute to building the capacity of local community to enable it to participate in the affairs of the municipality
- Councillors and staff are to foster community participation
- The municipality should hold consultative sessions with local and recognised community organisations and, where appropriate, traditional authorities.
- The municipality should use its resources, and annually allocate funds in its budget, as may be appropriate for the purpose of implementing community participation.

The Constitution of the Republic of South Africa, Act 108 of 1996, the White Paper of Local Government 1998; the Municipal Structure Act Number 27 of 1998 and the Municipal Systems Act Number 32 of 2000, all give the legal standing of inclusive local economic development.

The whole of the IDP is relevant to youth development and inclusive socio-economic development as it seeks to improve planning, execution of service delivery and governance. This is a key element in attracting investment and creating jobs in the local economy.

The Objective

Strengthen institutional arrangements and structures that represent and serve the youth sector, with strategic support from Ubuhlebezwe Municipality

Major Output

Capacitated and functional Youth Co-ordination Forum with representatives from all twelve municipal wards

Governance

There are three fundamental priorities for effective governance.

- It is the ability of individual office bearers to work together to accomplish a balance between strategic and operational responsibilities. In the case of the youth sector, it is the ability of youth representatives in municipal wards to prioritise collective youth initiatives.
- The ability of the committee to provide guidance to management in strategic issues.
- When the committee is able to provide effective oversight and strategic leadership while allowing the management to implement the priorities of the organisation as may be contained in this strategy.

Management assumes operational authority and ensures that the organisation's programme of activities responds to the direction jointly agreed upon with the committee (forum). The following are the responsibilities of the committee that cannot be delegated. The committee should:

- Ensure that legal compliance as per prevailing legislation is maintained. It is recommended that the Youth Forum be registered as a non-profit company under full guidance of the Municipality. The prescripts of the New Companies Act of 2008 for Non Profit Companies (NPCs) should prevail.
- Develop governance performance management system to guide the office bearers. This should remain a voluntary initiative as provided for in the New Companies Act.
- Set out policy and strategic direction of the organisation.
- Ensure transparent and compliant financial management culture is implemented.

Motivation

The purpose of the training intervention is to provide members of this proposed Youth Forum, which is a voluntary organisation, with the required knowledge and skills to participate effectively in socio-economic development in their respective municipal wards. This short learning programme will provide participants with the knowledge to understand the importance of the voluntary sector, community development, youth development and local economic development.

This learning programme will ensure that participants understand the history and development priorities of the youth sector as well as its planned impact to general social and economic development.

It will introduce managerial and people skills needed to support the Youth Forum. This learning programme will focus on building skills for the members of the Forum to perform administrative tasks, to provide co-ordination of youth activities, promote local talent and use media and other forms of communication communicate with the youth. It will communicate fresh information with regards to career guidance for youth at school, skills

development opportunities and self-employment opportunities available in the Municipality and beyond.

In addition, the participants should also achieve the following outcomes:

- Identify current gaps in providing social and health services in the Municipality that the youth can support the public and the NGO sectors to develop and implement response strategies. This should address concerns regarding social decay, crime, poverty and others.

- Identify current tourism and economic opportunities in the local Municipality including the Harry Gwala District Municipality that the youth can seize. These include tour guiding and the provision of basket services that support the hospitality industry.

- Develop a database of youth projects/initiatives, youth with Grade 12 certificates, graduates, and artisans that unemployed. This database will be used to approach the Further Education and Training (FET) colleges to develop skills development programmes for the youth with Grade 12 certificates. A database of graduates and qualified artisans will assist with internships and job placement programmes in the Harry Gwala District Municipality and beyond.

- Identify and discuss a number of current and potential business opportunities and develop an approach to benefit the membership as a collective. Opportunities in priority sectors such as agriculture (dairy, processing and high value crops), government services and light industries will be prioritized.

