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The SA-OIC Technical Skills Training Programme: An Evaluation

Submitted to the International Foundation
for Education and Self-Help

11 August 1998

**DRAFT master v.d6 (as submitted,
plus comments)**

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Executive Summary

We carried out an evaluation of the SA-OIC technical skills training programme for three weeks from July 20, 1998, spending the week of July 27th on site in Pietermaritzburg. We based our findings primarily on interviews and observations (including an extensive review of documentation), with some statistical data drawn where possible from available records and questionnaires.

Taken in aggregate, our findings lead to the following basic conclusions:

1. The USAID grant, through the agencies of IFESH and OICI, have established a successful NGO, SA-OIC, and a successful training programme in Pietermaritzburg that already empowers historically disadvantaged South Africans' by providing increased access to skilled technical training.
2. Although it has not met every target set for it, taking into account its relatively short life-span SA-OIC has made a good start. It has already trained hundreds of black South African youth, more than 200 of whom have been able to find or create paid work for themselves.
3. SA-OIC has only operated for two years. It needs more time to fully test and realise its potential. There are several areas where improvements can and should be made. Chief among these are rationalising and further improving its training programmes, strengthening job placement, raising operational efficiencies, establishing effective financial management and management information systems, strengthening the Board of Directors and budgeting for financial self-sufficiency. We make 27 recommendations about how SA-OIC and its partners can make such improvements.

Without additional USAID support for at least one more year, SA-OIC will go out of business on September 30, 1998. Therefore, our primary and urgent recommendation is that USAID extend funding for this project by at least one more year through a direct grant to SA-OIC in order to give the programme sufficient time to establish itself on a sustainable basis.

Introduction

“A lot of thanks to SA-OIC teachers, the management and everyone involved for making me a person, because now I can do something which I couldn’t if I wasn’t here.”

—an SA-OIC graduate

2.1 Evaluation Purpose

This report presents the findings and recommendations of our evaluation of the South Africa Opportunities Industrialisation Centre (SA-OIC), an NGO established with funding from the United States Agency for International Development (USAID) through the International Foundation for Education and Self-Help (IFESH) and Opportunities Industrialisation Centres International (OICI). The project aims at giving historically disadvantaged South Africans increased access to skilled technical training schemes that will increase their competitiveness in the job market and assist in their full integration into mainstream South African society

As requested in the scope of work (SOW) this evaluation endeavoured to provide critical but constructive information to Mathata Madibane, USAID Project Officer; Eartha Isaac, IFESH Chief of Party; Reginald Hodges, Senior Director, Growth and Development at OICI and especially to Vasco Seleane, SA-OIC Director.

2.2. Evaluation Methodology

Ideally we would have preferred to triangulate our findings using the results of interviews, observations (including documentation review) and questionnaires (for statistical analyses). However due to time and budget constraints we emphasised the former two techniques and limited statistical analyses to the collation and manipulation of the available quantifiable data. We attempted to substantiate most submissions arising out of the interviews and observations either by documentary evidence or by collaboration with various stakeholders such as trainees, community leaders and training board representatives.

Philip Christensen, an instructional systems specialist with extensive experience in USAID project management, evaluated SA-OIC from a systems perspective. This included all aspects relating to the governance of the Centre. Theo Andrew, Dean of Engineering at M L Sultan Technikon in Durban, evaluated the programmes offered, including the instructors, physical infrastructure, curriculum, etc. Bongani Ngqulunga,

a graduate student at the University of Natal, carried out all of the data collection plus those interviews that needed to be conducted in the Zulu language. In order to ensure a detailed but holistic evaluation of SA-OIC in the time available, for the most part we worked independently, but in regular collaboration. We carried out interviews and observations in Gauteng, at the SA-OIC site in Pietermaritzburg, employer premises, TLC premises, townships and other training centres.

We conducted the in-loco evaluation of SA-OIC over a period of five days, from the August 27 to 31, 1998, commencing at approximately 08:30 and terminating at approximately 16:30. Thereafter we discussed the day's work. A meeting between the evaluation team and the Director was held during the morning of Monday, August 27th, to discuss, inter alia, the evaluation programme for the rest of the week.

2.3 Constraints

This evaluation enjoyed a number of advantages. Chief among these was the superb co-operation received from all project partners. We would like to thank the representatives of each organisation involved for giving so freely of their time and expertise, for the spirit of collaboration with which they approached the exercise, and for their professionalism. We would like to compliment in particular several key staff members at SA-OIC whose assistance went above and beyond what we could have expected: the Director, Vasco Seleokane, for his openness and availability in the midst of a very challenging period; the Finance Manager, Busi Ndlovu, for long hours of work into the evening and weekend to respond to a vital last-minute request for financial data; and to Training Manager Joe Sithole and Job Developer Sandile Manana, who, having just learned of their own retrenchment, nevertheless made every effort to give us the information we needed.

That said, the evaluation process also faced a few significant constraints. While we remain confident that these did not prevent us from carrying out a full and accurate assessment of the SA-OIC programme, they nevertheless had an impact.

The prescriptive nature of the scope of work created one such constraint. Section III, "Statement of Work," listed a large number of very specific questions for us to answer. In addition to the enquiries in Sections II and III.D about the broad purposes of the evaluation, we had to address each of the detailed questions, too. This produced one advantage: we knew clearly what the partners expected from us. It also produced two disadvantages: limitations on our data collection time, and challenges in reporting the results clearly. Finally, it substantially increased the length of this report.

The data collection limits resulted from the detailed scope combined with a tight timeframe. With only three weeks for orientation, document review, interviews and the site visit, and writing the draft, including only one week in Pietermaritzburg itself, we had very little time available to explore leads independently. Instead, we had to rely on the inputs provided by the partners themselves. The most significant implication of this situation pertains to interviewing trainees and employers. We would have liked to draw a representative sample (with proper size and randomness) from each population for us to contact. Instead, we had to rely primarily on those

individuals chosen for us by SA-OIC staff (although some trainees were selected at random, and we did have access to some trainee questionnaires). Furthermore, we could not interview as many individuals, especially employers and community/business leaders, as we would have liked. Given the transparent approach taken to the exercise by SA-OIC, we have a reasonable level of confidence that we spoke to appropriate individuals. However, absent proper sampling procedures we cannot claim that the results of these interviews fully represent the views of all trainees, employers and community/business leaders.

To address the reporting challenge, we have organised Section 4 of this report, "Findings," according to the SOW's statement of work. We further divide each subsection (training, beneficiaries, etc.) into two parts. The first, "Overview," summarises our general assessment of that area, while the second, "Questions," answers each specific item in the detailed SOW. Section 5, "Conclusions," then analyses the findings and their implications, leading to additional recommendations (including our core recommendations about continued USAID funding). We believe that this approach will clearly present the macro-level picture while faithfully addressing the micro-level questions. Its disadvantage lies in a much longer report than envisaged by the scope of work.

The scheduling of the evaluation represented a second important constraint, primarily for SA-OIC. The week spent by our team in Pietermaritzburg (24-31 July) came at a particularly awkward time for the centre. Two weeks earlier the Deloitte and Touche team had begun work on an action plan to follow up on audit recommendations. The previous week saw a site visit by representatives of IFESH, USAID/SA and the American Embassy. Therefore, our team arrived after the SA-OIC staff had been intensively occupied with other visitors for a fortnight. At the same time that we were there, the centre was also trying to prepare a proposal to USAID for additional funding while dealing with a major staff retrenchment. We particularly appreciated the Director's willingness to give so freely of his time and energy to the evaluation in the face of many conflicting demands.

2.4 Terminology and Usage

The Co-operative Agreement involves four *partners*. The United States Agency for International Development's South African Mission (USAID/SA) provided the funding in the amount of \$1.4 million over a two-year period to the International Foundation for Education and Self-Help. IFESH used these monies to provide a sub-grant of approximately \$1.1 million to Opportunities Industrialisation Centres International. With this support, OICI funded and assisted in the establishment of a new South African non-governmental organisation (NGO), South Africa Opportunities Industrialisation Centres (SA-OIC). USAID/SA, therefore, is the *donor*. We refer to the other three organisations as the *implementing agencies*. Other groups which have supported or worked with SA-OIC, such as the Department of Public Works (DPW) or the Pietermaritzburg-area Transitional Local Council (TLC) are called *collaborating agencies*.

The annexes to this report include a glossary of acronyms relevant to the evaluation (Annex 7.1) plus lists of interviews conducted (7.2), documents reviewed (7.3), members of the Board of Directors (7.4) and extensive training materials (7.5). For the sake of readability we have not footnoted the source for each finding or conclusion. All of them derive from these interviews and documents, or from our own observations.

We use South African English spelling conventions in this report. Where necessary, we have changed spelling in quotations and terminology to conform to this standard.

2.5 Report Structure

This report begins with an executive summary, followed by this introduction to the nature of the evaluation and the structure of the report. Section 3 presents background information about the project's purpose, partners and history.

Section 4 details our findings. We have organised this material into nine sub-sections according to those areas specified by the performance monitoring plan in our scope of work. We divide each sub-section, in turn, into "overview" and "questions." The former describes in broad terms our findings for that area, while the latter provides detailed answers to each specific question posed by the SOW. We further divide the overview for Section 4.1, "Training," into a general description of the programme and a course-by-course analysis of the training offered.

Section 5 analyses the implications of our findings and presents our summary conclusions.

We present our recommendations throughout these sections, in the context from which they arise. Section 6 brings all of these recommendation together, restating them without comment or background for the reader's convenience.

Finally, the annexes in Section 7 contain a variety of supporting materials and documentation.

Background

3.1 Project Purpose and Objectives

According to the Co-operative Agreement between USAID/SA and IFESH, the project's purpose is:

“...to increase historically disadvantaged South Africans' social and economic empowerment by providing increased access to skilled technical training schemes which will increase their competitiveness in the job market, and assist in their full integration into mainstream South African society.”

To accomplish this, the CA supports the creation of a technical skills training programme that:

“...will establish a training centre focused on transferring practical, marketable skills needed in the new South Africa in such areas as welding, electrical, masonry, plumbing, heating and air conditioning, and carpentry.”

OICI's sub-grant proposal states that the programme:

“...will benefit the majority black population who are victims of the apartheid system and are now empowered in the new South Africa.”

3.2 Partners and Relationships

United States Agency for International Development

USAID is the US government agency responsible for development assistance. USAID believes that to succeed in its global mission, it will support sustainable and participatory development, emphasise partnerships, and use integrated approaches to promoting development.

USAID/South Africa is one of about 80 Missions that manage a country programme. Its goal is sustainable transformation from apartheid conditions to sustainable development conditions. It assists government and non-government institutions in South Africa to contribute to the political, social, and economic empowerment of the disadvantaged majority population, both men and women.

In the education arena, USAID/SA focuses on the transformation of the public education system in South Africa, by emphasising (a) policy reform, (b) establishment of systems to execute and implement policies, and (c) capacity building. The vision underlying its objective is, that by the year 2005, the South African government, with support from USAID/South Africa and other development partners, will have established an education system that is guided by national and equitable policies, administered through relevant and efficient systems, and implemented by effective institutions.

This system will be based in the principle that all South Africans have a fundamental right to education and that there will be:

- a) one non-racial system;
- b) 10 years of compulsory basic education and lifelong learning;
- c) instruction in the language of one's choice;
- d) a clear division of responsibility between the national and provincial levels of government; and
- e) a partnership between government and civil society in providing basic education.

USAID/SA funded the establishment of SA-OIC through its Co-operative Agreement no. 674-0318-A-00-5029-00 to IFESH in the amount of \$1.4 million. As Project Officer, Mathata Madibane oversees the project for USAID/SA.

International Foundation for Education and Self-Help

IFESH is a private, non-profit organisation whose mission is to empower individuals of developing nations through support of community-based, self-help programmes in the areas of hunger, literacy, health care, education, agriculture and vocational training. It has the following specific objectives:

- reduce hunger and poverty;
- empower people through literacy;
- train and place the unskilled and unemployed in jobs;
- provide preventative and basic health care to individuals in need;
- deal with population and environment problems;
- develop employment opportunities through economic development activities;
- foster cultural, social and economic relations between Africans and Americans, particularly African Americans.

IFESH was started in 1984 by Rev. Leon H. Sullivan. Between 1987 and 1994 it impacted almost one million beneficiaries in more than 34 African, South American and Caribbean countries. By the year 2000, IFESH has the goal of teaching one million people to read, adding 100,000 newly skilled workers to the work force, training 100,000 low-income farmers, and providing practicums for 1,000 African bankers in US business and banking practices.

IFESH is the grantee on the SA-OIC project under Co-operative Agreement no. 674-0318-A-00-5029-00. This agreement makes IFESH contractually responsible for the funds, operation and results of the grant.

Opportunities Industrialisation Centres International

OICI is an American non-profit organisation dedicated to the creation, institutionalisation and sustainability of indigenous, community-based NGOs that provide non-formal training, primarily to the poor and unemployed, in the Second and Third Worlds. It was founded in 1969 in response to requests from Africans that the Rev. Leon H. Sullivan replicate in their countries the entry-level Opportunities Industrialisation Centre vocational skills programmes that train disadvantaged youth in the United States.

The strength of OICI's programme lies in its emphasis on "graduating" its affiliate OICs, i.e., making them self-governing and financially independent of OICI and the US Government. Towards this end, and with programme support via grants from USAID and other donors, OICI provides technical assistance to OICs in all areas of institutional development, including training of their indigenous boards of directors and staff, management and financial systems, and resource mobilisation. The programme support grants have helped make OICI and its affiliate OICs increasingly effective and efficient in serving an increasingly numerous and diversified clientele with ever-greater numbers of relevant services.

OICI's strategy focuses on a motivational philosophy, a long-term sustainable development objective, and an integrated approach to programme growth and support that empowers OIC affiliates with the skills and tools for effective local programme leadership, management and operations. Over the years, the OIC model, originally designed to meet conditions in the US, has been adapted to the distinctly different economic, social and political realities and needs of African, East European, Asian and Caribbean nations.

IFESH issued a sub-grant to OICI in the amount of \$1,250,000 (later amended to \$1,120,895) to provide technical support in establishing SA-OIC.

South Africa Opportunities Industrialisation Centres

SA-OIC, the South African affiliate of OICI, is an apolitical community-based organisation whose mission is to provide skills training that builds self-worth in people and empowers disadvantaged communities. Its target beneficiaries comprise:

- unemployed youth between 18 and 35 years
- women
- potential entrepreneurs
- existing entrepreneurs
- NGO/CSO leaders
- community leaders

SA-OIC assists trainees to access income-generating opportunities, thus reducing unemployment and improving the quality of life of the community. At its centre in Pietermaritzburg it offers training in basic life skills, business skills, carpentry, masonry, electrical wiring, plumbing, plastering, painting, motor vehicle repair and (previously) welding. The programme is based on the OIC training model, which emphasises non-formal education techniques to transfer practical and relevant skills that will lead to employment, as well as attitudinal and motivational development. The OIC model insures stability through its organisation of a community-based board of directors, and the training of local management and technical staff. These methods empower members of the affected community to operate the OIC programme on their own.

OICI initiated SA-OIC under its IFESH sub-grant as a new NGO to establish the OIC model in South Africa and develop an OIC training programme in Pietermaritzburg. Since the programme's inception in early 1996, OICI has transferred R3,712,320 of USAID/SA funds directly to SA-OIC to underwrite its operation and development. OICI used the balance of its sub-grant to fund its technical support of SA-OIC.

3.3 Project History

The South African OIC project traces its roots back to the involvement of the Rev. Leon H. Sullivan, founder of both IFESH and OICI, to the anti-apartheid struggle. Prior to the 1994 elections Nelson Mandela, soon-to-be President of South Africa, asked Rev. Sullivan for assistance in healing the ravages of the old regime on the majority population and in reversing the negative economic effects of sanctions. One response from Rev. Sullivan was to highlight the Opportunities Industrialisation Centre model in the United States. This led to a visit by the Minister of Public Works to OICI's Philadelphia headquarters in 1994, followed by an exploratory visit to South Africa by OICI's Director of Executive Office that November. In January, 1995, six representatives from three provinces underwent one week of intensive training in Philadelphia covering OIC programme development methodology. A feasibility study followed, taking place in South Africa from February 27th to March 12th as a collaborative effort between OICI and the Ministry of Public Works. This produced a programme design for a centre in KwaZulu-Natal (KZN), the first of three OIC centres proposed for the country.

During this same period, USAID/SA was negotiating a co-operative agreement with IFESH, which already was receiving Agency funds for its work throughout Africa. Under the title "Training and Education for South Africa" (TESA), the resulting CA (no. 674-

0318-A-00-5029-00) provided \$5 million for three activities from June, 1995 to September, 1997: Educators for Africa, Banking and Financial Services, and Technical Skills Training. The third of these allocated \$1,250,000 for an anticipated sub-grant to OICI for establishing the KwaZulu-Natal technical training centre.

Based on the joint feasibility study, in December, 1995, OICI submitted to IFESH its formal proposal entitled, "OIC KwaZulu-Natal Programme Design." Although its initial thinking anticipated a three-year, \$3 million project, in line with the IFESH CA's scope OICI proposed a two-year effort with a USAID-funded contribution of \$1,216,782 and a counterpart (local) contribution of \$1,500,000. In May, 1996, IFESH issued a sub-grant to OICI allocating \$1,250,000 for implementing its proposal.

At the recommendation of its Controller's Office, USAID/SA subsequently broke out each component into a separate CA. The new Technical Skills Training Programme grant allocated \$1,400,000 to IFESH to support the KwaZulu-Natal Centre and extended the completion date by one year to September 30, 1998. IFESH then amended the sub-grant agreement to correspond with this new ending date, also reducing the total amount to \$1,120,895 to take into account reallocation of indirect costs across the different components of the original CA.

OICI actually began work in South Africa even before IFESH issued the original sub-grant. Its Vice President for Programme Development, Reginald Hodges, made two working visits in December, 1995, and February-March, 1996, to begin preparations by identifying a site, establishing and training the board of directors, hiring a temporary coordinator, identifying supporting linkages and consultants, and beginning work on registering the new NGO. He was supported by the then-Director of Training at OICI, Ralph Perkins, who also made site visits to South Africa. OICI selected Vasco Seleokane to serve as the new Programme Director from July 1, 1996.

Friday, June 28, 1996 saw the official launch of SA-OIC. The Minister of Public Works, the Hon. Jeff Radebe, and OICI Founder and Chairman, Rev. Leon H. Sullivan, presided. Over 500 individuals attended the event at the new SA-OIC facility, among them Jacob Zuma, KwaZulu-Natal Minister of Economic Affairs and Tourism, and Blade Nzimande, Member of Parliament. The programme included a series of speeches, traditional dances and choral singing.