At the end of this learning programme the Youth Forum should develop and adopt the following critical documents (deliverables) for the organisation. These are;

- Streamlined, consistent and clear operations manual detailing out the key processes and procedures that enable the operations the Forum has to carry out efficiently and effectively.
- Five year strategic plan and one year implementation plan
- A Management Information System (MIS) to facilitate the flow of information required by all members, internal and external stakeholders. It remains critical for the health of the organisation, its members and stakeholders that services, youth information projects and events be tracked in a timely, accurate and comprehensive manner, and that relevant information is easily extractible from them.

Major Output		Capacitated and functional Tourism Forums	
Inputs from Ubhlebezwe	Sub-Activities	Outputs/Deliverables	
In collaboration with public sector institutions mandated with youth development, the Municipality should mobilise financial resources to mobilise the youth to establish Youth Forums in their respective wards, train the office bearers and register a Youth Forum Non Profit Company for the Municipality.	<ul style="list-style-type: none"> ▪ Engage Ward Committees to mobilise youth to reinforce youth structures in their wards ▪ Establish a municipal large Youth Forum ▪ Prepare the office bearers for a skills audit exercise ▪ Conduct skills audit of the office bearers of the Youth Forum ▪ Secure commitment of office bearers (learners) to participate in the learning programme and commit to complete it ▪ Prepare a skills audit report and use it to engage potential funders and prepare a funding 	<ul style="list-style-type: none"> ▪ Secured funding ▪ Database of office bearers ▪ List of registered learners (office bearers) ▪ Signed commitment and availability statement by office bearers (learners) ▪ Skills audit report ▪ Contract with the training provider ▪ Training plan and schedule 	

Major Output	Capacitated and functional Tourism Forums	
Inputs from Ubuhlebezwe	Sub-Activities	Outputs/Deliverables
	<ul style="list-style-type: none"> proposal for training office bearers of Youth Forum ▪ Recruit a training provider ▪ Develop a training plan and schedule ▪ Develop a supervision or mentorship plan and schedule ▪ Implement and monitor the implementation of a learning programme ▪ Develop reports and present progress to the relevant bodies 	<ul style="list-style-type: none"> ▪ Supervision or mentorship plan and schedule ▪ Monthly progress reports ▪ Final report ▪ Registered NPC with CIPC

Proposed Training and Capacity Building Programme

Module 1: Strategic governance: This module deals with *Governance* of the community and voluntary organisation. It introduces the subject of governance of the Youth Forum and moves on to discuss key issues in good governance including the function of the Board of Directors or the Committee; how the Board or Committee is constituted; the purpose of the different sub-committees, how their membership is constituted and how their activities are organised; and relationship of the Board with management. It also presents the legal formations of different business vehicles and the implications of choosing a particular form.

Module 2: Strategic plan: The focus of this module is on helping the organisation to develop a strategic direction. It facilitates the identification of catalyst and priority projects. The module ends by helping the participants to develop a detailed implementation plan for the first year of the strategic plan. The implementation plan

covers a list of prioritised activities, resource needed, means of verification, timeframes and responsible office bearers for execution of activities.

Module 3: Financial management and financial procedures: This module introduces the main concepts, practices and their application as contained in the Generally Accepted Accounting Practices (GAAP). It presents financial procedures and function with regards, to procurement, purchasing, payments, the purpose of bookkeeping and auditing. It builds the confidence and skills of the office bearers to use financial management tools to implement project activities in a cost effective, controlled and accountable way. It ends by introducing key functions like banking, budgeting, cash-flow management and financial reporting.

Module 4: Membership beneficiation strategies: This module deals with ways of dealing with tangible expectations of the beneficiary membership or business community. It helps the participants to identify and prioritize rewards that strategic projects could afford and at the same time deliver the maximum satisfaction to the beneficiary membership. It is designed to help participants to develop a beneficiation framework and procedures in terms of fair distribution of non-financial rewards of the organisation. It includes activities such as the development of the database (or register) of members and guidelines for distribution of rewards.

Module 5: Marketing and promotion: This module provides the participants with basic tools to attract financial support from both public and private donors (fundraising) as well as attracting visitors to the locality. It lays the basis for participants to explore a variety of avenues for attracting investment and collaboration with the organisation.