Understanding this history helps explain two factors which would later prove to have important implications for project implementation. First, the impetus for this project came from the top down. OICI normally responds to grassroots initiatives firmly grounded in local communities. In this case, however, senior people in two countries determined first that the OIC model might be relevant to South Africa. OICI then began to investigate local conditions and build local support. Rather than exploring project potential for themselves, USAID/SA and the Department of Public Works had to find ways to implement a concept that had already been agreed. With so many important backers, the proposal enjoyed unstoppable momentum. On the other hand, it later paid a

price for the lack of project planning time and the need to develop local roots after the fact.

The second factor is the complex funding arrangement, a chain with four links from USAID to IFESH to OICI to SA-OIC. We explain below how this arrangement caused problems with project implementation and note that a simpler linkage would have improved matters. USAID can avoid this problem in the future by dealing directly with SA-OIC, but it could not do so when the project began because SA-OIC did not yet exist (another result of the top-down factor). Therefore, USAID/SA had to work through an intermediary. OICI had the connection with the Department of Public Works and the technical expertise required to bring the model to South Africa. But USAID/SA had no funding relationship with OICI. In the absence of adequate time or funds for establishing such a relationship, USAID turned to its existing partnership with IFESH. By working through IFESH, USAID found a mechanism for providing to OICI the monies needed to establish and develop SA-OIC.

We do not wish to second-guess this strategy. It succeeded, in the sense that SA-OIC found the financial and technical support it required, and we do not see any viable alternatives that the partners could have considered in the circumstances. We note only that such success came at a real cost. The project encountered implementation challenges that a shorter chain might have avoided.

Section
4

Findings

In this section we report our findings on the nine areas of investigation specified by the scope of work: training, targeted beneficiaries, project management, relationships, sustainability, replicability, reporting, matching funds and programme income. For each area we begin with an overview of the findings, followed by answers to every question posed in the scope of work. For an analysis of the implications of these findings, see Section 5, "Conclusions."

We report both project successes and weaknesses here. Our discussion emphasises areas for improvement, since the purpose of an evaluation is to provide management and donors with a tool for making constructive changes. This emphasis should in no wise detract from our fundamental conclusion, that to date the SA-OIC project has been a success. It has established a new NGO with real potential for sustainability and service delivery along the broad lines of the original proposals.

4.1 Training

Overview

This assessment of the training courses is a core component of our overall evaluation of the SA-OIC project. Work done during this phase addresses the issues raised in the Scope of Work (SOW), Section III.A.1.a, 'Training'. While it focuses on the general quality of the programmes offered, the observations and conclusions reached in this phase impact on the other areas specified in the SOW, (such as target beneficiaries or project management. We made every effort to ensure a detailed but holistic approach to this work.

Theo Andrew evaluated each course individually. His methodology included an assessment of the instructor, course management, physical infrastructure, curriculum, workshop practice, co-operative education, external accreditation and future plans for the programme.

The evaluation team met the Centre's Director, Mr Vasco Seleone during the morning of Monday, 27 August 1998 to discuss, inter alia, the evaluation programme for the rest of the week. Dean Andrew spent that afternoon with the training manager, Mr Joe Sithole, who provided general administrative information about the training. He then prepared a

programme of work for the rest of the week which included interviews with all instructors, observations of the workshops and scrutiny of various documents.

4.1.1 Overview of Programmes

Interview with Training Manager, Mr Joe Sithole

Mr Sithole joined the Murray and Roberts Construction Company in 1969 as a clerk and after one year started training in the welding trade at the Murray and Roberts training centre. In 1973 he passed the government trade test and in 1974 was transferred to the training centre as instructor. In 1976 he trained further in instructional techniques at the Natal Training Centre in Pinetown. Mr Sithole's last position at Murray and Roberts was that of training manager.

Programmes Offered

The programmes offered at SA-OIC fall into the following four broad categories:

- Life Skills
- Small business Development
- Vocational Training
- Special Partnership Ventures

As can be seen from Figure 1, a major emphasis of SA-OIC's training programmes is based on technical skills within the construction industry. Mr Sithole provided us with all the available general information on the certification of the trainees and the various skills that are offered. These will be discussed under Section 4.1.10.

Training Cycles

A training year consists of three or four training cycles, each cycle comprising 10 weeks. A typical 10-week cycle consists of one week of compulsory life-skills training, eight weeks of vocational training and one week of small business development. Ideally 12 trainees are enrolled per course per cycle. When the demand for a particular programme rises an extra parallel cycle is introduced for that programme.

**Figure 1:
Vocational Training Programmes**

Vocational training programmes	Responsible industry/training board (TB)
Bricklaying	Building Industries Training Board
Plastering & Tiling	Building Industries Training Board
Plumbing	Building Industries Training Board
Carpentry	Building Industries Training Board
Painting	Building Industries Training Board
Electrical*	Electrical Contracting Industries Training Board
Motor maintenance*	Motor Industries Training Board
Welding*	Metal & Engineering Industries & Education Training Board

4.1.2 Programme by Programme Evaluation

4.1.2.1 Life Skills Programme

Interview with Mr Bongani Ndlela

A team comprising of Mr Bongani Ndlela, Mr Owen Malembe and Mr Sandile Manana has been teaching this programme. (SA-OIC just retrenched Messrs Malembe and Manana.) Although Mr Malembe is the programme co-ordinator, he was not available for the interview on the August 31st. However, we believe that we obtained the necessary information for a proper evaluation from Mr Ndlela.

Mr Malembe, who was in exile, passed his ELTS examination through the British Council and holds a Teacher's Certificate in Primary School Education through Linkoping University. He taught at the Solomon Mahlangu Freedom College (in Tanzania) from 1987, rising to Vice-Principal in 1991. He also holds a certificate in business counselling and in introductory cash management. Mr Malembe occupied the post of Counsellor with SA-OIC.

Mr Manana holds a National Technical Certificate (NTC 3) and is currently studying Civil Engineering through Mangosuthu Technikon. He has worked as a trainee technician, a tutor, an administrator and projects co-ordinator for various NGOs. Mr Manana held the post of Job Developer with SA-OIC.

Mr Ndlela is also the sole instructor for the business development programme and therefore a summary of his background is given under Section 4.1.2.2.

*These programmes were not accredited as of the evaluation and will be discussed later in this report.

This is a support programme for people engaged in vocational training only, but it used to be offered to the stand-alone business trainees. Some life-skill components are included in the restructured business programme. The life-skills course is currently offered as a five-day module in the first week of the 10-week training cycle, making it compulsory for all vocational trainees. SA-OIC has also offered this programme to another NGO, 'Thandanani Association,' which works with abandoned children. It trained two groups of 35 and 48 caregivers at a fee of approximately R1,200.00 per group.

Annexe 4.1.1, Section 7.5, shows the course objectives and content. We have added the names of the team members responsible for the various sections. The environmental protection is facilitated by Mr Siphon Gubeka from the Environmental Protection Group based in Sobantu in Pietermaritzburg. The team works closely with Ms Earna Owell from the Department of Labour to obtain the latest materials.

For the trainees without basic education the life-skills course improves their self-confidence, strengthens their self-worth and motivates them for the vocational training. For those with at least a basic education, it sharpens their skills in job hunting, writing CVs, handling interviews and writing job application letters.

The medium of instruction is Zulu and trainees are encouraged to participate in all group discussions. There is no formal assessment, but trainee feedback is solicited. No dropouts are reported from this programme.

4.1.2.2 Small Business Development Programme Interview with course instructor, Mr Bongani Ndlela

Mr Ndlela matriculated in 1984. In 1985 he gained employment as a prison warder with the Department of Correctional Services until 1992. In 1993 he attempted the Diploma in Personnel Management for three months at the Natal Technikon. After a period of unemployment Mr Ndlela was trained by the AIDS Training in Counselling Centre (ATICC) as a counsellor. Thereafter he did voluntary work for ATTIC and Life Line. However his business economics studies in Grade 11 and 12 motivated him to qualify in 1996 with the Independent Business Enrichment Centre in Durban as a trainer in Small Business Development. Also during this year Mr Ndlela spent some time with South African Breweries training youth in business development. In September, 1996, Mr Ndlela joined the SA-OIC. In November, 1996, he passed the examinations set by the Institute of Commercial and Industrial Education through the Rapid Results College.

The small business development programme started as a four-week stand-alone course. Three cycles of four weeks each have been completed. Refer to Annexe 4.1.2, Section 7.5, for the course outline. Since the target population came predominantly from the small-business sector and potential small entrepreneurs, SA-OIC felt the programme was too long. Many potential trainees could not afford four weeks away

from their small businesses. In June, 1997, the programme was shortened to one week.

Mr Ndlela designed the curriculum for the four-week course based on the South African Breweries' "Start Your Own Business Course." He then revamped this curriculum to cater for a one-week course. Mr Ndlela constantly upgrades his curriculum. In March, 1998, he trained in a course initiated by the International Labour Organisation in Geneva called "Start and Improve Your Business." (Refer to Annexe 4.1.3, Section 7.5.) He spent ten days on "Starting Your Business" and another ten days on "Improving Your business." Mr Ndlela has in his possession a complete set of study materials, including overhead transparencies for teaching. The duration of this course is flexible.

SA-OIC has decided that this recently-acquired curriculum will be offered as the new stand-alone business development course in two separate parts as shown in Annexe 4.1.3, Section 7.5. Of particular note is the duration for each part. SA-OIC has applied to the International Labour Organisation for accreditation. Although this course has not been offered as yet, there are pending markets with the Tribal Authorities of Swuayimani in Warturg and Mafunze in Elandskop.

This programme has no educational entrance-level requirements. Therefore, it is designed for people with little or no formal education. The medium of instruction is Zulu while the instructional materials are in English. As students do not write any examinations, the Centre issues a certificate of attendance to the graduates. SA-OIC provides further value in the form of after-course advice to their trainees.

Mr Ndlela is proud of the fact that three people trained at SA-OIC have started their own businesses. Tandi Geza has a spaza shop and caters for small conferences, Mshengu Simon is involved in vegetable gardening and Sweleni Nzimande owns a tea-room in Ixopo.

A lack of start-up capital creates one obstacle to producing more entrepreneurs. SA-OIC does not have the financial resources to provide for this. They do link up potential entrepreneurs to funding agencies such as the Future Bank and the Get Ahead Foundation. Unfortunately most of the applicants do not meet the agencies' lending criteria. At the time of this interview Mr Ndlela was in the process of studying materials provided by OICI on "Tools for Micro-enterprise Programmes: Financial Assistance Section."

4.1.2.3 Start Your Business – Costing Module ***Interview with instructor, Mr Bongani Ndlela***

Section 4.1.2.2 provided a summary of Mr Bongani Ndlela's background.

This business course has a different focus to the one described in that section. SA-OIC offers this course only to those who have completed the vocational training at the

SA-OIC. It now runs as a five-day module in the last week of the 10-week cycle. The Centre did not include this module in earlier vocational-training cycles. After the first cycle was completed, the contracting companies informed SA-OIC that its graduates over-quoted for work to be done. (The Master Builders' Association of South Africa sets the rates for semi-skilled labour.) SA-OIC therefore introduced a 'costing' module to address this weakness.

This course has no formal assessments. Those completing it do not receive any certificate whatsoever. The only certificate issued is the one for the vocational training. It is possible to gain a certificate after completing only the vocational training—without the costing module.

Annexe 4.1.4, Section 7.5, shows the curriculum for this course. As the educational education of the trainees ranges from none to high school leavers, the medium of instruction is Zulu. The learning material is written in cultural context, as shown in Annexe 4.1.5, Section 7.5. Mr Ndlela has adapted the curriculum from "Winning Business Systems."

Costing, the stated focus of this module, is covered under the financial statements section (refer to Annexe 4.1.4, Section 7.5). Annexe 4.1.6, Section 7.5, presents a sample costing sheet. A perusal of this sheet shows that the examples used have no bearing on the vocational training. We would have expected that the costing exercise would relate directly to the skills learned in the vocational training, e.g. calculating the cost of painting a certain sized wall. However Mr Ndlela explained that he will be visiting the KwaZulu Training Trust within the next 2 weeks to obtain materials on costing in the construction industry.

We are satisfied with the content of the courses described above and the effort put into continuous upgrading of the materials. However, there is a lack of integration between the life skills, costing and the vocational training. The training on each topic seems to be done in isolation of the others. While the emphasis is on business training for those already in some form of employment and for the vocational trainees, potential entrepreneurs are not identified. A key objective of the business programme should be to identify, stimulate and motivate potential entrepreneurs, formal and informal.

Rec. 1: SA-OIC should take an integrated approach to the life skills, business and vocational training programmes. The costing course, for example, must be made relevant to the particular vocational trades. The emphasis should be on the promotion of formal and informal entrepreneurs within the vocational programmes offered. This will also help improve placement rates hindered by a lack of opportunities in the formal sector. In order to achieve this speedily and successfully, relationships should be forged with more experienced entrepreneurs, for instance.

Rec. 2: To address the problem of start-up finance a special revolving fund should be established. SA-OIC should forge relationships with the major corporations and government agencies to solicit assistance.

Vocational Training

Vocational training is done over eight weeks in the 10-week cycle. This system is fundamentally flawed in that its emphasis is on time spent at SA-OIC rather than obtaining a critical number of skills. The number of skills offered per programme may vary between four and 15 with pro-rata mastery times, but all programmes will have the same cycle time. At the end of a cycle the Centre may produce a certain number of graduates, but in reality each graduate will have acquired different number of skills.

SA-OIC should carefully select and also increase the number of skills it offers. There are advantages to be realised with flexible scheduling and multiple entry and exit points. The immediate value of this system is improved quality. Apart from corresponding to South African Qualifications Authority (SAQA) guidelines, the trainees will enjoy a greater chance of finding employment. Eventually demand for SA-OIC's training will rise, resulting in increased student numbers.

This system will also facilitate trainees coming back to the centre for lifelong learning. The present system does not suit this. In a flexible system the scheduling of the skills is pre-determined for the year (i.e., trainees can move in and out of the system). Such a system will also improve the scope for integrating site training into the programme. The overall effect of this will be a more effective usage of resources.

Rec. 3: The system of fixed cycles should be scrapped and emphasis be placed on providing the trainee with a critical number of skills. The acquisition of this critical number of skills, irrespective of time, should dictate the definition of a graduate. The lifelong learning principles and multiple entry and multiple exit points mentioned in the National Qualifications Framework (NQF) supports this system. However an exception may be made for a contracting party that may require a fixed-cycle training.

Vocational skills training in South Africa is governed by the Department of Labour through the National Training Board, which, in turn, is advised by the various industry training boards, amongst other stakeholders. The industry training boards are independent bodies having their own individual boards comprising employer representatives. They have full powers to design the training curricula and serve as a watchdogs, providing accreditation for the relevant providers of vocational training. Perhaps an oversight on the part of the original task team that helped set up SA-OIC was the fact that the industry training boards control skills training in South Africa.

This oversight led to the recruitment of non-accredited instructors in the start-up year of SA-OIC.

The philosophy of the Training Board's training system is one of competency-based, or outcomes-driven, training. This philosophy now permeates the entire education system in South Africa. Therefore SA-OIC, by following closely the materials provided by the various training boards, provides the trainees with nationally accepted levels of competencies.

The split between theory and practical at the Centre is approximately 20/80 respectively.

Construction Industries

The training offered in the construction industries falls under the supervision and control of the Building Industries Training Board (BITB). The BITB provides a range of accredited training materials and performance criteria for the various skills within a particular course (e.g. bricklaying, carpentry, or plumbing).

The training manual for a particular area is called the "Building Industries Training Board Skills Register." A sample of the task list for plumbing is shown in Annexe 4.1.7, Section 7.5. Each task is allocated two assessment standards—Training Performance Criteria (TPC) and Production Performance Criteria (PPC)—measured in units of task-performance time for a specified task quality under testing conditions. BITB does not prescribe the mastering (learning) time.

SA-OIC offers a certain number of these tasks throughout the eight vocational weeks of the 10-week training cycle. The mastery time will depend on the learning/mastery pace of the trainee. However, in order to obtain a BITB-accredited certificate from SA-OIC the trainee must be able to complete a task according to the prescribed performance criteria irrespective of the length of mastery time. It is possible, therefore, for a trainee to be accredited for only one task out of the many that might have been offered during the eight weeks. SA-OIC uses only the TPC; the certificate will reflect only those tasks completed within the TPC limits. The trainee and the skills s/he acquired are then registered with the BITB.

In order to be credited with the BITB a training centre must comply with the following:

- Instructors must be accredited with the BITB at least as instructors. If an instructor is not accredited as an assessor, the performance tests will be assessed by a representative of the BITB.
- The training centre must have the prescribed physical infrastructure, tools and materials for the accredited skills.

- Accreditation in a course does not necessarily mean that all the skills can be taught. The instructor and the physical infrastructure are accredited per skill/task/module in a particular course.

4.1.2.4 Bricklaying Interview with Mr Wellington Ntsibande

Mr Ntsibande holds a National Certificate in Bricklaying and Plastering. After serving his apprenticeship with R R Meth and Son Building Construction, he worked as a bricklayer and plasterer for W T Thomas Construction. In 1986 he joined the Murray and Roberts Construction Company's Sunflower Project as an instructor in bricklaying and plastering. During this time he also managed the construction of schools in the former Transkei. Mr Ntsibande joined SA-OIC in December, 1997, and regularly keeps up to date with the literature from the construction manufacturing companies. He is a BITB-accredited instructor and is awaiting his assessor's accreditation.

Annexe 4.1.8, Section 7.5, shows all the skills available to a trainee. However SA-OIC is only accredited by the Building Industries Training Board (BITB) for the 11 skills/modules as indicated. The BITB Skills Register, a sample of which is attached in Annexe 4.1.9, Section 7.5, provides the content and performance criteria for each skill. Every trainee practices the prescribed skill, and when s/he is ready to be tested the instructor evaluates the performance according to the BITB skills register. Only three performance testing attempts are allowed, after which the trainee has to repeat the particular skills module.

The programme starts with about three days of basic theoretical aspects, and thereafter uses a hands-on approach. The evaluator was present at a training session and found both the equipment and materials to be more than sufficient. Every trainee had ample space to work in. The practical work depicted a real on-site situation. Basic health and safety issues are integrated in the instruction.

4.1.2.5 Plasterer and Tiler Interview with Mr Mandla Ngema

After completing his Matric Mr Ngema joined the Murray and Roberts Construction Company as an apprentice bricklayer and plasterer. He studied at the Umlazi Technical College, passing his trade test in 1985, then joined the Sunflower Project in 1986 as an instructor. During this time he completed the instructor's course. In 1995 he was employed by the APEX training centre in Benoni, Gauteng. Mr Ngema has attended the BITB instructors training workshop and is, therefore, a BITB accredited instructor and assessor.

A copy of the accredited skills and a sample copy of the BITB performance test can be seen in Annexe 4.1.10, Section 7.5. Eight of the accredited skills/modules are also indicated. The course's work area consists of building

structures built by the bricklaying trainees. These structures are specified by the BITB. Once again there was no evidence of any lack of tools or materials.

4.1.2.6 Plumbing

Interview with Mr Vincent Khumalo

After completing his matric at a trade school, Mr Khumalo joined Murray & Roberts as a plumbing instructor in July, 1990. In April, 1991, he joined the Sunflower Project as a plumbing instructor for four years. He holds a certificate in instructional techniques, a certificate in plumbing and is certified by the BITB as a training assessor in plumbing.

The BITB-accredited skills/modules and a sample performance test for a particular skill are shown in Annexe 4.1.11, Section 7.5. The evaluator visited an actual training session and was pleased to find that the installation of a bathtub, for example, was done under real-life conditions. The nature of these skills requires some other basic skills, such as bricklaying and concrete chasing. These are covered in the plumbing programme. The provision of tools and materials was sufficient for the trainees.

4.1.2.7 Painting

Interview with Mr Gugulethu Khumalo

Mr Khumalo completed the N2 in Decorating and Painting at Umlazi Technical College in 1975. In 1976 he joined the Department of Public Works, then in 1985 the Umlazi Technical College as an instructor in painting, glazing and sign-writing. He joined the SA-OIC in April, 1997. Mr Khumalo holds a diploma in decorating and painting, a one-year part-time diploma from the Small Business Development Corporation and a certificate in basic safety. He is an accredited BITB instructor, awaiting his assessor's accreditation. Mr Khumalo regularly obtains current information on painting from the various paint suppliers.

The skills/modules offered by SA-OIC together with a sample of the task performance criteria are shown in Annexe 4.1.12, Section 7.5. The trainees have sufficient workspace as well as the different surfaces required for the various tasks. Materials and tools are sufficiently provided. The instructor provides some training in costing as part of this programme.

4.1.2.8 Carpentry

Interview with Mr Kanda Ndimande

Mr Ndimande enrolled in carpentry at the Swinton Road Technical College in 1984, passing his trade test in 1987. He spent four years with Murray and Roberts as an instructor in carpentry. He is accredited by the BITB as an instructor and assessor.

The four skills/modules that are offered by SA-OIC and a sample performance test are shown in Annexe 4.1.13, Section 7.5. The course workshop is adequately supplied with tools and materials.

Carpentry will also be covered under the DANIDA project in Section 4.1.2.12.

Other Industries

The Motor Industries Training Board (MITB), the Electrical Contracting Industries Training Board (ECITB) and the Metal and Engineering Industries Education Training Board (MEIETB) controls the skills training for the motor maintenance, electrical and welding programmes, respectively.

Although SA-OIC offers the motor maintenance and the electrical programmes, these are not accredited by their respective training boards. The instructor for the maintenance programme is sufficiently qualified, but although SA-OIC has made some investment in tools and equipment, these still are not sufficient for accreditation. The tools and equipment for the electrical programme are more than sufficient for accreditation, but although the instructor is well-qualified academically and experientially, he does not possess the stipulated 'Wiremen's Licence' required by the Electrical Contracting Industries Training Board and South African Bureau of Standards (SABS) 0142.

SA-OIC no longer offers its welding programme due to the resignation of the instructor. He was accredited by the training board, but left the Centre after two weeks. The welding programme only needs accreditation if SA-OIC wants to train apprentices. In fact, the accreditation process places more emphasis on the equipment than on the instructor. The welding workshop is fitted with equipment worth about R130,000, and we believe that valuable programmes can be offered there—not just for training, but possibly for income-generation.

4.1.2.9 Motor Maintenance Programme Interview with instructor, Mr Terrence Dhaljith

After completing matric in 1984, Mr Dhaljith worked for Toyota in the parts division. In 1987 he started an apprenticeship and subsequently acquired the N2 through Sastri College in Durban. He has passed his trade test and has about eight years of experience in motor maintenance.

A copy of the task list is shown in Annexe 4.1.14, Section 7.5. All 24 tasks are offered in the programme during the eight-week training period. These comprise the level one tasks (of four levels) prescribed in the training manual for the motor industries. The course material is adapted from this manual and the course notes from the technical college. Due to the non-accreditation, SA-OIC only issues a certificate of attendance, which a trainee needs a minimum of four task credits to obtain.

The workshop has sufficient tools to do minor maintenance on motor vehicles. It has ventured into doing minor motor repairs for the public at a minimal cost. The trainees in the programme have serviced six vehicles over the last two months under the supervision of the instructor. The trainees visit local garages at least twice during the training period.

4.1.2.10 Electrical Programme Interview with Mr Ken Adlam

Mr Adlam started his career as an apprentice in the electrical field in 1950 working for the national power company, Eskom, and South African Railways and Harbours as a construction electrician. In 1978 he started teaching at the Edendale Technical High School. He has a teaching diploma in workshops and was the national examiner for Grade 10 electrical work. Mr Adlam joined SA-OIC in September, 1997.

This is the only course that has an entrance test designed by the instructor. The test examines basic comprehension, numeracy, basic mathematics and dimensions. The average pass rate is about 70% and the top 10 candidates gain admission to the programme.

The 34 modules offered, sample projects and the training board's informal sector training guide are shown in Annexe 4.1.15, Section 7.5. The workshop is well equipped with tools, materials and instrumentation. This was done in preparation for accreditation. It is a pity that the instructor cannot find his licence so that this programme can be accredited. At the time of our evaluation Mr Adlam has been querying his licence with the Department of Labour. A certificate of attendance is issued to the successful trainees.

Special Partnership Ventures

4.1.2.11 Computer Skills training programme *Interview with Ms Zenele Maphumulo and the Director, Mr Vasco Seleokane*

This training programme is a contractual joint venture between SA-OIC and Coopers & Lybrand called the "SiyaKhulisa Training Centre." Unlike the vocational programmes, the computer skills training programme aims at developing and upgrading the computer skills of people already in employment, especially in the government sector. SA-OIC are the beneficiaries of an "empowerment" programme initiated by Coopers & Lybrand, which seeks to form business partnerships with emerging NGOs.

Coopers & Lybrand, who provide the physical infrastructure and the computer hardware and software necessary for training, are also accredited trainers in Microsoft products. The SiyaKhulisa Training Centre will provide training specifically in all versions of Microsoft Office and all software programmes

associated with this package. As a spin-off from this venture, two staff members, Ms Zenele Maphumulo and Ms Hazel Gule, received free training from Coopers & Lybrand to become trainers in the different versions of Microsoft Office.

As this is a very recent venture training has not yet started. However, a contract is being finalised with the provincial offices in Ulundi, KZN. The Director of SA-OIC envisages that this business venture will contribute towards the financial sustainability of SA-OIC.

4.1.2.12 The DANIDA Project Interview with carpentry instructor, Mr John Peters.

Mr Peters has a certificate in carpentry and 28 years of experience as a carpenter. He is accredited by the BITB as an instructor and assessor and has served as an instructor in carpentry with Murray and Roberts on the Sunflower project. SA-OIC has seconded him to work solely on the Danish Agency for International Development (DANIDA) Project.

DANIDA is a joint venture between the Department of Labour and the BITB, with funding from the Danish government. Its objective is to provide skills training in the construction industries to unemployed youth. Thereafter the project partners assist the trainees in finding employment. All the training is out-sourced. SA-OIC receive revenues from this project based on the number of trainees. The Department of Labour and the BITB select the trainees, who have to be living near the centre. Presently the eight trainees on the carpentry programme are all matriculants.

A salient feature of this project is that the trainee has to complete all 32 tasks over 33 weeks. The curriculum is not the traditional BITB register, but is designed to support NQF Unit Standard 07.CA.BU.12. All trainees are required to have site experience, which is co-ordinated by the project partners. This project started in March, 1998, and will finish in October, 1998. It is most likely to be repeated.

SA-OIC has also been involved in other minor revenue ventures e.g. the training of 13 people over an eight-week period for the Turntable Trust in Bulwer, KZN (see Figure 11).

4.1.3 Physical Infrastructure

The building that SA-OIC uses has ample space both for the training and for the administration of the Centre. It also provides room for further expansion of programmes. There are a sufficient number of offices that are well-sized and comfortably furnished. The Centre possesses all the essential office equipment, including basic audio-visual equipment for the well-furnished boardroom. However, for an operation of this nature and size the photocopier should be upgraded to a faster, more automated one. We also

believe that an Internet connection will add more value to the centre. This is not a luxury anymore.

Considering the number of trainees, the Centre has sufficient workshops and outside work areas for its various programmes. The necessary structures prescribed by the training boards are erected. Although we found a sufficient number of classrooms, their furniture and general appearance are not conducive to a learning environment (an example of this problem being the life skills and business seminar room). The facilities for the instructional staff need urgent attention. It is essential that the training sector is as comfortably accommodated as the support staff.

Rec. 4: SA-OIC should regard physical planning and maintenance of the Centre as an important portfolio and attach it to a responsible person, who should then develop an overall plan for developing the physical infrastructure.

4.1.4 Health and Safety

The Occupational Health and Safety Act (Act 85 of 1993, or the OSH Act as it is commonly known) dictates the health and safety issues that SA-OIC needs to consider. In fact, if SA-OIC is in breach of this act its Director is liable for prosecution. Although there the Centre does have a fire-detection and fighting system as well as a first-aid box, the full requirements of this act have not been considered.

Rec. 5: SA-OIC should urgently seek the advice of a competent person and comply with the OSH Act, as well as any other legal requirements as necessary.

4.1.5 Enrolments

At the time of our evaluation SA-OIC was running its seventh training cycle since its inception, with an enrolment of 50 trainees as per Figure 2, below.

Figure 2:
Current Enrolment Figures (Cycle 7) as of July 31, 1998

TRADE	FEMALE	MALE
Bricklaying	0	14
Carpentry	0	9
Electrical wiring	1	6
Motor mechanics	0	12
Plumbing	0	8
TOTAL	1	49

Figure 3 shows the dates of the six previous cycles, from November, 1996, to March, 1997.

Figure 3:
Cycle Dates

Cycle 1,	November 1996 to March 1997
Cycle 2,	April 1997 to May 1997
Cycle 3A,	July 1997 to August 1997
Cycle 3B,	July 1997 to October 1997
Cycle 4,	October 1997 to December 1997
Cycle 5,	January 1998 to March 1998
Cycle 6,	April 1998 to June 1998

Figure 4 shows enrolments for these six cycles. Combined with the current figures for Cycle 7, the statistics shows a total of 657 trainees, 94 of them women (an impressive record in such traditionally male-dominated trades, although the presence of only one woman in the current group may represent a cause for concern).

Figure 4:
Total enrolment figures, November 1996 to June 1998

Trade	Total Enrolment	Female	Male
Bricklaying	129	11	118
Carpentry	112	10	102
Electrical wiring	129	26	103
Motor Maintenance	34	4	30
Painting	59	11	48
Plastering	37	11	26
Plumbing	80	5	75
Business	19	15	4
Welding	8	0	8
TOTAL	607	93	514

4.1.6 Student Selection and Access

SA-OIC sets no academic selection criteria for those who wish to enrol. The trainees' education levels range from no formal education (although very few fall into this category) to matriculants. The recently-retrenched counsellor interviewed applicants, but only those applying for the electrical programme have to take a formal entrance test. The BITB merely requires that applicants be functionally literate. (It is important to note that in order to register with the BITB one has to be literate.)

Other training centres (for example, the Natal Training Centre, which has been in existence for at least 20 years) carry out "trainability tests" on all their applicants to ensure greater success rates. If such instruments possess sufficient psychometric reliability and validity to identify potential successes and failures, they could serve a useful role for SA-OIC and its clients. However, such tests often do a poor job of predicting success (especially with disadvantaged or less-educated applicants). OICI stresses informal selection testing, instead (such as evaluating a student based on his/her application letter).

Rec. 6: SA-OIC investigate the pros and cons of various entrance testing strategies, seeking expert assistance if necessary.

4.1.7 Job Placements

The prime purpose of the project was to empower historically disadvantaged South Africans to secure employment. At the time of its development, planners expected the fulfilment of this purpose to be guaranteed by the demand for semi-skilled and skilled labour from the RDP, as well by a positive economic outlook. According to Reginald Hodges of OICI both Rob Haswell of the local RDP office and John Allen of the local

chamber of commerce alluded to the growth in employment, especially for SA-OIC trainees. However the expected demand did not materialise due to the RDP fragmenting into the other government sectors and, perhaps, to an economic slowdown in the Pietermaritzburg area. SA-OIC, therefore, faces a challenge in finding employment for its graduates.

Other possible reasons for lack of employment are that trainees' expectations are too high in terms of their expected salaries and, that some trainees graduate with too few skills. Figure 5 gives an overview of the current situation.

**Figure 5:
Total Placement Figures per Cycle***

Cycle	Placed	Self-Employed	Not placed	Drop-outs
Cycle 1	21	12	22	0
Cycle 2	26	18	40	15
Cycle 3	31	16	27	33
Cycle 4	36	36	17	9
Cycle 5	19	11	25	26
Cycle 6	11	2	27	3
TOTALS	144	95	158	86

There are 407 graduates who have been accredited by the BITB. (See Section 4.1.2, Construction Industries, for an explanation on accreditation.) Of these, 239 graduates (59 percent) have found employment and/or are self-employed.

Most graduates who are not accredited studied motor mechanics and electrical wiring. While the training centre's placement statistics and the graduate follow-up programme focus on accredited graduates only, there is evidence, albeit anecdotal, that most electrical and motor mechanics graduates are self-employed. The status of non-accreditation for some graduates has had a negative effect. Ncamisile Nzimande and Ncane Zondi (both electrical wiring graduates) attest to the fact that they are unemployed largely because their programmes are not accredited by the appropriate boards.

4.1.8 Unit cost and Fee Structure

The formula used for calculating the cost of training per trainee varies from institution to institution. For the purpose of this evaluation we define the unit cost as the cost per trainee per programme per cycle. In order to set a benchmark we interviewed two Technical College educationalists and the Natal Training Centre's training manager.

* These figures exclude 99 graduates whom the training centre's graduate follow-up programme could not trace.

Figure 6:
Calculation of unit cost (to the nearest rand) for 1996/1997 for 4 cycles

[add box border]

Total operating expenditure for this period	R 2 212 096
Total capital expenditure for this period	R 340 864
Therefore total cost incurred during this period	R 2 212 096 + (R 340 864)/5
	= R 2 280 269
The cost incurred over 1 cycle (10 weeks)	(R 2 280 269)/4
	= R 570 067
Average no of trainees per cycle for this period	466/4 = 117
Therefore the cost per trainee per cycle	R 570 067/117
	= R 4 872
The cost per trainee per week	R 4 872/10
	= R 487

[add box border]

This unit cost of R487 per trainee-week compares very favourably with other training centres. Natal Training Centre, for example, reports a unit cost of R700 per trainee-week. However, the figure looks very different for the current year.

Figure 7:
Calculation of unit costs (to the nearest rand) for 1998 (3 cycles)

[add box border]

Total operating expenditure for this period	R 2 192 160
Total capital expenditure for this period	R 36 309
Total cost incurred during this period	R 2192 160 + (R 36 309)/5 +(R 340 864)/5
	= R 2 881 150
The cost incurred over 1 cycle (10 weeks)	(R 2 881 150)/3
	= R 960 383
Average no of trainees per cycle for this period	191/3 = 64
Therefore the cost per trainee per cycle	R 960 383/64
	= R 15 006
The cost per trainee per week	R 15 006/10
	= R 1501

[add box border]

We found a marked increase in unit cost between the two periods, R1501 compared to R487, although the revenue due to student fees also increased. One definite reason for the rise in unit cost is that the number of trainees has declined drastically. In responding to this decrease in numbers and the subsequent increase in unit cost, the Director of SA-OIC made the following comments:

- In the first four cycles SA-OIC ran training programmes and stand-alone life skills programmes for other NGOs and CBOs. This increased the trainee numbers. Programmes ran at the Centre and at these organisations simultaneously.
- The increase in fees during the 1998 period contributed to the lower enrolment rates.

In order for the Centre to investigate this phenomenon thoroughly, it must carry out more research. This was not possible within the time frame of our evaluation. Whatever the reason for the sharp deterioration in this cost picture, it must be reversed. The Centre cannot survive while spending R1,500 per week on every trainee.

Rec. 7: As part of its strategic planning process, SA-OIC should identify and implement concrete measures to raise the Centre's efficiency and lower its unit costs to levels equal to or better than those achieved in 1996-97. Such measures should include reversing the decline in enrolments per cycle and increasing the number of cycles (or their equivalent) per year.

4.1.9 Student Feedback

Student feedback represents one universally-accepted instrument, amongst others, for purposes of quality assurance. Although SA-OIC solicits student feedback at the end of every cycle, we had difficulty obtaining a statistical sample of completed feedback forms due to poor record-keeping at the Centre. Therefore, we substantiated the evaluation of student feedback through student interviews with Bongani Ngqulunga.

All trainees and ex-trainees expressed their gratitude and satisfaction with both the content of the training programme and the general administration of the Centre. Almost all trainees and ex-trainees interviewed felt strongly that the duration of the training programme is too short for them to properly understand and master what they are taught. In general both groups feel that the training period should be extended so that they can learn more skills than is currently taught. The instructors and the BITB training advisor, Mr Lance Ledingham, supported this view.

While both trainees and ex-trainees are highly appreciative of the content of training in their particular trades, all of them also express gratitude for the extra training on life skills and business management that they received from the Centre. The most popular skills amongst the both groups are job seeking techniques, communication and motivation. These skills are taught in the life-skills and costing courses. Most trainees feel that these skills will help them when establishing their own businesses and/or when looking for jobs.

Another important area where trainees and ex-trainees seem to have strong views is around the payment of fees, especially for the historically disadvantaged. Almost all felt that the time that they were given to pay their fees was long enough and convenient for them to manage. While this system of fee payments may not be desirable in terms of the Centre's cash flow, it does enable unemployed youth to pay their fees at their own pace.

Trainees and ex-trainees definitely felt that the Centre should assist them in getting jobs or starting their own business. This SA-OIC has started to do by buying and lending working equipment to ex-trainees who want to start their own businesses.

In general it appears that trainees and graduates are quite grateful for the training that they received from SA-OIC. The major constraint they face is limited employment opportunities. A better placement record would extend SA-OIC's positive impact to even more people.

4.1.10 Accreditation

We also cover some issues around accreditation under the section on vocational training (4.1.2). See also questions 4.1.3.1-4.1.3.4.

The bodies responsible for accreditation of NGO training centres are the respective training boards. Accreditation of a centre by a training board means that the centre is recognised only for those skills or levels of a course that the board has specifically certified. Training boards use the competence of the instructor and the availability of the prescribed in-house equipment as general criteria for accreditation. However, the requirements of each board with respect to these criteria vary considerably. Therefore, we could not attempt to do an exhaustive treatment on accreditation.

In summary, certain skills in the construction industry programmes are accredited by the BITB. The rest of the programmes offered have no accreditation of any sort from their respective training boards. However non-accreditation does not necessarily mean inferior programmes. In fact we have found some suggestions to the contrary as discussed under in the section of other industries (4.1.2).