Structure of Training: This will not be a SAQA accredited course. It is a training programme that is designed to get the Youth Forum functioning. Training workshops will be stretched over five (5) weeks.

Module	Week	Workshops Days	Supervision Sessions	Output
Strategic governance	1	1	1	Roles and responsibilities of directors
Strategic plan	2	2	2	5 year strategic implementing plan
Financial management and financial procedures	3	2	1	Financial management procedures
Membership beneficiation strategies	4	1	1	Beneficiation Plan
Marketing and promotion	5	1	2	Application for funding
TOTAL INPUT DAYS		7	7	14

5.2. PROGRAMME 2: Develop Quick-win Social Enterprise Projects for the Youth (Entrepreneurship Agenda)

There are three projects proposed for PROGRAMME 2. These are;

- Operate solar energy distribution project for the Municipality
- Distribution of medication for the elderly
- School based youth social enterprises

5.2.1. Operate Solar Energy Distribution Facility

Project Description

The project wants to identify and distribute livelihood enhancing solar energy products through appropriate distribution channels championed by the youth.

Project Purpose/Rationale

The Municipality wants to maximize economic and job opportunities for the youth. The distribution, installation and maintenance of solar energy lights provide this

opportunity. There are few suppliers of solar energy projects available in South Africa. Entrepreneurial youth will be selected to sell these products to their respective communities. It is recommended that this project targets communities that are currently not connected to the national grid such as Ufafa and Mahehle. There is an opportunity for the youth to service communities outside Ubuhlebezwe Municipality.

Anticipated Results

The following are anticipated from this intervention:

- A local champion supports this initiative (Social Enterprise Facilitator)
- A youth co-operative sources and distributes solar energy products from the reputable manufacturers
- First cohort group of 12 entrepreneurial youth is trained on solar energy products and distribution and business management (targeting Ufafa and Mahehle)
- There are many social benefits of this project.
 - People will be able charge their cellular phones with the solar lights saving them huge battery recharge costs
 - People will no longer lose batteries and memory cards during the risky recharging process
 - People will be available from their cellular phones 24/7
 - Cooking and preparation of meals in the evening will be a pleasure
 - Learners will be able to study with ease in the evening
 - The sickly will easily be nursed in the evening
 - Households that are connected in the national grid will save on electricity costs by using solar lights and will be able to deal with load shedding

Activities

- The Municipality puts a call for a Social Enterprise Facilitator to plan and implement social enterprise development initiatives in the Municipality. These social enterprise development initiatives will include the distribution of a number of social goods that the Municipality will identify. The services of the Social Enterprise Facilitator shall include selection process of the solar products distributors, 5 days training, engagement with Ithala Bank and securing solar energy products from the suppliers/manufactures. The estimate cost of this work for the first 6 months should not exceed R200 000.
- The Municipality, together with the Social Enterprise Facilitator set up a revolving credit facility with Ithala Bank.
- The Municipality, the Social Enterprise Facilitator and Ithala Bank develop a simple distribution channel and transaction/payment system for the project.
- The aspiring youth from the targeted communities is recruited and trained on basic entrepreneurship skills, solar energy products and the distribution of solar energy products. This will be one requirement that will qualify a distributor for a loan from Ithala Bank.
- The Municipality provides Ithala Bank with a guarantee fund of no more than R100 000 to guarantee small loans that will be issued by Ithala Bank to the solar energy entrepreneurs/distributors. This will be a revolving credit run by Ithala Bank on behalf of the Municipality. The Municipality will be responsible for administrative fees of this account. The bank will issue loans of no more than R3 000 per order to the qualifying youth entrepreneurs. The Bank will pay the supplier of products directly.
- All youth entrepreneurs including the Social Enterprise Facilitator will be required to operate a bank account from Ithala.
- A youth co-operative will be registered after 6 months.