We must mention that accreditation is not a legal requirement for operating a training centre, but that it is an option. The value of accreditation is in its recognition towards further education credit (e.g. trade testing in terms of Section 28 of the Manpower Training Act and as an industry standard). SA-OIC could still produce, without accreditation, the quality of graduates that would produce entrepreneurs and that industry would employ, creating a demand for Centre trainees. Having said this, one must take cognisance of the National Qualifications Framework within SAQA. The implications are too vast to consider in this document. Suffice it to say that SA-OIC certainly will be affected by the proposed new structures.

Rec. 8: SA-OIC should appoint an advisory panel to assist it in formulating a broad strategic policy on accreditation to replace ad-hoc practice which operates at present. This panel could equate to the advisory committee which the affiliate agreement mandates the Board of Directors to establish, thereby giving such a board committee a useful role to play at this time.

Questions

- 4.1.1.1 To date, what has been the overall impact of the training centre and the training provided for it?

From the beginning of training in November, 1996, up to and including the current cycle, the Centre has enrolled 657 students. Of the 607 students enrolled in the first six cycles, 407 have graduated and 239 have found work and/or are self-employment. Through its community development programme, SA-OIC has trained an additional 228 people, most of them unemployed youth, in life skills. It conducted most of these life-skills training workshops in remotest of rural areas. It also trained a further 813 community members in community development skills such as establishing their own development organisations

- 4.1.1.2 Do the private and public sectors perceive the training provided by SA-OIC to be beneficial and relevant to their potential employees?

Yes. As far as the accredited programmes are concerned, employers seem generally satisfied with the level of training. However, the number of skills per trainee should be increased to create greater scope for employability.

We visited two employers of SA-OIC trainees, one at a low-cost housing project in the Edendale community and a second at a large construction project for the new prison. Both spoke positively of SA-OIC's graduates and their skills. Both indicated that they would gladly hire other Centre trainees when the need arose. The support shown by the TLC to SA-OIC trainees offers another indication of their relevance.

We believe that the relatively low absolute numbers of graduates placed so far reflect limited opportunities for formal employment in the current economic climate, the absence of the absorptive capacity anticipated from the RDP at the project planning stage, and a need for more aggressive marketing and job placement outreach on the part of SA-OIC. We do not believe that the placement record demonstrates a perceived lack of training relevance or benefit on the part of employers (although we do see areas where relevance can be improved).

- 4.1.1.3 From the perspective of the public and private sectors, which of the training programmes are considered to be most beneficial to the programme participants?

We could not obtain this information because we did not have enough time to interview a representative sample of stakeholders. From our perspective, the motor vehicle and electrical courses, although they are not yet been accredited, may actually be more conducive to employment because they prepare graduates for both informal and self-employment.

- 4.1.1.4 Are there any instances where SA-OIC graduates have been able to secure jobs as a direct result of the SA-OIC training?

Yes. We found many such instances.

- 4.1.1.5 If yes, has SA-OIC used this as an entrée for forging relationships with that employer?

Sometimes. One employer (the general foreman and site manager at the prisons project) whom we interviewed knew the SA-OIC programme well, spoke highly of it, and seemed to work closely with Centre staff. The second (the plumbing foreman at the low-cost housing project) had never heard of SA-OIC per se and did not realise that it had trained the employees whom we identified as graduates, and whose skills he generally praised.

- 4.1.2.1 Per Attachment 2, to what extent have training programmes been established in the illustrative areas of: welding, electrical wiring, masonry, plumbing, heating and air conditioning and carpentry?

Programmes are established in the areas of masonry (bricklaying and plastering), carpentry, painting, plumbing, electrical wiring and motor maintenance. Heating and air conditioning is not offered. A welding course was started but stopped after two weeks due to the instructor resigning. In spite of these two courses not operating, we believe that SA-OIC has made excellent progress in terms of the number of programmes it offers.

However, we are concerned that too much emphasis is placed on the construction skills. We see the greatest potential in the niche areas of welding, motor maintenance and electrical wiring. Because of historical reasons under the apartheid system, there are relatively very few skilled people in these fields amongst the black community. In fact black South Africans have always provided the labour for the building industries. Furthermore, these areas are more conducive to informal and self-employment, especially in the townships, due to the growing demand for such services.

See also Section 4.1.5 on enrolments.

Rec. 9: SA-OIC should review its core competencies to accurately identify its market niche. Perhaps the construction industry programme should be balanced with the other vocational programmes. Although accreditation always has value, the market itself should dictate target skill areas.

4.1.2.2 How well developed is the curriculum?

As mentioned in section 4.1.2 under the individual programme evaluations, the curricula that SA-OIC instructors are using are designed and prescribed by the respective training boards. Even in the non-accredited programmes, the instructors are using the curriculum prescribed by the boards.

We are concerned that the number of skills offered per programme in the construction industries varies from as low as five to 14 due to accreditation constraints. However, we are pleased that SA-OIC adheres strictly to the training board curricula. In the non-accredited programmes, the trainees are offered all the skills modules.

So long as SA-OIC follows the curricula of the training boards it need not worry about the demands of the NQF. The various training boards are playing a leading role in the relevant National Standards Bodies (NSB) of the NQF. However, if SA-OIC decides to offer curricula that are not accredited by the training boards (and this is optional), it needs to give serious attention to the demands of SAQA.

4.1.2.3 To what extent did OICI develop and install the equipment needed to establish a complete training centre?

4.1.2.4 Are there adequate quantities of materials to conduct the training?

The Director of SA-OIC, together with the training staff and the Board, were responsible for the acquisition of all the equipment. OICI had no part to play in this.

For the level of the training that SA-OIC offers and the number of trainees per cycle, it has well-equipped hands-on-training workshops for the entire construction industries programme, the electrical programme, and the welding programme (although the latter is not offered at the moment). In fact the electrical and the welding shops are more than adequately equipped in terms of quantity and sophistication of training equipment. The industrial boards specify the equipment and the amount of consumables for accreditation. The motor shop has the basic tools and a Ford vehicle for basic motor maintenance. SA-OIC is well stocked with consumables necessary for the practical work.

Rec. 10: Although a considerable investment in the motor shop has already been made, we strongly recommend that the equipment necessary for the level 1 training specified by the Motor Industries Training Board be considered by SA-OIC should it decide to continue the course.

4.1.2.5 Are there fully qualified and licensed staff to provide the training?

The profiles of the staff are described above under Programme Evaluation in Section 4.2. Is there fit for purpose? The answer is yes. We believe that all the vocational training instructors are suitably qualified both in terms of qualifications and experience. Therefore, we do not doubt their technical abilities. However, we do believe that their classroom management, in terms of interpersonal skills and general learning facilitation, needs attention.

The instructors for the life skills and the business programmes possess some relevant qualification. Mr Ndlela and Mr Manana in particular (the latter having now been retrenched) could be commended for the personal improvement they have made over the last two years. Nevertheless, we believe that these instructors should be exposed to some real-life situations, especially in the business environment. What is most important, though, is that the instructors have a deep understanding of the needs and background of the trainees.

The issue of licensed staff will be addressed in the next question.

Rec. 11: The Centre should establish a human resource development programme to assist the continuing professional development of its staff.

- 4.1.3.1 "A main objective of the training is to have the programme participants leave the training centre and be licensed in the field of training." Is the training centre accredited?
- 4.1.3.2 What is the accrediting body? Please provide background information.
- 4.1.3.3 To what extent has OICI worked with the unions and relevant educational departments or organisations to assure certification for its programme graduates?
- 4.1.3.4 Is the SA-OIC programme recognised by the appropriate South African licensing board(s) to the extent that the graduates can be licensed upon completing an area of training, e.g. welding, carpentry, etc., when leaving the training centre?

The answer to these questions is both yes and no. Therefore, the reader must review Section 4.1.10 (Accreditation) and the individual sections under Vocational Training (in section 4.1.2) to see the full picture. Unions were not consulted about certification of graduates, nor is it necessary to so. OICI consulted with the some organisations, including other training centres, as part of the process of setting up SA-OIC. Thereafter SA-OIC pursued the certification of its own graduates. The following two scenarios will summarise the whole question of accreditation.

Scenario 1. SA-OIC offers only accredited programmes. This means that all the individual skills offered, the instructors, the curricula and the workshops

are fully accredited by the respective training boards and other accrediting bodies and, therefore, indirectly will be in compliance with the requirements of the NQF and SAQA. SA-OIC graduates receive recognition of prior learning (RPL) and even credits for industrial experience towards their trade test (section 28 of the Manpower Training Act), especially in the construction industry programmes. The Centre attracts training contracts from both industry and the government and is able to increase its revenues. The graduates are more marketable because the employment sector understands the standards in the accreditation practice. However, to get to this stage SA-OIC has invested vast sums of financial, human and other physical resources. The employment of accredited instructors, the upgrading of the workshops etc, has cost SA-OIC hundreds of thousands of rands.

Scenario 2. SA-OIC offers both accredited and non-accredited programmes. In the non-accredited programmes the graduates are having difficulty obtaining recognition of prior learning and experience and, therefore, are having problems pursuing formal life-long learning. While some of the graduates are being stigmatised by the employment sector for not having an accredited certificate, some of them do find jobs and prove to be competent. The self-employed graduates are earning a living through the skills learnt at the Centre. Although their training is not accredited, it does meet an acceptable standard. In fact as employers discover the quality of the SA-OIC 'non-accredited' graduates they are more amenable to employing them. However, government departments remain sceptical about sending their trainees to SA-OIC's non-accredited programmes. In the meantime, SA-OIC is busy raising resources to obtain as much accreditation as possible. In order to boost revenues the Centre is offering its facilities to industry and private individuals for preparation of trade tests, for example, as this does not depend on accreditation. Although the electrical programme does not have an instructor with a wireman's licence and, therefore, cannot be accredited by the ECITB, the facilities have had minor improvements and are accredited with the MEIETB for maintenance electrician work. In fact, SA-OIC enjoys training contracts with the metal industries. In general, SA-OIC endeavours to maximise its benefits within its constraints.

Rec. 12: SA-OIC should develop and implement a strategic plan for accreditation, taking all relevant factors into account.

- 4.1.4.1 Of the training graduates, how many of them have been licensed?
- 4.1.4.2 What became of them afterwards?
- 4.1.4.3 Did they meet the purpose of the programme?
- 4.1.4.4 Of those not licensed what is the status and potential to be licensed?
- 4.1.4.5 By not being licensed, what is the impact on their employment opportunities?
- 4.1.4.6 How many of the target beneficiaries started, how many dropped out, and how many completed the training programmes?

In the first six cycles, 607 trainees started the programme. Of these, 407 completed their training and received some form of accreditation (i.e., the BITB has certified the skills they learned). SA-OIC classified 86 of the 607 (14 percent) as drop-outs, because they did not complete the eight weeks of vocational training. However, it is possible that some of these "drop-outs" may have learned some skills that the BITB would certify. Not much can be done about those graduates who are not accredited. However, this does not mean that their training is wasted. The scenarios described above under questions 4.1.3.1-4 suggest possibilities for them.

- 4.1.5.1 What other areas of training, e.g. life skills, have been established under the auspices of the grant and the sub-grant awarded by IFESH to OICI?
- 4.1.5.2 To what extent have fully developed curricula been developed for these training areas?
- 4.1.5.3 Is the staff competent and well trained?
- 4.1.5.4 Describe how these programmes benefit the target beneficiaries and enhance their employment opportunities.

SA-OIC has successfully developed and run life skills and small business development programmes. These programmes are run by competent instructors who are always on the lookout for new material. In evaluating student feedback we found that these programmes, especially the life skills, have prepared the trainees to some extent for the non-technical aspects of the world of work. The business programme needs to contextualise the one week of training it gives to vocational trainees.

The Centre knows of at least three graduates of the stand-alone business programme who have started their own business.

- 4.1.5.5 How many of the targeted beneficiaries started these other training programmes, how many dropped out, and how many started and completed their training?
- 4.1.5.6 Of those that completed their training, how many used it as a spring-board for further training at the centre?
- 4.1.5.7 Of those that completed their life skills training, determine whether they had a higher success rate in their other courses at the training centre than those that did not participate in the life-skills courses.

The training Centre has produced 19 graduates who enrolled only for the small business development course. According to the small business development course instructor, no trainees have used their training in that course as a springboard for further training at SA-OIC. All vocational trainees do the "smaller version" of the business course.

All trainees have to do the life skills course. As a result, it is difficult to determine whether the training in life skills enhances trainees' success rate in other courses.

- 4.1.6.1 Does SA-OIC have a means of tracking the progress of its students?
- 4.1.6.2 At the same time, does SA-OIC identify slow learners, as well as a means of addressing their problems?

The pedagogical philosophy of the vocational training courses is conducive to slow learners. The progress of trainees in the 20% theoretical component of the course is monitored through written tests, while trainees have to demonstrate what they have learnt by practically doing it at the work stations. These assessment methods help in identifying those trainees who might have difficulty in understanding certain sections of the work being taught. The assessment methods also help in identifying trainees who are slow learners.

SA-OIC enrolls few trainees per trade per cycle. As the Counsellor states, these small classes make it easier for instructors to pay individual attention to every trainee. The motor maintenance instructor notes that having a small class makes it easier for him to spend extra time on slow learners. This view is confirmed by two of his trainees, Cabanga Radebe and Ndabezitha Sifiso, who also stated that he gives them individual attention if they have not understood something in class. While SA-OIC does not have an explicit policy on how to deal with slow learners, it seems from the views of the instructors, trainees and other support staff interviewed that their needs are met.

- 4.1.7.1 Determine if the unit costs of the training are reasonable, and if over time, there has been a reduction in unit cost.
- 4.1.7.2 Determine if SA-OIC has reached the point where economies of scale to reduce the unit cost of training are occurring.
- 4.1.7.3 Is the training cost-effective?

The unit costs of training demonstrate that SA-OIC training can be, but is not now, cost-effective. The 1996-97 unit cost of R487 per trainee-week compares very favourably with other training centres in the area, such as the Natal Training Centre (whose costs run at R700 per trainee-week). On the other hand, this year's unit cost of R1,501 is neither competitive nor viable. Rather than moving towards greater economies of scale, this year saw reduced enrolments and cycles, hence the threefold increase in unit cost. (See section 4.1.8 above for details.)

- 4.1.7.4 How has OICI's technical assistance in this area aided SA-OIC?

This clearly represents an area where SA-OIC needed more support, particularly during this second year of the project. Centre management needs information systems that report such important information, plus planning skills to deal effectively with its implications. The reduced level of technical assistance during this year seems to have prevented OICI from responding accordingly.

- 4.1.8.1 Is the course material current and technically challenging, relevant to the needs and experience level of the participants, and relevant to South Africa?
- 4.1.8.2 To the extent possible, ascertain if the training has been practical and if the concepts learned can and have been employed by participants in their day-to-day work.
- 4.1.8.3 Has SA-OIC and the instructors made an effort to revise the course material, as needed?
- 4.1.8.4 Are they responsive to student feedback?
- 4.1.8.5 What curriculum adjustments and overall changes to the training programme could be made to strengthen it?

We discuss the answers to these questions under Programme Evaluation in Section 4.1.2, above. In summary, we are satisfied that the course materials are relevant, practical, and of the right level. Because the curricula are adapted from those of the training boards it will always maintain an acceptable standard.

- 4.1.9.1 Has SA-OIC had a wholly independent evaluation of their training programmes and curriculum by education and curriculum experts?
- 4.1.9.2 If not, would this be a benefit to them and the overall programme?

The only external input into the training programmes came from the BITB, which has the necessary education and curriculum experts. Occasionally SA-OIC contacts other training centres for assistance. At the start-up phase OICI provided training in teaching methodology, outcome-based education and curriculum development. It is always beneficial to seek expert advice and revisit the curriculum regularly. However, the training boards serve this function.

4.2 Targeted Beneficiaries

Overview

Although SA-OIC has not fully met its quantitative training targets, it has succeeded in reaching the people whom it intended to serve and making a difference in their lives.

From the start of training in November, 1996, through the current, seventh cycle, SA-OIC has enrolled 657 students in its various technical courses. Of the 607 trainees enrolled in the six cycles already completed, 407 have graduated. The Centre can identify 239 of these who have found employment.

In retrospect, the objective of training and licensing 1,250 individuals seems overly optimistic given the actual capacity of the centre that OICI established. Even assuming first-year enrolment levels, 117 trainees per cycle and four cycles per year, the Centre can train fewer than 500 students annually. These figures do not take into account community-based workshops (which have trained more than 1,000 people so far) or informal sector training (where the Centre can boast real success, but which the project proposal did not highlight and, therefore, its records do not capture).

The project has met its objective of a 60 percent placement rate. Through Cycle 6, 144 graduates found employment, while the Centre knows that 95 graduates are self-employed. This totals 239 employed alumni, 59 percent of all graduates and 39 percent of all enrolments. Since the Centre's weak tracking system almost certainly fails to account for additional graduates who have also found employment, we believe that SA-OIC has succeeded in meeting its percentage target. Our real concern stems from the relatively small actual number, only 239 placements (as opposed to a target of 750 placements, 60 percent of 1,250 trained and licensed graduates).

We also find that SA-OIC has reached its targeted beneficiaries, the most disadvantaged of KwaZulu-Natal's youth who, absent the affordable and accessible programmes offered by the Centre, would probably not have any other chance at gaining the skills necessary

for employment. Moreover, our data show that the programme can bring real improvements to the lives of its beneficiaries.

Questions

- 4.2.1.1 To what extent has the programme been successful in reaching out to the targeted beneficiaries (unemployed youth, former combatants, returning exiles and other disadvantaged members of the new South Africa)?
- 4.2.1.2 Do the student enrolment forms indicate if the students fall into any of these categories?
- 4.2.1.3 If not, what was the basis for determining if the programme reached the targeted beneficiaries?

The student enrolment forms do not categorise candidates' backgrounds. Therefore, we could not obtain reliable information regarding the target beneficiaries' status. On the basis of our interviews with 10 former and current trainees, however, it appears that the majority of trainees whom Centre attracts are unemployed African youth, some of whom have just completed their matric and some of whom are from the remote rural areas.

In considering these questions one should take into account the political climate in KwaZulu-Natal in the context of the relationship between the African National Congress (ANC) and the Inkata Freedom Party (IFP). Most returning exiles and former combatants are associated with the ANC. The Centre may, therefore, encounter a legitimacy problem from the point of view of trainees who are sympathetic to the IFP. In any case, while SA-OIC does not actively recruit former combatants and exiles, we believe that it does serve a large and vital portion of the targeted beneficiaries.

Rec. 13: Instead of being required to track sub-groups of target beneficiaries (unemployed youth, former combatants, etc.), we recommend that USAID ask the Centre to spend more of its MIS resources on tracking its graduates and placing them with employers.