Distributor	Revolving Credit Loan Issued	Unit Cost	Units (Lamps) Purchased	Retail Price	Weekly Profit
Zanele	R3 000.00	R300.00	10	R350.00	R500.00

This shows that each distributor can earn the minimum of R500 per week or R2 000 per month using the revolving credit facility. This facility will be operated by Ithala Bank with the support of the Social Enterprise Facilitator. The Municipality will be responsible for paying the service fees of the account and the services of a Social Facilitator.

Timeframe

This project can commence in January 2015.

5.2.2. Use Bicycles to Distribute Medication for the Elderly

Project Description

The project wants to encourage youth to distribute medication for the elderly in densely populated communities like Jolivet, Hlokozi, KwaThathani, eMazabekweni, Nokweja and Ixopo residential. The youth will be equipped with bicycles and identification gear to serve a certain number of elderly and sickly patients (people) in their neighbourhoods. This will save the elderly travel costs, time in the long queues and money. The collection fee shall be capped at R10.00.

Project Purpose/Rationale

The Municipality wants to maximize economic and job opportunities for the youth by encouraging the youth to take part in the delivery of social services. Many elderly people spend long hours in medical centres (hospitals and clinics) for their medication. The project wants to engage the Department of Health, the Municipality

and the SAPS in developing a watertight project. The Department of Health will provide a list/category of medication that can be dispensed to third parties. The SAPS will issue security clearance to the participating youth. It is recommended that this project is piloted around Ixopo residential areas and Jolivet in the first year.

Anticipated Results

The following are anticipated from this intervention:

- A local champion supports this initiative (Social Enterprise Facilitator)
- The Department of Health champions this project and is supported by the Municipality
- First cohort group of 8 entrepreneurial youth is trained on the handling and distribution of medication
- 8 quality bicycles and identification gear is purchased
- There are many social benefits of this project.
 - The elderly people will no longer queue in medical centres
 - They will save on transport fares
 - The youth will be introduced into social services
 - The default rate will be reduced
 - Cycling will be encouraged in communities as one of the modes of transport that promotes good health

Activities

- The Municipality puts a call for a Social Enterprise Facilitator to plan and implement social enterprise development initiatives in the Municipality. These social enterprise development initiatives will include the distribution of a number of social goods that the Municipality will identify. The services of the Social Enterprise Facilitator shall include selection process of the medicine couriers, 5 days training, engagement with the Department of Health and the SAPS.

- The Municipality, together with the Social Enterprise Facilitator and the Department of Health establish the parameters of the project.
- Community structures and communities where the project will be piloted are engaged and made aware of the project. The community engagement process emphasize that the service will cost the patient R10.00 per collection. The collectors are introduced to the communities.

This has a potential of generating at least R120.00 if the medicine collector services at least 12 people per day. This translates to R600.00 per week or R2 400 per month. The cost of this pilot project should cost no more than R200 000.

Timeframe

This project can commence in January 2015.

5.2.3. Encourage School-based Youth Social Enterprises

Project Description

The project wants to encourage teachers and youth to appreciate social entrepreneurship in schools. The project will target schools with high numbers of learners. The school youth will run a tuck shop and/or a micro-bakery and a ongoing fundraising activities to finance the purchasing and distribution of sanitary pads for the deserving girls. Surplus of revenue generated will be re-invested in school activities that benefit the learners from vulnerable households.

Project Purpose/Rationale

The project wants to instil values that encourage the culture of giving and service to the society. It wants to employ the social entrepreneurship agenda to attract

revenue that will be used to support the deserving learners. It is estimated that some girl learners will skip at least 3 days per month when they are in their periods. The project wants to stop this. This project will engage the Department of Education especially in its conceptualisation phase.

Anticipated Results

The following are anticipated from this intervention:

- The Department of Education (School) champions this project and is supported by the Municipality
- First ten cohort schools are identified with the health the help of the local office of the Department of Education
- Teachers from the selected schools support the project
- Necessary equipment is purchased for these schools through grant funding
- The school makes at least R6000 monthly sales and/or R1 500 profit
- Sanitary towels/pads purchased and distributed to the deserving learners

Activities

- A detailed project plan is developed in collaboration with the local office of the Department of Education
- A selection criteria is developed and adopted
- A call is made for the school to make applications
- The first cohort is selected
- A due diligence is conducted by the Municipality and a representative of an official from the local office of the Department of Education
- Schools select their respective teacher champions to drive the project
- Each school develops its unique approach and plan of the project
- The project plan is financed and implemented (schools are provided with small grants of no more than R20 000 to initiative the project)

- Youth champions are selected by each school and trained on the operations of the project

Timeframe

This project can commence in January 2015.

- Development of selection criteria: February
- Call for proposals from schools: March
- Grant awards: April
- Commence project implementation: May

5.3. PROGRAMME 3: Align Public Sector Service Delivery Programme to Youth Skills Development, Education and Entrepreneurship Agenda

There are three sub-projects proposed for **PROGRAMME 2**. These are;

- Revive Co-operative Programme
- Apply EPWP Methodology to Infrastructure Projects
- Align Pro-poor Microfinance to Home Based Industries

5.3.1. Revive Co-operative Programme

Project Description

Co-operatives are based on the values of self-help, self responsibility, democracy, equality, equity and solidarity. As enterprises, co-operatives are active in markets

locally, nationally, and worldwide, including both industrialized and developing nations.

Successful co-operatives generate advantages for both members and the wider community. Co-operatives that encourage inclusive participation and pursue wider interests beyond profitability can generate substantial developmental benefits.

Most successful co-operatives do not start with a poverty elimination agenda, but contribute to this goal by offering economic opportunities to marginally economic producers, workers or consumers.

Given an enabling environment, co-operatives can contribute substantially to meeting development goals through: enabling small producers to access markets and capture more of the value chain, promoting savings, credit, banking services, reducing vulnerability and promoting security through micro insurance, and providing a number of goods and services.

Co-operatives have major weaknesses as well. Besides a weakening of the members' sense of ownership of the enterprise - owing to the participation of too many non-members or to the involvement of too many outside bodies, government intervention or inappropriate policies remain the main culprits for dysfunctional co-operative programmes. Some government institutions and donors have pumped money into the co-operative sector in an indiscriminate fashion.

Despite these shortcomings, there is great potential for innovation in the co-operative programme. A review of successful co-operatives around the world reveals innovative credit services, including the use of guarantee funds to link co-operatives with commercial banks, and new product and business development. **This project proposes a targeted development approach to emerging black farmers - focusing on value chain financing in order to allow value chain upgrading.**

Project Purpose/Rationale

Co-operatives enable farmers (largely small farmers and producers) to own and control, on a democratic basis, business enterprises for procuring their supplies and services (inputs), and marketing their products (outputs). They voluntarily organise to help themselves rather than relying on the government. They are able to determine their own objectives, financing, mode of operating, and principles and methods of sharing the benefits. Through co-operatives, farmers are able to own and operate a user or service-oriented enterprise as contrasted to an investor or dividend-oriented enterprise. Farmer ownership allows producers to determine services and operations that will maximize their own farming profits rather than profits for the co-operative itself. **The main purpose for this project is to develop and implement value chain financing products (and services) in order to upgrade value chain products and services that facilitate strategic growth of co-operatives.**

Anticipated Results/Outcomes

Struggling co-operatives will be revived and new co-operatives will identify and seize opportunities in current value chains in agriculture and related food distribution services. The following value chain upgrading services will be developed, piloted, refined and adapted for implementation in the municipality:

- Product upgrading aims to make better products and services. It is driven by changes in end markets associated with changing consumer preferences.
- Process upgrading aims to make products and services more efficiently. It is driven by the need to cut costs and/or increase or improve output in response to current competition.
- Channel upgrading allows movement from one market channel to the next. It is driven by new market opportunities or significant barriers in current chain.
- Functional upgrading (integration) incorporates more functions in the value chain. It is driven by the desire to improve the flow of market signals to producers, control quality, and the desire to eliminate intermediaries.