- 4.2.2.1 In what ways has the programme improved the lives of the targeted beneficiaries, and how was this measured?

The population that SA-OIC has attracted to its training courses primarily comprises unemployed youth from disadvantaged areas of the new South Africa. From our student interviews and review of the feedback forms, we conclude that their training has improved their lives. Perhaps a general statement made by one carpentry graduate when assessing his course captures how trainees and graduates alike feel about the Centre.

"A lot of thanks to SA-OIC teachers, the management and everyone involved for making me a person, because now I can do something which I couldn't if I wasn't here."

For Maxwell Potgieter and Bonginkosi Duma, who were unemployed before they enrolled at the Centre, training at SA-OIC has meant getting jobs at the construction companies around Pietermaritzburg. As Bonginkosi puts it, it has also meant that with the money he earns he can help educate his two sisters. Mzukisi Hobe, who is a motor mechanics trainee, runs his own small business over week-ends by fixing people's broken motor vehicles. This enterprise enables him to help his parents financially whenever they need it. Mzukisi argues that he would not have his own business were it not for his training at SA-OIC.

Mfanuvele Skhakhane and Ntuthuko Buthelezi, both current trainees, feel that their SA-OIC training has improved their chances of getting jobs. While for some graduates such as Ncane Zondi and Ncamisile Nzimande, both electrical wiring graduates, training at the Centre has not resulted in their finding work immediately, they are confident that they will get jobs soon. They further believe that their training at SA-OIC has not only enhanced their knowledge of electricity, it has also improved their chances of getting better jobs and better wages.

Judging from these interviews, it looks likely that SA-OIC training has had a very real, positive impact on the lives of trainees. While for all students it has meant acquiring more knowledge, it has also improved their chances of getting better jobs. It has further meant that trainees and ex-trainees can be of assistance to their families by giving them financial support. As one ex-trainee states, SA-OIC has helped him to become somebody.

However, we must note that many graduates are still unemployed. We were not able to interview a fair sample of this group.

4.2.2.2 To what extent is satisfactory progress being made to meet the goal of approximately 1,250 individuals receiving training and being licensed in a variety of technical fields?

SA-OIC has produced 407 graduates through the end of Cycle 6, including 19 graduates who were enrolled for the small business development course. Currently 50 trainees are enrolled for Cycle 7. Assuming that all of them graduate, the training centre will have produced 457 graduates by the end of the current fiscal year. The majority of these graduates will represent previously unemployed youth.

Through its community development programme, SA-OIC has trained 228 people, mostly unemployed youth, in life skills. The Centre conducted the majority of these training workshops in the remotest of rural areas such as

Ixopo (on January 16, 1998), Sankontshe (March 7, 1998), and Esigodini (May 4, 1998). It trained a further 813 community members in community development skills such as establishing their own development organisations.

While only 144 graduates have been placed in employment, and 95 are known by SA-OIC to be self-employed, there are suggestions that among the graduates whom the follow-up programme cannot trace, many are employed or self-employed. This is because the Centre does not track motor mechanics and electrical wiring graduates, while these instructors report that graduates in their trades are major self-employers.

While only 19 students have graduated from the small business development course, all graduates from other trades studied costing, which is one of the small business development programmes. This means that OIC KwaZulu-Natal has produced 407 graduates who are trained in how to run their own businesses. The number of people trained in business skills seems destined to rise, considering that the Centre is about to introduce a capacity-building course for communities in business management.

Of the 607 students, 93 trained with SA-OIC's Imbali housing project, an RDP building project. The Pietermaritzburg Transitional Local Council sent a further 90 students to the Centre so that they could be used in building RDP houses. SA-OIC trained a further group of 90 students for the Turntable Trust, which is mainly a community development project. In total, then, SA-OIC trained 273 students for RDP projects.

In addition to these 273 graduates, SA-OIC, through its community development programme, has trained 813 people from different communities in community development skills such as establishing their own development organisations.

4.2.2.3 Were initial goals/ targets overly optimistic?

Yes, in retrospect the goal of 1,250 trained and licensed individuals was overly optimistic. Even had RDP projects been able to absorb the anticipated number of graduates, the capacity of the Centre as currently configured seems inadequate to this output level.

4.3 Project Management

Overview

We divided the question of how well the project has been managed into two sub-questions: management of the USAID grant by all four partners, and management of the programme by SA-OIC.

Grant Management

In general, the partners have managed the grant adequately. Although they all identify substantial areas for improvement, we have no doubt that USAID funds were expended in a fiscally responsible manner to achieve the broad purposes of the Co-operative Agreement.

That said, the process has been a difficult one in practice, primarily because of the unusually complicated grant structure: USAID to IFESH to OICI to SA-OIC. None of the partners believe that this mechanism worked well in practice. With the exception of OICI, which sees some value in its maintaining a formal relationship with SA-OIC, all of the partners believe that a direct grant from USAID to SA-OIC would be the best way to continue funding. OICI would support this approach, too.

The four-link chain from donor to recipient NGO seems to have arisen out of expediency. USAID/SA awarded the original \$5 million dollar Training and Education for South Africa (TESA) Co-operative Agreement (no. 674-0318-A-00-5029-00) at the initiative of AID/Washington, which had received an unsolicited proposal from Rev. Leon Sullivan (Founder and President of IFESH). This CA foresaw a \$1,250,000 sub-grant from IFESH to OICI (also associated with Rev. Sullivan), apparently to avoid USAID/SA having to contract with a second NGO. From the beginning, all parties recognised that OICI, not IFESH, had the model and technical expertise necessary to establish a skills training centre for KwaZulu-Natal. However, USAID's existing relationship with IFESH seems to have precluded the more straightforward option of a grant directly from USAID to OICI.

The four-link strategy achieved its intended purpose: allocating monies to establish and support a new South African NGO, SA-OIC. Moreover, USAID/SA acted swiftly to fund the new programme at a time when its resources for such purposes were limited. The same strategy, however, created a long chain between donor and recipient, complicating communications and blurring lines of accountability. Even more significantly, it split technical and contractual responsibility for the project. IFESH, as grantee, found itself legally responsible for monitoring a project to which it did not provide technical assistance. OICI, as sub-grantee, had to guide project implementation and support a brand-new NGO without any direct relationship with the funding agency, USAID/SA.

No one should be surprised that this arrangement created difficulties, particular in the working relationships between SA-OIC, OICI and IFESH. We know of at least one other USAID project in the region that suffered from the same split-responsibility problem and encountered similar challenges. In spite of impressive efforts on the part of all concerned with the IFESH grant to maintain a spirit of professional co-operation, misunderstandings and frustrations did arise.

In retrospect, it would have been better to shorten the chain. Since SA-OIC had not even been established when USAID issued the original CA, a direct grant to the NGO was out of the question, nor could IFESH deal directly with SA-OIC as it had with other local Opportunities Industrialisation Centres established with OICI support (such as in Guinea Conakry and the Central African Republic). However, USAID/SA could have dealt directly with OICI.

One outstanding issue is the matter of an agreement between OICI and SA-OIC. OICI felt that their normal affiliate agreement, which is in force with SA-OIC, should suffice, but in his letter of May 4, 1998, the USAID Regional Contracting Officer ruled that it does not and held IFESH in non-compliance with the Co-operative Agreement on the basis of audit findings. OICI indicated to us that they will develop an acceptable agreement as soon as possible.

Rec. 14: OICI should prepare an agreement with SA-OIC that meets the requirements of the Co-operative Agreement and responds to the relevant audit finding. OICI should submit this agreement to USAID/SA through IFESH at the earliest possible date. IFESH should ensure that OICI has the guidance necessary to accomplish this.

The limited scope of project funding created additional difficulties. Originally conceived by OICI as a three-year endeavour with a \$3 million-dollar budget, it eventually diminished to only two-thirds of the time and one-third of the money. These constraints limited OICI's ability to provide the necessary support and thereby precluded the ability of SA-OIC to stand on its own prior to the conclusion of the current Co-operative Agreement. The duration problem can be overcome if USAID decides to fund the Centre for an additional year. However, the limited funding will have already hindered SA-OIC's development. In retrospect, the project budget for its first two years should have been higher in order to allow second-year technical assistance at least at the same levels as the first year.

Programme management

Any assessment of SA-OIC's management of the skills-training programme must begin with the fact that the organisation came into being just over two years ago. In this context all of the partners, most especially the SA-OIC Director and Board, deserve credit for establishing a successful operation in such a short period of time.

Staffing the programme, finding a home for it, training personnel and Board members, and establishing systems for managing finances, personnel and information—all of these required vision, competence and dedicated effort.

By the time of our evaluation, SA-OIC had unquestionably graduated from its start-up phase. Prior to the retrenchments carried out while we were visiting the Centre, it had most of the needed staff members (absent a welding instructor for a suspended course, a trainee services manager whose duties had been reassigned to other personnel, and a Deputy Director as recommended in the recent audit). It had renovated its facilities and created a reasonable training environment with some outstanding equipment. Initial personnel, record-keeping and financial management systems were all in place, although they all require improvement. SA-OIC seems capable of continuing to manage the programme under its own supervision. It should be able meet the standards that USAID/SA requires of other local NGOs who receive grants directly.

However, room for significant improvement remains, particularly in the areas of financial management, management information systems and the role of the Board. Recent staff retrenchments also pose a concern.

Financial Management. At the end of 1997 OICI contracted with Coopers and Lybrand to audit SA-OIC's annual financial statements for the year ending September 30, 1997, as well as the organisation's internal control structures. (Although the Co-operative Agreement did not require such a field audit, OICI audits all of its projects as part of normal project oversight.)

While expressing overall satisfaction with SA-OIC's financial statements, the auditors issued several findings about the control structures. These included the absence of a double-entry, general ledger system; some variations from standards in the affiliate agreement with OICI (such as Board structure), lack of a written agreement between SA-OIC and OICI stipulating funding amounts and schedules; absence of separate bank accounts for different funds; lack of segregation of duties among different people for functions related to cash-handling; various deficiencies pertaining to debtor control and record-keeping; and incomplete personnel files. OICI submitted its action plan for correcting these deficiencies to IFESH on May 20, 1998. SA-OIC contracted with Deloitte and Touche to develop a plan of action and support its implementation to further strengthen financial management procedures, a process which is now underway.

According its Contracts Office, USAID/SA has approved OICI's response and accepted all but one of its proposals as adequately addressing the audit findings. As noted above, the outstanding issue is the lack of an agreement between SA-OIC and OICI (see Recommendation no. 14)

The auditors raised the issue of SA-OIC's not being Value-Added Tax (VAT) registered. As a Section 21 (non-profit) agency, SA-OIC responded by registering for

a VAT exemption. This meets the requirements of the law and the auditors, with the advantage of not requiring the Centre to charge VAT on its contracts. On the other hand, some argue that VAT lends credibility to an operation, that government and business will not look favourably on an organisation that lacks VAT registration. Since we are not experts in this area, we can only recommend investigation of this matter.

Rec. 15: SA-OIC should take professional advice about the relative advantages of VAT exemption versus VAT registration.

Management information systems. Establishing a new NGO in such a short time naturally focuses attention on areas other than paperwork. We believe that SA-OIC set its initial priorities correctly when it emphasised proper staffing, facilities and curriculum over paperwork in its start-up year. However, an effective management information system (MIS) does represent an important component of sustainability that the Centre should now address. Besides helping donors validate programme accomplishments, an MIS supports strategic planning and allows proactive management of functions such as student placement and certification.

OICI's affiliate agreement specifies record-keeping standards, not all of which SA-OIC has met. The audit found some personnel records incomplete. As noted above, it also determined that the financial records need improvement. Our own experience showed that staff could not quickly answer questions about income and expenditures or unit costs, although such information represents an important management tool.

Finally, our investigations showed that student records are inadequate for purposes of monitoring and planning the training programme. We found it difficult to obtain the various administrative and statistical information that we deemed important for this evaluation. SA-OIC lacks a coherent, rigorous management information system, and this directly impacts on efficiency and quality.

There are several main areas that need serious and urgent attention. One is general information on trainees (i.e., trainee registration, throughput rates, student flow statistics and the tracking of graduates after they have completed their training). Another is records on how many certificates the centre has awarded to graduates. Currently one cannot rely on these since there is some information missing. This is also the case with the enrolment figures, where different documents cite different figures. While such poor record keeping is not unusual for an organisation in infancy, it could have serious implications. For example, it is certainly in the interest of SA-OIC that it is able to disseminate its major achievements, such as the number of certificates it has awarded to hundreds of disadvantaged people.

It appears that the reduced level of OICI on-site technical assistance during Year 2 prevented it from helping the Centre develop the kinds of management information systems necessary for effective oversight and planning.

Rec. 16: SA-OIC should develop and implement a simple, but effective and efficient, management information system. A comprehensive graduate tracking system should be included in such an MIS.

Staff retrenchments. During our site visit to the Centre (the week of July 27th), the Board of Directors retrenched a number of SA-OIC staff in order to allow the programme to continue in the face of budgetary constraints. This demonstrates that SA-OIC can take difficult decisions as necessary to ensure its proper functioning. However, even when necessary, such staff cutbacks can cause difficulty.

We anticipate such difficulties now in several areas. The anticipated loss of the instructors for the motor vehicle repairs and electricity courses means that those courses cannot continue, whereas we believe that they offer real employment opportunities for SA-OIC and its trainees (see "Other Industries" under Section 4.1.2 above). The absence of a training manager deprives the Centre not only of someone to supervise instructors and follow certification issues, but also the person who should lead the on-going process of improving the instructional system. (The Director intends to promote one instructor to a lead instructor role to compensate for the training manager's absence, but that person's time obviously will be limited.) Without a jobs placement officer, SA-OIC will have difficulty effectively marketing itself and its graduates, work that already needed more attention even before the retrenchments. Finally, since the current climate eliminates the option of establishing new posts, it will not be possible for the Board to create the position of Deputy Director proposed in its response to the audit findings. We do not believe that reallocating responsibilities among existing staff will solve these problems.

Rec. 17: SA-OIC's 1998-99 budget should include provision for restoring key positions that were recently cut, particularly those of the training manager, job development officer and (depending on decisions about which courses to offer) some instructors. Assuming that it agrees to continue its support of the Centre, USAID should provide sufficient funding for this purpose in order to give the Centre a full three years with adequate staffing to achieve sustainability and test in practice the viability of each course. If it cannot obtain external funding adequate to this purpose, the Centre should consider reducing staff in other areas (such as multiple instructors for one building trades course) in order to restore critical positions.

Board of Directors. OICI lists eight institutional-building indicators that have led to the success of OICI programmes in other countries. At the top of this list comes "an effective Board of Directors." OICI acted quickly to establish such a board, turning for assistance to the KwaZulu Midlands Partnership, a consortium of NGOs and local individuals concerned with human resource development. By March, 1996, well

before the programme's official launch in June of that, the Board had already met four times and taken the necessary steps to establish SA-OIC, from initiating registration to hiring an interim co-ordinator. Recently, however, the Board has been seen as less effective in terms of proactively setting policy, overseeing the Director's implementation of such policies and promoting the Centre's work to potential employers and donors.

We noted several specific concerns. The current membership list (Annex 7.4) shows only eleven members from a complement of 15. (A twelfth person, Mr Peter Warmington, serves as an observer because his firm's contract to provide financial advisory services to SA-OIC would create a conflict of interest should he be a full member.) Our review of the minutes of recent Board meetings shows that attendance has become a problem. The Board might function better with a smaller number of fully-committed members.

The recent audit noted that the absence of representatives from the legal professions and government contravened the OICI affiliate agreement, as well as the fact that the advisory council and technical advisory committee have not been fully established. The inclusion of Mr Thabani Zulu of the Transitional Local Council seems to address the concern about government's participation, but there still is no legal representation. The private sector is represented through the Pietermaritzburg Chamber of Commerce and Industries, whose Executive Director participates actively in Board work, and through one member from Old Mutual. However, the Board does not include any members from the building industry. Such representation could assist the Centre with networking and marketing opportunities.

As for operating committees, the standard OICI structure may no longer appropriate at this stage in the Board's evolution. The finance committee, which functions regularly, should certainly continue. Now that the community has employers with experience of SA-OIC graduates, the technical advisory committee can and should be established. However, the new management committee proposed by the Director could assume the functions of the advisory, programme and personnel committees. This management committee would comprise five Board members (plus an alternate) and two or three senior staff members. Alternatively, the Board's advisory committee could assume new responsibilities, such as a strategic plan for accreditation (see Recommendation no. 8).

Rec. 18: The SA-OIC Board of Directors, with assistance from OICI, should draw up a plan of action to guide its evolution into a new, more effective role in guiding and promoting the Centre. This plan should address, inter alia, the issues of membership (numbers, representation, attendance), operating committees, policy direction and development (fund-raising, public relations, marketing and networking). The two parties should amend the affiliate agreement as necessary to reflect any changes agreed in the plan of action.

Questions

- 4.3.1.1 Assess the extent to which the project has been adequately staffed, organised and managed.

Project staffing, organisation and management has been adequate, particularly in the context of a new NGO. SA-OIC benefits from a number of dedicated, competent personnel, beginning with the Director. Some early staffing decisions were flawed in that they did not take certification requirements fully into account, primarily because of a speedy start-up and the well-developed regulatory environment in South Africa. Recent retrenchments threaten to undermine organisational capacity on some critical areas, however. The Centre seems well organised. Some control systems need improvement, but overall its management has made a reasonable start in achieving SA-OIC's main goal: effective training for employment.

- 4.3.2.1 Is the arrangement, whereby USAID/SA granted with IFESH, who in turn had a sub-grant with OICI, practical and feasible?

The arrangement was practical in that allowed SA-OIC to be funded, and feasible in that such funding has led to the establishment of an NGO with good potential. However, it caused problems with communications, delivery of technical assistance and lines of accountability.

- 4.3.2.2 Are there too many layers between USAID/SA and SA-OIC, and if so, what would represent a more viable and workable model?

Yes, the grant structure places too many layers between donor and recipient. Had SA-OIC existed when the Co-operative Agreement was made with IFESH, IFESH could have issued a sub-grant directly to it. Since the organisation had not yet been formed, a direct grant from USAID to OICI (without going through IFESH) would have worked more smoothly (particularly if OICI could have arranged in-country representation for managing the project, perhaps through an agreement with IFESH or a part-time arrangement with a locally-based consultant).

As we recommend above, at this point, USAID should deal directly with SA-OIC for any future funding.

- 4.3.2.3 Assess whether AID management of the project has been adequate, effective, and appropriate, and whether AID's inputs were delivered in a timely manner?

In general, USAID's project management has been adequate, effective and appropriate. IFESH and SA-OIC regard USAID/SA, and particularly the Project Officer, as a constructive development partner. USAID's Project Officer, who has made four site visits to Pietermaritzburg, demonstrates real

commitment to the spirit as well as the letter of the project, to providing real employment opportunities for disadvantaged youth. IFESH's Home Office reports receiving AID's payments in a timely manner, and OICI provided funds to SA-OIC on schedule (although the long chain between donor and recipient meant that OICI sometimes had to expend its own funds pending receipt of AID monies through IFESH). We found only one specified input not delivered: meetings with the Board of Directors twice a year (although the IFESH Chief of Party and the USAID Project Officer did meet three times with the Board Chairperson).