Major Activities

- Target and register co-operatives in the agricultural sector. This register is essential for the Municipality in packaging and delivering appropriate services to these co-operatives.
- Identify and profile targeted agricultural value chain actors and value chain supporters in the Municipality or in each locality.
- Conduct capacity and training needs assessment of members of targeted co-operatives.
- Profile market opportunities for each location and co-operative. Conduct due diligence of each co-operative in a specific locality (or where it operates).
- Refine products and services to be offered to the co-operatives. This will be informed by the findings of the capacity and training needs assessment, market profile and due diligence of co-operatives..
- Group co-operatives according to their specific sub-sectors or activities, in other words, what they produce or do. This will help the Municipality to structure capacity building programmes as well as matchmaking and partnering with major buyers.
- Revive or enhance the functioning of the co-operatives' representative institution (or the association). This includes that development and adoption of constitution, policies, rules of procedure and the business plan with implementation schedule. Informal traders should be represented in all voluntary institutions aimed at growing the local economy.
- Facilitate the development and operation of a farmers' market days. This will allow the farmers to showcase their produce. It will also provide a platform for networking between farmers, their customers and value chain supporters.
- Mobilise financial resources to support this project. Some funds should be used to appoint and pay for the services of the project support agent.
- Develop a joint chain strategy and facilitate value chain platforms for co-operatives. This joint strategy will be developed in collaboration with the municipality, other public sector institutions, private companies and the civil sector. This strategy should at least cover the following:

- Profile the informal economy of the Municipality with a view of identifying and mapping out trading opportunities in the local economy
- Identify services and products that can be supplied to the public sector institutions as well as established companies
- Develop capacity building and training programmes (and schedule) in collaboration with other public sector institutions including the Sisonke Development Agency, SEDA and the local FET
- Facilitate matchmaking and partnering between established companies and informal traders and co-operatives
- Identification of value chain leaders and facilitators
- Strengthen linkages amongst informal traders, vendors and co-operatives and established companies/buyers
- Design financing models for informal traders, vendors and co-operatives
- Align this project with the implementation of microfinance initiative for establishing a financial services co-operative/s.
- Develop and implement Monitoring and Evaluation tool for this initiative aimed at monitoring the planning and implementation activities.

Time Frame

This project should be initiated immediately after the approval and adoption of this Strategy. It should run for at least five years.

5.3.2. Apply EPWP Methodology to Infrastructure Project

Project Description

This project seeks to establish systems and mechanisms that will align labour intensive construction with skills transfer to the temporal workers. This project should be used to contribute towards sustainable livelihood priorities. It suggests an

incubator-type approach where job recruits would receive accredited and quality assured skills training for infrastructure projects spanning beyond one year. This should be aimed at preparing them for future employment and/or self-employment in the infrastructure programmes beyond the Municipality. The entire built-environment sector provides multiple opportunities. These opportunities are available in the following infrastructure projects;

- Low cost housing by Ubuhlebezwe Municipality
- Community water supply projects by Harry Gwala District Municipality
- Household sanitation projects by Harry Gwala District Municipality
- Provision of community infrastructure like clinics, halls, schools, crèches, etc by other public bodies

Project Purpose/Rationale

The Expanded Public Works Programme (EPWP) aims to promote the creation of work opportunities in both public and non-government sector institutions.

The first phase of the EPWP announced in 2003 and commenced in April 2004. The main purpose was to mobilise all public sector and non-governmental institutions to re-orientate their existing budgets to deliver services (and goods) through labour intensive technologies. This was aimed to provide the unemployed access to temporary work and skills development opportunities as a way of contributing to poverty alleviation and sustainable livelihood development objectives. The EPWP targeted the infrastructure, environmental and economic and social sectors.

The Department of Public Works [DPW] was assigned the responsibility of leading the Programme, and coordinating the EPWP Infrastructure sector. The target in the first phase was to create at least one million work opportunities. This target was reached successfully a year ahead of the target. The programme had its challenges as well. Besides reaching the limited number of unemployed people there were variances in wage rates across the sectors and work opportunities were shorter than it was anticipated. This had limited effect on poverty alleviation and sustainable livelihood agenda.