One area for improvement arises from USAID/SA's intervention when the audit commissioned by OICI triggered concerns not raised by earlier semi-annual reports. These concerns, particularly over financial management issues, represented a difference of opinion between USAID (as well as the auditors) and OICI (and SA-OIC's financial advisers, Peter Warmington Associates) over what constitutes acceptable financial controls for an emerging NGO. Had USAID/SA noted these earlier in the co-operative agreement cycle, work on improving the situation could have begun well before the expiration of the current agreement.

- 4.3.3.1 How do the relationships among the various parties, i.e. USAID/SA, IFESH, OICI, SA-OIC, affect project implementation?
- 4.3.3.2 How have these relationships facilitated or impeded project implementation?

The presence of two external agencies, IFESH and OICI, in the chain between USAID/SA and SA-OIC, generally complicated project implementation. The arrangement split contractual responsibility, vested in IFESH, from technical responsibility, given to OICI. IFESH was accountable to USAID/SA for implementing the terms of the Co-operative Agreement, yet it had no mandate to become involved in the operations of the Centre. OICI was accountable to IFESH for the success of SA-OIC under the same agreement, yet it had no direct access to USAID/SA. This resulted in confusion and frustration on the part of all four partners, a function not of intention or lack of co-operation but of a cumbersome contractual arrangement.

This arrangement did offer two advantages. First, it provided an expedient funding mechanism, given that IFESH was already negotiating a co-operative agreement with USAID/SA when the SA-OIC concept was first proposed and that OICI had no in-country presence. Second, it gave SA-OIC access to two sources of external expertise. On balance, however, the arrangement's disadvantages outweighed its advantages.

- 4.3.3.3 Has IFESH met its obligations in monitoring its sub-recipient, OICI?

IFESH has met all of its contractual obligations in terms of monitoring the sub-grant. However, the problems inherent in the funding arrangement (as

described above) prevented a closer working relationship between these two organisations that might have benefited SA-OIC.

- 4.3.3.4 Have procedures been instituted to monitor the progress of the sub-grant and to track sub-grant expenditures?

Yes.

- 4.3.4.1 Has OICI been effective in establishing a viable organisation (SA-OIC) and an effective Board of Trustees?

- 4.3.4.3 How effective and competent are the SA-OIC Board of Trustees in carrying out and implementing the objectives of this programme?

SA-OIC has made great strides in a relatively short period of time. After two years of operation the Centre is functioning smoothly, producing trainees and developing the networks necessary to place those graduates successfully. We judge SA-OIC viable from the standpoint of its staffing, management and programmes (having noted elsewhere in this report, of course, numerous areas where improvements are needed or possible).

SA-OIC is not yet financially independent. If it does not receive additional donor funding by the end of September, it will shut its doors. In 1998 USAID funding through OICI totalled R1,534,804, compared to R679,541 in funds received from other sources (namely projects sponsored by the Transitional Local Council and DANIDA). This means that USAID/SA still provides 69% of SA-OIC's revenues. To put this into perspective, however, OICI originally proposed a three-year project (with a much higher budget—\$3 million) in order to establish SA-OIC. Its experience in Africa suggests that five years are normally required to achieve sustainable operations for a local OIC. If SA-OICI qualifies for a direct AID grant next year it will be, in the words of OICI's Director of Finance, "a record."

OICI worked hard in the months prior to SA-OIC's launch to establish a strong Board of Directors. Recently, that Board's effectiveness seems to have diminished, however. The Board of Directors needs assistance to help it evolve to meet the challenge of guiding and promoting a maturing NGO. It should address issues of membership (numbers, representation, attendance), operating committees, policy direction and development (fund-raising, public relations, marketing and networking).

The partners provided only limited support to the development of the Board. Early in the project OICI arranged a one-day training workshop for the entire board on resource mobilisation (fund raising). No other workshops have been held. Plans called for USAID and IFESH to meet with the Board twice a year. This did not happen. IFESH arranged six site visits over the life of project. Three of these, all of which included the USAID/SA Project Officer, involved

meetings with the Chairperson of the Board, but none included other Board members.

The Co-operative Agreement states that the programme "is designed to be sustainable at the end of the three-year establishment period." Good progress had been made towards this goal, but it has not yet been achieved. A third year of support definitely will be required. Of the eight institution-building indicators cited by OICI as leading to success in their other projects, we judge two to have been achieved at a sustainable level: appropriate permanent facilities, and trained and functional staff. Five need further work, although SA-OIC has made good progress so far: an effective Board of Directors; sound management systems; appropriate training methods, curricula and standards; resource/income generation strategy and plans; and community awareness and acceptance. Efforts on the final indicator, replication and/or expansion opportunity, are still premature.

4.3.4.2 Evaluate the actions taken by OICI to assist SA-OIC in achieving the objectives of the grant.

4.3.5.1 As the sub-grantee for this project, how did OICI perform?

OICI brought to the sub-grant a model for developing sustainable skills training programmes that has proven successful elsewhere on the continent and been judged by AID/Washington as very effective in building sustainable institutions. However, all parties concerned recognise that the South African OIC is unique. OICI has only one other programme, Tanzania, where it works under an affiliate partnership, as opposed to a sub-grant, relationship. The IFESH sub-grant to OICI was substantially smaller in length and funding than OICI's original proposal envisaged. South Africa provides a very different development context than other African countries, including well-developed training standards and competition from existing programmes. Even the genesis of the SA-OIC project differed from the norm. Whereas most OICI projects respond to local initiative, SA-OICI grew out of a top-down intervention sparked by interest at the highest levels of the South African Government and AID.

In this context, OICI worked hard to deliver a successful project within the allotted two years and \$1,120,895. It provided various forms of technical assistance: working in partnership situations, staff-training workshops, provision of technical resource materials, specialist consultants (for finance) and SA-OIC participation in international conferences. During the project's first year, three OICI staff members delivered approximately 20 weeks of on-site technical assistance. However, budget constraints in Year 2 resulted in significantly reduced TA, delivered exclusively through short-term visits. This may explain why SA-OIC expresses some dissatisfaction with the level of on-site support they have received this year from OICI. On the other hand, by reducing its expenditures on consultants OICI shielded SA-OIC's operating

budget from the worst effects of the reduced second-year budget. Also helped by a stronger dollar against the rand, OICI was able to transfer R1.535 million to SA-OIC in 1997-98, close to the R1.868 that it provided in 1996-97.

OICI's original plan was to field a long-term adviser to support the programme's establishment and initial development. This did not happen for two reasons: budgetary limitations and a lack of support for this idea from the South African Government. We feel that a long-term, resident adviser (whether recruited from within South Africa or from overseas) could have made important contributions to establishing SA-OIC. Such assistance might have limited some of the Centre's current challenges.

Communication represents the other problem area from SA-OIC's perspective. The Director speaks of obtaining different answers at different times from different people in the OICI Home Office. More important, both the Board of Directors and senior management feel that they did not comprehend the full implications of the budget situation. Although OICI did provide them with the illustrative life-of-project budget, they did not understand that the rate of expenditures in the first year meant a substantially lower operating budget in the second. Therefore, SA-OIC based its operation planning on unrealistic assumptions about second-year revenues. OICI staff express concern over reductions in their own budget, although the formal decrease in the sub-grant amendment was only 10% (\$129,105). We could not determine where the communications breakdowns actually occurred. However, we believe that they derived in part, at least, from the complex, four-link funding chain arrangement.

- 4.3.4.4 To what extent have the various parties been supportive of one another, and especially in regard to assisting SA-OIC develop meaningful, working relationships with relevant government departments, e.g. Public Works, Labour, and Education at the provincial and national levels?

All parties have worked on effective co-operation with good will. However, the inherent problems in the grant arrangements substantially diminished their level of co-operation and produced frustrations on all sides.

In regard to working relationships with relevant government departments, these efforts have produced mixed results. SA-OIC initially established good relationships with the Department of Public Works at the national and provincial levels. Among other benefits, this resulted in the donation of their premises for use without charge, a substantial contribution to the present and future success of the programme. Recent changes in central office personnel at DPW mean that these relationships must now be reinforced. The Centre has had some contact with the Department of Labour at the local and provincial levels (through the DANIDA Project), and almost no contact with the Department of Education. It has not yet pursued any relationship with the new

National Youth Commission, although this body, through its policy development work, can influence the Centre and the environment in which it operates.

- 4.3.6.1 Evaluate the extent to which IFESH, OICI and SA-OIC have publicised and educated USAID and the general public on the project and its successes.

The implementing agencies, through IFESH, have fully informed USAID/SA about the project, including its successes. The Project Officer demonstrates a detailed understanding about SA-OIC's purpose, status and operations. The project has also built strong relationships with several communities in which it works. However, it has not done as well in educating the general public. Apart from small interventions such as the formal launch ceremony or a well-done overview brochure for the Centre, SA-OIC has carried out little in the way of public relations.

Strictly speaking this does not raise major concerns. However, the Centre's sustainability depends on further support from donors and potential employers. Some donors do seem to recognise SA-OIC, as demonstrated by the current DANIDA project. More work needs to be done with employers, however. We were concerned by the fact that one of the two employers whom we visited on site (a plumbing foreman) didn't know that the workers of whom he spoke highly were trained by SA-OIC. On the other hand, the other employer we visited, represented by the site manager for a large construction project, knew the programme well and also spoke very highly of it.

Rec. 19: The SA-OIC Director and Board should draw up an action plan for promoting the Centre, particularly to potential donors and employers. If possible, a job developer should be re-employed to assist in this process. The Board should take an active role in this, both in terms of designing the plan and in terms of promoting the Centre to its members' constituencies.

4.4 Relationships

Overview

In terms of relationships with the public and private sectors, SA-OIC has found its greatest successes to date with the former. This began with strong ties to the National Department of Public Works—a legacy of the Minister's personal interest in the OIC model that culminated in the donated use of the current Centre premises. SA-OIC has extended this strength in two directions. First, it has established a close relationship with the Transitional Local Council, one that has already produced projects and income for the

Centre (notably the Imbali Project to renovate houses destroyed during violence in the area). Second, it has effectively reached out to local communities and to colleagues working with those communities, delivering development training to the former and enlisting the support of the latter. SA-OIC also has begun to work with other donors, notably DANIDA.

SA-OIC has had some contact with the Ministry of Labour at the local level (through the DANIDA Project), but virtually no relationships so far with the Ministry of Education or the Provincial Department of Education. Its efforts to reach out to provincial government have borne little fruit, in part because of the complex political realities in the region. SA-OIC has yet to initiate contact with the National Youth Commissions, but has conducted one workshop for the Provincial Youth Commission. It has established good relations with a few private-sector businesses, but much more remains to be accomplished in this arena.

Rec. 20: SA-OIC should continue to strengthen existing public-sector relationships while establishing contact at the national and provincial levels with the Youth Commissions and the Departments of Education, to promote its own work, develop new markets and clients, and provide input to policy discussions that could foster replication of its model.

Questions

4.4.1.1 To what extent has SA-OIC established relationships with the public and private sector?

SA-OIC has begun to establish strong relationships with the public sector and at the community level. It has more work to do in strengthening relationships with quasi-public bodies and private-sector businesses.

4.4.1.2 What kinds of relationships (employment opportunities for graduates, employer-paid tuition for students, donations, and marketing/promotion of SA-OIC when unqualified individuals are seeking jobs) have been forged with the private sector, and to what extent have they been successful?

The following employers have sponsored a total of 175 trainees:

**Figure 8:
Employer-Sponsored Trainees**

Employer	Year 1 Sponsorships	Year 2 Sponsorships	Total
Africon	22	12	34
Career Resource Centre	15	10	25
Nicro	10	5	15
R & S Construction			7
T.A. Construction			2
TLC			90
Circle Line			2
TOTAL			

A few other students obtained sponsorship from their parents' employers or their own employers. (These were mostly domestic workers.)

Two corporations have made small donations to the programme: Eskom in South Africa (R1,000) and Chase Manhattan Bank in the United States (R11,100). The Centre solicits employment opportunities as described elsewhere in this report, particularly through the jobs development officer. The Director did not cite any current activities to market or promote SA-OIC when unqualified individuals are seeking jobs.

- 4.4.2.1 Has SA-OIC forged any relationships with the public or quasi-public sector? For example, the National Youth Commission or the KwaZulu-Natal Provincial Youth Commission?

As noted above, one parastatal (Eskom) made a small donation to the Centre. SA-OIC has forged good relationships with some government agencies, notably the Department of Public Works (at the national and provincial levels) and the Transitional Local Council. It has not yet established contact with the National Youth Commission, but it did conduct one workshop for the Provincial Youth Commission.

- 4.4.2.2 Is SA-OIC providing the types of training that would be of interest to these organisations, and if so, could the training lead to certain types of mutually beneficial relationships.

Mr Bongani Khonjwayo of the National Department of Public Works helped to establish the OIC programme in its early days, as directed by the Minister of Public Works himself. Mr Khonjwayo does not see Public Works as a potential employer of Centre graduates, but rather as the agency creating a policy environment in which other organisations will deliver services. In supporting SA-OIC, DPW wishes to foster the training of disadvantaged youth whom these organisations can hire. In other words, he does describe a mutually beneficial relationship, but not as a potential employer. The TLC, on the other hand, has already demonstrated that it wishes to employ Centre graduates for community development projects such as the one in Imbali. Potential co-operation with the National or Provincial Youth Commissions remains to be explored, but these agencies would not be direct employers of SA-OIC trainees.

In general, then, the public sector demonstrates interest in mutually beneficial relationships with the Centre in two different ways: at the national level, by creating the environment in which unemployed youth can receive training and find employment, and at the local level, as potential employers.

- 4.4.2.4 What role, and how successful, has the SA-OIC community liaison officer been in developing these relationships?

The job developer, Sandile Manana who also acted as community liaison officer (and has now been retrenched), seems to have developed good relationships with the various sectors. His role has been both to promote the services of SA-OIC and to forge relationships with prospective employers of SA-OIC trainees.

Mr Manana has conducted a workshop with the KwaZulu-Natal Youth Commission; and also met with different community organisations such as Likusasa, Ngezandlazethu and Fairfield. He further met with the communities of KwaXimba, Mangweni and Mooi River, to mention just a few. The employers with whom he met include Stocks and Stocks, C.B.D. Construction, P.S.V. Construction, and G. Riviero.

Mr Manana forged relationships with 1041 people recruited from the communities whom the Centre trained in life skills and/or community development skills. We are confident that the liaison officer has established good and sound relations with organisations and communities

It is also noteworthy that some graduates trained by SA-OIC are employed in construction companies with whom the community liaison officer had regular

meetings. For instance, a number of current trainees in the construction trade are currently serving their apprenticeships with the G Riviero construction company in the building of a prison in Pietermaritzburg.

4.5 Sustainability

Overview

SA-OIC has not yet demonstrated that it can sustain itself without USAID support. By itself this should not raise major concerns, since no one should have expected full sustainability after only two years of funding. Instead, the key question is whether the Centre's partners can reasonably expect it to become sustainable in the future and, if so, how long this will take.

We believe that SA-OIC does have the potential to achieve full sustainability, but that this will require at least one more year of USAID support. As an organisation, SA-OIC already has progressed to the point where it can stand on its own (although it will certainly wish to request further technical assistance as it continues to develop). Additional funding should help it reach the other important prerequisite for sustainability: revenues (exclusive of donor contributions) sufficient to cover expenses.

In order to attract the necessary revenues to sustain the programme without USAID support, SA-OIC must deliver quality training that meets market needs. It must also mobilise resources effectively. This evaluation demonstrates that the Centre already provides a high standard of training in many areas. The challenge now is to fine-tune that training (both in terms of what the Centre offers and how it delivers it), to market graduates effectively to a wider group of potential employers and sponsors, and to enhance strategies for mobilising new resources. We have already addressed these issues in this report, and we have confidence that SA-OIC can address them effectively.

Financial independence, however, seems a more elusive objective. While building an adequate revenue stream, SA-OIC must also ensure that its income covers its operating and capital expenditures. As we have suggested earlier, the Centre can improve its efficiency in some areas, such as by increasing the number of training cycles it offers or moving to a continuous-intake system. Beyond this, however, it must consider moving its fees closer to cost-recovery so that it does not require donor support for its basic operations.

Requirements for financial sustainability

To understand the financial basis for future sustainability, one must look at all of the Centre's income and expenses combined. However, following normal practice (and as required by the auditors) SA-OIC accounts for these figures separately by project account: OICI (USAID), training, community development, etc. With assistance from

the SA-OIC Financial Manager, we have consolidated this information so that one can see at a glance what is required to operate the Centre as a whole. The following table summarises income and expenditures (from all sources, for all purposes) from the project inception through the current year.

**Figure 9:
Total Income and Expenditures**

	Preliminary (1996, partial year)	Year 1: Oct. '96-Sept. '97	Year 2: Oct. '97-Sept. '98 (estimated)
OICI grant (USAID funds)	R309,988	R1,867,528	R1,534,804
Other donors, sponsors & contracts	R0	R67,458	R709,698
Student fees	R0	R24,960	R36,827
Other income	R449	R8,929	R69,201
TOTAL REVENUES	R310,437	R1,968,875	R2,350,530
Operating expenditures	R191,422	R2,020,674	R2,192,160
Capital expenditures	R50,236	R290,628	R36,309
TOTAL EXPENDITURES	R241,658	R2,311,302	R2,228,469
(DEFICIT)/ SURPLUS	R68,779	(R342,427)	R122,061

These figures demonstrate that SA-OIC's operating budget still depends heavily on USAID's contributions through OICI. For 1996-97 USAID funded 81 percent of total expenditures. In the current year its share has declined to 69 percent, but it still represents more than two-thirds of the Centre's annual budget.

Planning for financial sustainability

Since we know without question that USAID cannot continue to underwrite the Centre's operations for more than another year or two, SA-OIC must urgently change its revenue strategy from donor-dependent to cost-recovery. Put another way, it must replace USAID's contribution.

The Board of Directors must work closely with senior management to devise a strategic plan for accomplishing this. Such a strategy must be successfully implemented as of October 1, 1999, since even assuming USAID's continued support SA-OIC cannot expect it to continue funding basic operating expenses beyond one more year. We do not wish to prescribe solutions, but we must be confident that at least one viable option exists before we can recommend any further USAID support. Put bluntly, if we know now that SA-OIC cannot survive without a donor to cover the bulk of its operating budget, we know that it will have to close in another year and we would have to recommend against further USAID/SA funding at this point. Therefore, the following discussion is illustrative, not prescriptive—a test of the hypothesis that SA-OIC does have a viable future after the termination of USAID grants.

Using this year's expenditures as a baseline, what if USAID could not give any money for operating expenses? SA-OIC would then have to generate R2.3 million in revenues to cover its operating expenses with no help from USAID/SA. How might it do so?

First, we consider student fees. At the moment, they support a minuscule fraction of Centre expenses: R36,827 this year, or less than two percent. Of course, the trainee fee structure at SA-OIC takes into consideration the backgrounds of the trainees. SA-OIC originally established a nominal fee of R100 per course in order to attract the most disadvantaged youth in the area, its target group. It has gradually raised that fee to R400 per building-trades course, and it plans to raise fees again next year to R650 (although the recent increase in the registration fee charged by the BITB will consume much of this increase). Cycle fees include the life skills and the business training which are part of the 10-week programme. For a 10-week course, fees will pay R65 per week. This compares to unit costs in the first year of R487 (as per Section 4.1.8 above). (We base this analysis on first-year figures because in the second year SA-OIC's efficiency dropped and its unit costs increased to unsustainable levels.) For non-accredited programmes the trainees pay R200.00 per cycle.

A weekly fee of R65 lies far below the rate charged by other training centres in the area. For example, the Natal Training Centre (NTC) calculates its unit cost at R700 per trainee per week and charges trainees R750 per week. At those rates, a 10-week course at SA-OIC would cost R7,500 instead of R650. The important difference between the two institutions lies in the fact that most students at NTC have their fees paid by an employer or sponsor. In general SA-OIC students, on the other hand, pay their own fees, although for the most part they are poor and unemployed. We cannot see how fees can rise much higher than R800 (R80 per week) without excluding this group (although this should be tested through market research), and if the Director's suspicion that rising fees contributed to reduced enrolments in Year 2 prove correct, even R650 may be too high.

Assuming that the average SA-OIC trainee continues to require 10 weeks training (under the continuous-intake system that we propose), that the programme's intake slightly exceeds first-year norms at 125 students per cycle, and that it returns to four cycles per year, we can estimate an intake level of 500 students per year (or 5,000 student-weeks annually). At a base fee of R800, this would produce R400,000.

Other possible revenue sources remain. First, SA-OIC could promote its training to new markets that could afford to pay the full costs of training: for example, students sponsored by the Metal and Engineering Industries Education and Training Board, or students seeking private tuition to help them pass trade tests. These students could pay the full cost R500 per week, or R5,000 per full cycle. If 100 such students are accepted each year, they will generate revenues of R500,000. The remaining 300 students per year would pay R800 per cycle.

We also see a role for support from USAID and other donors once the Centre is self-sufficient. NGOs that depend on donors for operating expenses face almost certain extinction, which is why SA-OIC must place itself on a sound financial footing. On the other hand, given a viable service-delivery NGO many donors, domestic and overseas, are willing to provide support to help needy clients purchase those services. SA-OIC could mobilise donor resources not to cover its operating expenses directly, but for bursary support. If USAID (and/or other donors) could be persuaded to subsidise the actual costs of training 50 of the Centre's students per year, it would produce an additional R250,000 annually. In practice, SA-OIC might want to set a higher nominal fee, then allow any needy student to apply for bursary funds that would reduce his/her effective cost to R800 (or even less in the most extreme cases).

Finally, SA-OIC could use some of its infrastructure to generate revenues directly, not as profits (which would violate its Section 21 status), but rather as a means for reducing fees by offsetting expenses. The welding and motor vehicle workshops offer good potential for such work. This approach might yield another R60,000 per year.

Taken together, these strategies would generate an estimated R1,050,000, leaving R1.25 million to find elsewhere. This creates the need for a much more aggressive resource mobilisation strategy. Figure 9 consolidates all income from sources other than USAID, student fees, and "other" sources such as bank interest and loan repayments into one category that includes outright donations, institutional or corporate sponsors of trainees, and contract work. (See Figure 11 for a breakdown of these inputs.) The increase in this income from R67,458 in 1996-97 to R709,698 in 1997-98 demonstrates that the resource mobilisation strategy has begun to produce significant results. However, R709,698 still represents only 32%, or just under one-third, of SA-OIC's operational requirements. The Director currently projects R800,000 from such sources in 1998-99, yet under this scenario the Centre must mobilise far more than this sum to support itself when USAID funding ends: a full 60 percent of the operating budget.

The Green Paper on Skills Development suggests one important source of additional resources. In this document the Department of Labour proposes the concept of a National Skills Fund. This will be a funding partnership between government and the private sector and will include a levy-grant system. The Department envisages disbursing monies from this fund to developmental training and to NGOs involved in such training, amongst others. SA-OIC has the potential of tapping into this revenue source.

Figure 10 consolidates all of these possible revenue sources.

**Figure 10:
Stand-Alone Revenue Scenario**

Revenue Source	Estimated Revenue
Cost-recovery students (100 @ R500/week*10 weeks each)	R500,000
Regular students (300 @R800/cycle)	R240,000
Bursary support (for 50 students @ R650/week*10 weeks each)	R250,000
Income generation	R60,000
Resource mobilisation	R1,250,000
TOTAL	R2,300,000

We do not suggest that this strategy represents the best approach for dealing with the challenge. However, it does demonstrate that there exists at least one scenario in which SA-OIC can sustain itself financially without USAID funding. It also demonstrates why SA-OIC's highest priority must be to make its own plan to meet this challenge.

Rec. 21: SA-OIC's Management and Board should give the highest priority to devising a strategy for financial self-sufficiency that can be implemented by October, 1999. The strategy should be enshrined in a written action plan to be completed no later than December, 1998. Extended USAID funding should support this process by covering the costs of relevant technical assistance from OICI and South African experts.

Questions

- 4.5 What actions have been taken by SA-OIC to strengthen their financial status and enhance their long-term sustainability?

SA-OIC's efforts to date have centred on a resource mobilisation strategy designed to attract donations, sponsorships and contract work, primarily from the public sector and local government. In order for the Centre to achieve long-term viability, it must redouble these efforts, extending them to reach other sources of support (especially in the private sector and from additional government sources) and to generate a substantially greater portion of revenues. It must also continue to strengthen its training programme and improve operational efficiency.

- 4.5.1 If a plan does exist, do the actions seem to be sufficient or does a more aggressive and directed effort need to occur?

No formal, written plan exists. On the basis of our interviews, we believe that SA-OIC needs a more aggressive, more broadly-based resource mobilisation strategy as well as a formal plan for revising the training programme to further improve its quality and enhance its efficiency.

- 4.5.2 If an action plan does not exist, does SA-OIC have the internal capabilities to develop and implement a plan?

Yes, particularly given the Director's strength. This plan would also provide a revitalised Board of Directors with an important opportunity to play a more active role in the Centre's development. However, the recent loss to retrenchment of the job development officer and training manager will limit SA-OIC's ability to develop plans for resource mobilisation, marketing and instructional system improvement.

- 4.5.3 What role has OICI played in assisting SA-OIC in this area?

Most of OICI's input came in the preparatory phase and first year of the project, when they concentrated on establishing the Board, the programme and the necessary management systems. Funding limitations have precluded such active involvement this year. We believe that their assistance will be vital in helping SA-OIC develop a feasible sustainability plan during Year 3.

- 4.5.4 Does it appear that sufficient revenues are being generated to ensure SA-OIC's sustainability?

At current rates, its revenues will not sustain SA-OIC without indefinite external support from USAID or another large donor. The sustainability plan

(see Recommendation no. 21) must address this challenge effectively. It does appear that approaches exist which will allow SA-OIC to generate the revenue it needs for continued operations absent large-scale donor funding.

4.6 Replicability

Overview

In its original proposal, OICI anticipated establishing three Opportunity Industrialisation Centres in South Africa, suggesting the Eastern Cape and Kimberly areas as possible locations for additional centres. OICI lists "replication and/or expansion opportunity" as one of its indicators of success. Clearly the concept behind SA-OIC's establishment goes beyond the Pietermaritzburg centre itself.

The SA-OIC Director expresses his commitment to replicating the model elsewhere, but feels that it is still too early to consider such a step. We concur. The first priority must be to establish the Pietermaritzburg centre as a viable, sustainable operation. Only then should SA-OIC expend resources on expanding the model to other locations. This could not happen for at least another year, and it may well need to wait until Pietermaritzburg has functioned for the five years which most OICs in Africa require to establish themselves securely.

Rec. 22: SA-OIC should continue to focus exclusively on its Pietermaritzburg centre for now. Efforts to replicate the model elsewhere in South Africa should wait until the current operation demonstrates sustainable success.

Questions

- 4.6.1.1 Is the SA-OIC training concept and value of training being proved worthy of being replicated?
- 4.6.1.2 Programmatically, managerially and financially, is SA-OIC able to replicate (on its own) other training sites or would OICI's technical assistance be required?

SA-OIC's good progress in its first two years offers encouragement that its model will be worthy of replication elsewhere in South Africa. However, a final determination must wait until the Pietermaritzburg centre has placed itself on a firm, sustainable footing. SA-OIC can assess at that time the need for technical assistance from OICI and/or other sources for its expansion efforts.

- 4.6.2.1 What other assistance would be required, e.g. financial assistance, government sponsorship, support from local community, interest by the building trades community, etc.?

New centres would require the same types of assistance as did the Pietermaritzburg centre (e.g., all of the above).

- 4.6.2.2 What are SA-OIC's strengths and weaknesses in trying to replicate this programme, and can the shortfalls be easily overcome.

This question should be asked and answered when SA-OIC is ready to expand the model.

4.7 Reporting

Overview

OICI submitted all required financial, semi-annual progress and work planning reports to IFESH. IFESH, in turn, submitted all such reports to USAID/SA. USAID expresses general satisfaction with the timeliness and contents of these reports. The Project Officer's only reservation lies in the fact that the progress reports did not highlight problems which were later identified in the December, 1997, audit. Earlier identification of issues such as weaknesses in financial management might have assisted SA-OIC to function more effectively.

SA-OIC submitted all required financial and progress reports to OICI. OICI was satisfied with their timeliness and content. The OICI Director of Finance noted that SA-OIC provided her with all information necessary so that she could submit her own financial reports to IFESH, and that none of the Centre's expenditures were disallowed.

Questions

- 4.7.1.1 In accordance with Attachment 1.1.5 Reporting and Evaluation, has IFESH submitted its financial and semi-annual progress reports to USAID in a timely and informative manner? If not, what constraints existed that affected the timeline?

IFESH submitted all required reports in a timely and informative manner.

4.7.2.1 Also, to what extent is SA-OIC, with assistance from OICI, collecting data and reporting it in the areas identified in the agreement, Attachment 2, IV.D., Results Monitoring?

SA-OIC collects most, but not all, of the data required by the Co-operative Agreement, as follows:

- “the establishment of a sustainable OICI KwaZulu Natal skills training centre:” progress documented and reported extensively;
- “percentage of funding for the training centre coming from local funding sources:” full information available in financial reports, but not reported separately;
- “numbers of significant linkages the centre forges with local businesses, and with other training institutions:” tracked and reported qualitatively, but not quantitatively;
- “number of instances where the OICI training centre programmes and systems are adopted by or influence programmes at other institutions:” not applicable at this point in time;
- “number of student trained in various skill areas:” fully documented and reported, except that records do not categorise students by categories such as “former combatants;”
- “number of graduates employed/apprenticed 3, 6, and 12 months after graduation:” overall placement statistics documented and reported, but not tracked at three, six and 12 months;
- “number of programme participants obtaining first-time credit from an established financial institution:” not tracked.

4.7.2.2 Will IFESH be able to provide USAID/SA this information by the end of the project?

Not entirely, since SA-OIC needs to improve its record-keeping systems before it can fully track and report every indicator listed in the Co-operative Agreement. However, the data that IFESH can report should provide enough information for USAID/SA to judge the project's success and determine whether the SA-OIC project warrants further support.

4.8 Matching Funds

Overview

Attachment 1, Section 1.10 (Cost Sharing) of the Co-operative Agreement (no. 674-0309-A-00-6075-00) states:

“The Recipient agrees to expend an amount not less than 25% of the total Federal contribution. Cost sharing contributions will meet the criteria as set out in 22 CFR 226.23.”

According to the Scope of Work for this evaluation, USAID calculated the required counterpart contribution at \$1.5 million. Government, through the Department of Public Works, contributed the use of a surplus workshop in Pietermaritzburg to house the programme for as long as it provides training in accordance with its current mission. Although SA-OIC contributed funds external to the grant in cash (through revenues from other donors and clients) and kind (for example, in time spent by government officials and civic leaders for Centre work), all parties agree that the fair market value of this free lease meets or exceeds the required level of \$1.5 million. We did not have time to verify this valuation independently. None of the implementing agencies have made a systematic effort to track the additional contributions. In light of the parties' acceptance of the DPW's building as adequate, we do not see any necessity to do so.

Questions

4.8.1 Did IFESH meet its match of \$1,500,000?

All parties agree that this requirement has been met.

4.8.2 However, since the Co-operative Agreement refers to this match as the SA-OIC training centre building, and it was already donated under the original Co-operative Agreement 674-0318-A-00-5029-00, should this match requirement be deleted from the current Co-operative Agreement?

Rec. 23: The matching funds requirement should either be deleted from the current CA or formally accepted as met by USAID. However, in order to promote sustainability any future grants from USAID/SA in support of SA-OIC should exclude the value of the building lease from contribution calculations in favour of an emphasis on programme revenues, cash contributions and in-kind contributions.

4.9 Programme Income

Overview

SA-OIC describes itself as taking an aggressive approach towards resource mobilisation. It focuses its fund-raising efforts on trying to secure training contracts with local and national government departments, and with local regional councils. This, it feels, provides the best chance of sustainability. The fact that most government training programmes run for more than one year raises the possibility of repeat funding.

To date, SA-OIC has generated R586,510 in income from such sources, as follows:

Figure 11:
Income from Other Donors, Sponsors and Contracts

Source	Type of Project	Funds Received
Pietermaritzburg Local Council (FY 98)	Vocational training (centre-based)	R400,040
DANIDA (Department of Labour) (FY 98)	Learning training (training, work-site experience)	R93,312
Africon (FY 98)	Vocational training (centre-based)	R22,300
Career Resource Centre (FY 98)	Vocational training (centre-based)	R2,100
Thandanani Association (FY 98)	Life skills training (centre-based)	R1,300
Chase Manhattan Bank (FY 97)	Upgrading of small business development course	R11,100
IFESH Schools for Africa Project (FY 97)	Outreach training and school construction	R28,608
Eskom (FY 97)	Upgrading of electrical equipment	R1,000
Turntable Trust (FY 97)	Construction of administrative offices	R26,750
	TOTAL:	R586,510

The income of R93,312 from DANIDA represents funds received so far. However, this project should generate a total of R276,480 by the end of this fiscal year. Therefore, SA-OIC can project total non-USAID income of R769,678 by September 30, 1998. Of this,

R67,458 arrived in the first year. The balance of \$702,220, 91% of the total, was collected during this second year. (This does not include R7,478 in miscellaneous donations and training fees reported above in Figure 9.)

The Centre projects R800,000 in such revenues for 1998-99. The British Council has just approved a grant of R50,000 to cover the purchase of equipment to support six training courses (including electrical and motor mechanics, which supports the recommendation these be tested further in practice).

SA-OIC has used all programme income generated to support its own operations. In fact, the resources it mobilised this year allowed the Centre to continue functioning in August and September, since the USAID funds through OICI only proved sufficient to cover expenses for the first ten months of the year.

Questions

4.9.1 Has programme income been generated under this USAID-funded grant?

Yes.

4.9.2 If yes, can SA-OIC properly account for this programme income, and did they receive any guidance from OICI in how to account, report and use it?

The recent audit found that SA-OIC had properly accounted for these funds, except that the auditors recommended separate bank accounts for the different funds within the organisation.

OICI consulted regularly with SA-OIC to provide guidance about budgetary issues, including the proper accounting and use of programme income. They confirm that most such income was used directly for grant activities. In at least one case another donor (Chase Manhattan) stipulated how its funds should be used (in support of disadvantaged groups, particularly women). In another case SA-OIC wished to use programme income to demonstrate its capacity by funding the renovation of three houses in Imbali. SA-OIC consulted OICI in both of these instances to ensure that programme income would be used properly.

4.9.3 If programme income was generated, was it being used in accordance with Attachment 1, paragraph 1.11 of the Co-operative Agreement?

SA-OIC has used the programme income it generates to finance the non-federal share of its operation.

Section
5

Conclusions

5.1 Project Objectives and Achievements

Project Purpose

We find that the project has made substantial progress towards its purpose, in the words of the Co-operative Agreement, of increasing “historically disadvantaged South Africans’ social and economic empowerment by providing increased access to skilled technical training schemes.” It has already established “a training centre focused on transferring practical, marketable skills needed in the new South Africa” and created a “technical skills training programme” that shows very real promise. It has already contributed towards USAID/South Africa’s strategic objective no. 2: a transformed education system based on equity of access and quality. Although much more remains to be accomplished by SA-OIC, any expectation that a new NGO working in this field could become fully independent and sustainable after only two years would have been unrealistic. On this basis, we judge the Co-operative Agreement, and the inputs of USAID/SA, IFESH and OICI, a success.

Intermediate Results

The Co-operative Agreement originally targeted USAID/South Africa’s intermediate result (IR) 2.3, organisational capacity strengthened, and its subsidiary results 2.3.2, utilisation of NGO model educational practices. It also targeted sub-result 2.2.6: partnerships established between government departments and civil society organisations on youth development.

We believe that the project has achieved the original IRs. It has strengthened the organisational capacity of a new NGO, SA-OIC. It brought to South Africa an NGO-based training model developed and tested by OICI in several African countries, then modified it successfully to deal with local conditions. Although SA-OIC has more work to do in building partnerships with government departments and CSOs, it has made a good start.

Subsequent to signing the CA, USAID revised its intermediate results. The project now falls under IR 2.2: increased opportunities for blacks in further education and training.

We find that the project has also achieved this result. So far it has provided new opportunities for youth, virtually all of whom are black and many of whom had no other options beyond SA-OIC.

Specific Objectives

Two different documents establish specific objectives that the project should meet. It has accomplished some, but not all, of these. In some cases the original targets were unrealistic.

Co-operative Agreement

The CA states:

“This training programme would directly benefit approximately 1,250 individuals through training and licensing in a variety of technical fields. Indirect beneficiaries would included businesses benefiting from skilled labour and families of trainees benefiting from increased family income. The programme would establish a technical skills training centre in KwaZulu-Natal that would continue to produce these benefits in the future.”

Different documents set different targets for number of people trained. We believe that this objective of 1,250 was intended to refer to technical training only. If this interpretation is correct, SA-OIC has fallen short of this mark. It has trained 407 graduates through its technical courses (with a potential of up to 50 more graduates from the current cycle). Adding 1,041 community members trained, the Centre has trained just under 1,500 people. We find the original objective unrealistic.