Further to these constraints and challenges, the Department of Public Works had a limited authority to demand contributions by other provinces and municipalities, lack of incentives to mobilise interest of provinces and municipalities to maximise their work creation efforts and lack of capacity to implement the programme by other public institutions.

The second phase of the programme that started in 2009 aims to further mobilise public institutions to rapidly expand job creation equal to two million full-time equivalents (FTE). This will be made possible by reinforcing and rewarding these public institutions to utilize their existing infrastructure allocations effectively to increase the labour content of infrastructure delivery. The national target is to half unemployment by 2014.

A wage incentive was introduced for the second phase focusing on the infrastructure sector and non-state sector in the first year and expanded to social and environmental sectors in the second year.

In the context of LED, infrastructure is a key determining factor to enterprise development and location. Business enterprise will locate in areas with adequate infrastructure and services such as roads, water, electricity, social infrastructure and so forth. Infrastructure provision and service is in the domain of local government.

Anticipated Results

- Creation of short-term and long-term jobs for the unemployed within local communities through the implementation of labour-intensive projects.
- Usable and portable technical skills within communities through on-the-job training are developed.
- Capacitated SMMEs and emerging contractors in local communities receive sustainable technical, managerial and financial skills through an appropriate learnership programme.

- Specific EPWP procurement documentation, specifications and standards is developed.
- Performance management guidelines and procedures to ensure quality service delivery by contractors are developed.

Major Activities

- Develop and formalise the EPWP mentorship programme in collaboration with other public institutions charged with EPWP objectives. Harry Gwala District Municipality and the Sisonke Development Agency should have a major supportive role in this.
- Coordinate EPWP aligned programmes in the Municipality.
- Develop policies and guidelines for effective implementation and monitoring of EPWP.
- Develop a database of trainees and SMMEs that benefit from EPWP initiatives
- Use the EPWP database to graduate enterprises to the next levels.
- Mobilize provincial and national institutions and funding instruments such as National Empowerment Fund, the DBSA Jobs Fund, Sectoral Education and Training Authorities (SETAs), etc

Time Frame

This shall remain an ongoing activity of the Municipality.

5.3.3. Align Pro-poor Microfinance Initiatives to Creative and Home Based Industries

Project Description

This supplements the sustainable livelihood development and enterprise development for the rural communities by establishing community managed microfinance institutions. The legislation that promotes the financial services co-operatives already exists in the Republic.

Many poor people do not have access to useful financial services, particularly in the line of savings and credit. The majority of people do not have the financial clout to be considered as valued clients by the banks. In order to access credit from the banks for business purposes, banks demand collateral of which in many instances is not available. International experience in pro-poor microfinance suggests that poor people are very cautious in risking their assets as loan collateral. This could suggest that loan take-up will be very low even when external loan finance is available. Experience in some parts of the country (SA) suggests that the Grameen Bank approach to microfinance (savings and credit associations) is making positive contribution towards enhancing livelihood security and income generation for small rural enterprises.

The first strand of thought advocates continuity with creative arts industry thinking in economic terms. The political economy version of creative industries stresses a particular nature of the economic structure and dynamics of the sector, stemming from the symbolic or immaterial nature of its products. This provides the justification for regulation and alignment to economic development objectives on the basis of its particular form and current market failures. Home industry is common in many communities or settlements. Exact numbers are very difficult to find. They are usually underrepresented in labour statistics because of their invisibility and the clandestine, sometimes illegal, status of the work itself.

Project Purpose/Rationale

The first aim of this project is to implement the community managed financial institutions with a view of operating a Financial Services Co-operative (FSC) in the Municipality. The member-managed or community based financial institutions have two objectives. This will enable assist households to access usable lump sums for consumption smoothing and productive asset accumulation purposes. Second it will provide a vehicle for emerging enterprises to access short term microloans to finance their ongoing operational costs of their businesses. This works in tandem with sustainable livelihoods and small enterprise development intervention proposed in this strategy.

While establishing the microfinance programme, a feasibility study of local value chains of creative and home industries to identify actors and supporters and to find ways of spreading the gains of national economies will be conducted. The feasibility study will collect and interpret data from these sectors as the basis for developing a clear intervention strategy. This initiative calls for three major actions, namely, development of a concrete action on service innovation support for innovative creative industries services and better access to finance for innovative creative industries. The second strand focuses on initiatives to establish and improve home-based industries in areas such as food processing and production, bakery and confectionary, appliance maintenance and repairs, garment making, solar energy product distribution and repair and so forth. A particular focus is on the support needed to enhance the capacity of these enterprises and improvement of their profit margins.

Creative and home industry is not a homogeneous group. Many carry out fragmented work earning low piece rates, but others carry out a wide range of tasks or have rare skills that earn them good incomes. Value chain analysis helps to understand the connection to other actors in the chain. It addresses the question: Who adds value where along the chain? These value chains are not just strings of market relations where buyers and sellers act freely. Often there are powerful actors in the chain who pull the strings and control the flow of goods and information. In many product lines, national and global buyers set the terms for others in the chain, that is, what is to be produced, where, buy whom, and at what price. In local chains, uneven power is less of a problem. But the final markets are smaller and opportunities hence limited. Value chain analysis helps to identify pressure points and improve the situations in weaker links, where returns are low.

Anticipated Results

This is a medium to long-term engagement. Funding will be required to execute this feasibility study of creative and home based industries.

Voluntary community based financial institutions (savings and credit groups) will be mobilised and mentored to provide basic financial services to members. When at least 500 members are active, a Financial Services Co-operative will be registered with the Department of Trade and Industry with the support of DGRV. Basic financial services include mainly group savings and short term loans. This project will also:

- Enhance the savings culture in the community
- Increase circulation of income in the community
- Support emerging and small businesses in the local community
- Increase collaboration opportunities with other sectors, e.g. bulk buying of production inputs by farmers, cooperative markets, etc.
- Provide job opportunities for local Facilitators (Agents)
- Improved small business operations and investments in rural areas.

Major Activities

- Establish terms of reference and scope of work for the creative and home based industries project.
 - Target and profile creative and home industries, such as, creative artwork, baking and confectionary, garment making, etc
 - Identify the essential support services for the industry and describe how these services are currently delivered or ought to be delivered
 - Detail options for delivery and funding of these services
 - Prepare a detailed business plan on the provision of support of these industries
- Provide advice to the Municipality on the provision of industry support and development functions

With regards to the microfinance initiative;

- Identify experienced partners to implement this project. The pro-poor microfinance programme is best implemented by NGOs or co-operatives. This

step will involve the exploration of models of savings and credit, and the development of a model for savings and credit that works in rural areas. This also entails exploration of community based models and approaches from other rural areas in this province through cross visits and other forms of learning.

- Package funding proposals to be circulated to national and international donors.
- Explore linkages between community-based and formal financial systems.
- Identify few communities for piloting the first approach.
- Develop a monitoring and evaluation framework in the approach.
- Mobilise communities and implement the programme.
- Document and share experiences and lessons from the pilot phase.
- Register a Financial Services Co-operative.

Time Frame

This shall remain a priority of the Municipality. It should commence at least six months after the approval and adoption of this Strategy.

REFERENCES

- Comprehensive Rural Development Strategy
- Harry Gwala District Municipality Integrated Development Plan
- KwaZulu-Natal Provincial Growth and Development Strategy
- KwaZulu-Natal Spatial Development Framework
- Micro-Economic Reform Strategy
- National LED Framework
- National Spatial Development Perspective
- Prahalad C.K and Stuart L. Hart in their book that was published in 2004; *The Fortune at the Bottom of the Pyramid*,
- The New Economic Growth Path of South Africa, 2010
- The Regional Industrial Development Strategy and Action Plan (IRDS)
- Ubuhlebezwe Municipality Integrated Development Plan
- Ubuhlebezwe LED Strategy