Although SA-OIC can improve its operational efficiency, thereby increasing its number of graduates, we do not see how one can expect the organisation and facility as currently structured to train 625 students per year. However, if we take the figure of 1,250 as applicable to a three-year project (OICI's original proposed length), the target of approximately 420 graduates per year does seem realistic.

We confirmed that local businesses have begun to benefit from the availability of more semi-skilled labour, although technically the Centre does not attempt to produce fully-skilled trainees. We know that some families have begun to enjoy increased family income, although the relatively low absolute numbers of graduates employed so far reduce this type of impact. The programme has established a technical skills training centre in KwaZulu-Natal that demonstrates the potential of continuing to produce these benefits in the future. Therefore, SA-OIC has met these other components of the objective.

Sub-Grant Agreement between IFESH and OICI

The sub-grant between IFESH and OICI dated May 21, 1996, obligates OICI to perform the services described in its proposal of December, 1995, entitled "OIC KwaZulu-Natal Programme Design." This proposal states:

"The OIC KwaZulu-Natal programme aims to contribute towards increased economic and social empowerment in the new South Africa by establishing a model training programme, initially in the Western Cape (Durban, Pietermaritzburg) [sic] and later to be expanded to other areas (Eastern Cape and Kimberly). The OIC programme will benefit the majority black population who are victims of the apartheid system and are now empowered in the new South Africa."

As we have already noted, SA-OIC definitely benefits the majority black population in its catchment area. It established a training centre and model programme in Pietermaritzburg, one of the target locations specified by OICI. SA-OIC has not yet replicated this model, since the first centre is still under development, but future replication is possible. Therefore, these goals have been met.

OICI proposed the following end-of-project status indicators (EOPS) after two years. We state our findings about each one under the specific indicator.

1. Organised and trained community-based board of directors responsible for policy making and programme guidance, financial monitoring and resource mobilisation for the OIC KwaZulu-Natal Vocational Training Programme.

Accomplished.

2. Registered OIC KwaZulu-Natal Vocational Training Programme as an NGO in the legal structure of the Republic of South Africa.

Accomplished.

3. Trained OIC programme management and technical staff to be able to administer and implement all phases of programme operations.

Accomplished within the limits of the available time (two years). Our major concern lies in the loss of key staff through recent retrenchments. Remaining staff demonstrate significant management and technical ability plus the ability to acquire additional skills.

4. Financial and in-kind support commitments from government sources, donors and income generation efforts sufficient to ensure ongoing programme operational costs.

Not yet accomplished. This target will require another year of USAID funding to meet. Absent such funding, the Centre will have to close its doors on September 30, 1998.

5. OIC KwaZulu-Natal management control systems fully in place and operational.

Partially accomplished. SA-OIC has established management control systems, but they require strengthening, particularly in the areas of finance and student records.

6. OIC KwaZulu Natal operational programme documents developed including training curriculums, standard operating procedures, job descriptions, base line data and evaluations, annual work plans, annual audits, resource development and sustainability plans.

Partially accomplished. The Centre has established training curricula. OICI has submitted annual work plans and contracted for annual audits. The Director reports the existence of standard operating procedures and job descriptions, some of which we examined. No base-line data were gathered beyond the feasibility study, and the only external evaluation carried out (besides the current exercise) examined the "bankability" of the programme. The Centre has not prepared a written resource development and sustainability plan, although it has invested extensive time and energy in resource mobilisation.

7. The output of the OIC KwaZulu-Natal Vocational Training Programme will have achieved its planned targets including:

- a) 2,600 unemployed youth trained in feeder/life skills and building trades (including but not restricted to carpentry, masonry, electricity and plumbing) of which 60% will be job placed.

Not accomplished. The target of 2,600 trainees was demonstrably unrealistic, even more so that the narrower target of 1,250 in the CA. Although SA-OIC has met the target of placing 60% of its graduates, this is calculated on the basis of 239 individuals known to have found employment out of only 407 total graduates from the first six cycles. Had the Centre actually trained 2,600 students, its placement objective would have been 1,560.

In retrospect, three factors prevented such an achievement. First, the Centre's training capacity currently stands at around 500 students per year,

far from the 1,300 per year required. Second, the feasibility study assumed that the RDP would absorb most graduates into construction projects for housing, schools, clinics and water systems. The South African Government eventually "decentralised" the RDP in such a way that it does not directly generate such employment opportunities. Although the OICI feasibility study noted this possibility as a risk factor, it did not present a back-up plan (probably because at the time of democratic elections in 1994, the RDP seemed such a central part of government policy, and because South African officials and business people painted such a positive picture for the study team). Third, in setting the placement target the study drew incorrect comparisons to other training centres in the Pietermaritzburg: the Natal Training Centre and the Khuphuka Skills Training Centre. Although these centres do boast placement rates of 60 to 100 percent, their students generally have employment or promises of employment already.

- b) 375 existing and potential small business entrepreneurs, working in the construction industry, will be trained in feeder/life skills and business management skills and assisted in developing business plans for new starts or expansion.

Partially accomplished. All trainees take one week of life skills and one-week of business skills. Therefore, 407 graduates have received basic instruction in these areas. However, only the 19 graduates of the separate small business development course would have received enough training to develop business plans for new starts or expansion.

- c) 250 members of community based organisations participating in the infrastructure development programmes of the RDP will be trained in building trades and feeder/life skills.

Not accomplished because of changes to the RDP. However, local government and organisations did sponsor 273 trainees for various RDP projects. Beyond this, the community development programme trained 228 people, most of them unemployed youth, in life skills only, and a further 813 community members in community development skills.

- d) 15 members of the OIC KwaZulu Natal board of directors trained in programme and policy development, programme monitoring and resource mobilisation.

Accomplished, although SA-OIC and the Board Chairperson feel that the Board now requires more training and support. The Board may also need new members, which would mean more training.

- e) 6 technical staff and 2 management/administration staff of OIC KwaZulu-Natal will be trained in programme management and training skills implementation.

Accomplished.

5.2 Project Future

Taken in aggregate, this evaluation's findings lead to the following basic conclusions:

1. The USAID grant, through the agencies of IFESH and OICI, has established a successful new NGO, SA-OIC, and a training programme in Pietermaritzburg that already empowers historically disadvantaged South Africans by providing increased access to skilled technical training.
2. Although it has not met every target set for it, taking into account its relatively short life-span SA-OIC has made a good start. It has already trained hundreds of black South African youth, some of whom have been able to find or create paid work for themselves.
3. SA-OIC needs more time to fully test and realise its potential. It must use this time to improve some aspects of its internal structures and management; to refine the selection, content and delivery of its training programmes; to improve its job development strategies and track record; and to become self-funding.

Without additional USAID support for at least one more year, however, SA-OIC will go out of business on September 30, 1998. It does not have any prospects of finding before that date enough alternative funding to balance its books without USAID/South Africa's help. Unless the Centre achieves self-sufficiency, USAID will have largely wasted its investment so far. We also see a potential role for USAID even beyond September 30, 1999, not in funding normal Centre operations but in supporting its further development.

Rec. 24: USAID should extend funding for this project for at least one more year through a direct grant to SA-OIC in order to give the programme sufficient time to establish itself on a sustainable basis. If feasible, USAID should leave open the possibility of lower-level funding in a fourth year to complete any development tasks required for full sustainability, to support reduced fees for some disadvantaged students, and/or to assist with replicating the model.

One of our key findings is that SA-OIC should reconsider its decision to close non-accredited programmes. Although we accept that the Centre made a rational choice in this

regard, we feel that these discontinued courses may offer even better employment prospects than the building trades courses that are continuing. Additional USAID funding could serve an important role here by allowing this hypothesis to be tested in practice, so that SA-OIC can make a final decision on rationalising its programme based on all of the available options.

Rec. 25: Extended USAID funding should allow the Centre to restore key functions and personnel recently retrenched due to budgetary constraints. We would place particular emphasis on instructors for the motor vehicle, electrical and welding sections (assuming that they are reopened), on a training manager who can provide leadership in redesigning the instructional systems, and on a jobs placement officer who will liaise proactively with local business and industry and who will keep effective records of certification and placement.

Finally, we noted during our site visit to Pietermaritzburg that SA-OIC was also working on a proposal for further funding from USAID, due that same week. The fact that SA-OIC had to meet this deadline concerns us. We fully appreciate that the USAID review process must move forward so that new funds can be available by October 1st. On the other hand, we believe that the findings of this evaluation could and should influence the precise nature of any future funding.

Rec. 26: SA-OIC and USAID should review the draft SA-OIC proposal in light of evaluation findings and recommendations. Where necessary, the proposal should be modified to take these into account, and to specify clear objectives for extended USAID funding (such as further programme, staff and organisational development for specified purposes, plus the achievement of full sustainability). The two parties should accomplish this on an accelerated schedule that does not jeopardise the availability of any further USAID funds by October 1st.

As part of its draft proposal, SA-OIC submitted a budget for operating USAID-supported programme components in Year 3. As we note above in our discussion of sustainability issues, SA-OIC must now look at its overall cost of operation in comparison to all of its revenue sources, so that it can devise a plan for gradually diminishing its reliance on USAID funding over the course of the year through increased revenues from additional sources, notably other donors and sponsors plus student fees. USAID, in turn, must see that SA-OIC receives the funds necessary not just to operate its programme, but to develop it through technical assistance as needed.

Rec. 27: SA-OIC should prepare a comprehensive budget for Year 3, taking into account revenues from all sources (including USAID, other

donors and sponsors, income generation and student fees) and expenditures for all purposes. Its funding request to USAID should include money for the costs of technical assistance from OICI, IFESH, or other sources to be determined by SA-OIC.

Section
6

Recommendations

In this section we restate our recommendations without our background findings, for ease of reference, noting the sub-sections above from which we drew each one.

4.1 Training

1. SA-OIC should take an integrated approach to the life skills, business and vocational training programmes. The costing course, for example, must be made relevant to the particular vocational trades. The emphasis should be on the promotion of formal and informal entrepreneurs within the vocational programmes offered. This will also help improve placement rates hindered by a lack of opportunities in the formal sector. In order to achieve this speedily and successfully, relationships should be forged with more experienced entrepreneurs, for instance.
2. To address the problem of start-up finance a special revolving fund should be established. SA-OIC should forge relationships with the major corporations and government agencies to solicit assistance.
3. The system of fixed cycles should be scrapped and emphasis be placed on providing the trainee with a critical number of skills. The acquisition of this critical number of skills, irrespective of time, should dictate the definition of a graduate. The lifelong learning principles and multiple entry and multiple exit points mentioned in the National Qualifications Framework (NQF) supports this system. However an exception may be made for a contracting party that may require a fixed-cycle training.
4. SA-OIC should regard physical planning and maintenance of the Centre as an important portfolio and attach it to a responsible person, who should then develop an overall plan for developing the physical infrastructure.
5. SA-OIC should urgently seek the advice of a competent person and comply with the OSH Act, as well as any other legal requirements as necessary.
6. SA-OIC investigate the pros and cons of various entrance testing strategies, seeking expert assistance if necessary.
7. As part of its strategic planning process, SA-OIC should identify and implement concrete measures to raise the Centre's efficiency and lower its unit costs to levels

equal to or better than those achieved in 1996-97. Such measures should include reversing the decline in enrolments per cycle and increasing the number of cycles (or their equivalent) per year.

8. SA-OIC should appoint an advisory panel to assist it in formulating a broad strategic policy on accreditation to replace ad-hoc practice which operates at present. This panel could equate to the advisory committee which the affiliate agreement mandates the Board of Directors to establish, thereby giving such a board committee a useful role to play at this time.
9. SA-OIC should review its core competencies to accurately identify its market niche. Perhaps the construction industry programme should be balanced with the other vocational programmes. Although accreditation always has value, the market itself should dictate target skill areas.
10. Although a considerable investment in the motor shop has already been made, we strongly recommend that the equipment necessary for the level 1 training specified by the Motor Industries Training Board be considered by SA-OIC should it decide to continue the course.
11. The Centre should establish a human resource development programme to assist the continuing professional development of its staff.
12. SA-OIC should develop and implement a strategic plan for accreditation, taking all relevant factors into account.

4.2 Targeted Beneficiaries

13. Instead of being required to track sub-groups of target beneficiaries (unemployed youth, former combatants, etc.), we recommend that USAID ask the Centre to spend more of its MIS resources on tracking its graduates and placing them with employers.

4.3 Project management

14. OICI should prepare an agreement with SA-OIC that meets the requirements of the Co-operative Agreement and responds to the relevant audit finding. OICI should submit this agreement to USAID/SA through IFESH at the earliest possible date. IFESH should ensure that OICI has the guidance necessary to accomplish this.
15. SA-OIC should take professional advice about the relative advantages of VAT exemption versus VAT registration.
16. SA-OIC should develop and implement a simple, but effective and efficient, management information system. A comprehensive graduate tracking system should be included in such an MIS.

17. SA-OIC's 1998-99 budget should include provision for restoring key positions that were recently cut, particularly those of the training manager, job development officer and (depending on decisions about which courses to offer) some instructors. Assuming that it agrees to continue its support of the Centre, USAID should provide sufficient funding for this purpose in order to give the Centre a full three years with adequate staffing to achieve sustainability and test in practice the viability of each course. If it cannot obtain external funding adequate to this purpose, the Centre should consider reducing staff in other areas (such as multiple instructors for one building trades course) in order to restore critical positions.
18. The SA-OIC Board of Directors, with assistance from OICI, should draw up a plan of action to guide its evolution into a new, more effective role in guiding and promoting the Centre. This plan should address, inter alia, the issues of membership (numbers, representation, attendance), operating committees, policy direction and development (fund-raising, public relations, marketing and networking). The two parties should amend the affiliate agreement as necessary to reflect any changes agreed in the plan of action.
19. The SA-OIC Director and Board should draw up an action plan for promoting the Centre, particularly to potential donors and employers. If possible, a job developer should be re-employed to assist in this process. The Board should take an active role in this, both in terms of designing the plan and in terms of promoting the Centre to its members' constituencies.

4.4 Relationships

20. SA-OIC should continue to strengthen existing public-sector relationships while establishing contact at the national and provincial levels with the Youth Commissions and the Departments of Education, to promote its own work, develop new markets and clients, and provide input to policy discussions that could foster replication of its model.

4.5 Sustainability

21. SA-OIC's Management and Board should give the highest priority to devising a strategy for financial self-sufficiency that can be implemented by October, 1999. The strategy should be enshrined in a written action plan to be completed no later than December, 1998. Extended USAID funding should support this process by covering the costs of relevant technical assistance from OICI and South African experts.

4.6 Replicability

22. SA-OIC should continue to focus exclusively on its Pietermaritzburg centre for now. Efforts to replicate the model elsewhere in South Africa should wait until the current operation demonstrates sustainable success.

4.7 Reporting

23. The matching funds requirement should either be deleted from the current CA or formally accepted as met by USAID. However, in order to promote sustainability any future grants from USAID/SA in support of SA-OIC should exclude the value of the building lease from contribution calculations in favour of an emphasis on programme revenues, cash contributions and in-kind contributions.

5.2 Project Future

24. USAID should extend funding for this project for at least one more year through a direct grant to SA-OIC in order to give the programme sufficient time to establish itself on a sustainable basis. If feasible, USAID should leave open the possibility of lower-level funding in a fourth year to complete any development tasks required for full sustainability, to support reduced fees for some disadvantaged students, and/or to assist with replicating the model.
25. Extended USAID funding should allow the Centre to restore key functions and personnel recently retrenched due to budgetary constraints. We would place particular emphasis on instructors for the motor vehicle, electrical and welding sections (assuming that they are reopened), on a training manager who can provide leadership in redesigning the instructional systems, and on a jobs placement officer who will liaise proactively with local business and industry and who will keep effective records of certification and placement.
26. SA-OIC and USAID should review the draft SA-OIC proposal in light of evaluation findings and recommendations. Where necessary, the proposal should be modified to take these into account, and to specify clear objectives for extended USAID funding (such as further programme, staff and organisational development for specified purposes, plus the achievement of full sustainability). The two parties should accomplish this on an accelerated schedule that does not jeopardise the availability of any further USAID funds by October 1st.
27. SA-OIC should prepare a comprehensive budget for Year 3, taking into account revenues from all sources (including USAID, other donors and sponsors, income generation and student fees) and expenditures for all purposes. Its funding request to USAID should include money for the costs of technical assistance from OICI, IFESH, or other sources to be determined by SA-OIC.

Section
7

Annexes

7.1 Glossary

AID	Agency for International Development
AID/W	Agency for International Development/Washington
ANC	African National Congress
ATICC	AIDS Training in Counselling Centre
BITB	Building Industries Training Board
CA	Co-operative Agreement
CSO	Civil Society Organisation
DANIDA	Danish International Development Agency
DPW	Department of Public Works
ECITB	Electrical Contracting Industries Training Board
IFESH	International Foundation for Education and Self-Help
IFP	Inkata Freedom Party
IR	Intermediate Result
KZN	KwaZulu-Natal
MEIETB	Metal and Engineering Industries Education Training Board
MITB	Motor Industries Training Board
MIS	Management Information System
NGO	Non-Governmental Organisation
NSB	National Standards Body
NTC	Natal Training Centre
OIC	Opportunities Industrialisation Centre(s)
OICI	Opportunities Industrialisation Centres International
OSH Act	Occupational Health and Safety Act
PPC	Production Performance Criteria
RDP	Reconstruction and Development Programme
RPL	Recognition of Prior Learning
SABS	South African Bureau of Standards
SA-OIC	South African Opportunities Industrialisation Centres
SAQA	South African Qualifications Authority
SOW	Scope of Work
TA	Technical Assistance
TESA	Training and Education for South Africa
TLC	Transitional Local Council
TPC	Training Performance Criteria
USAID	United States Agency for International Development
USAID/SA	United States Agency for International Development/South Africa
VAT	Value-Added Tax

7.2 Interviews Conducted

The evaluators conducted the following interviews during the course of the evaluation, as per the requirements of the scope of work.

USAID/SA

- Mathata Madibane, Project Officer
- John McAvoy, Regional Contracting Officer
- Dina Way, Contracts Specialist

IFESH

- Eartha Isaac, Chief of Party
- Aksel Petersen, Deputy Controller (telephonically)
- Dr C. T. Wright, Executive Director (telephonically)

OICI

- Reginald Hodges, Senior Director, Growth and Development
- Terry Vellari, Director of Finance (telephonically)

SA-OIC

- Ken Adlam, Electrical Instructor
- Terrence Dhaljith, Motor maintenance Instructor
- Gugulethu Khumalo, Painting Instructor
- Vincent Khumalo, Plumbing Instructor.
- Sandile Manana, Job Developer
- Owen Malembe, Counsellor
- Mandla Ndema, Plasterer and Tiler Instructor
- Khanda Ndimande, Carpentry Instructor
- Bongani Ndlela, Business Programme & Life Skills Instructor
- Busi Ndlovu, Finance Manager
- Wellington Ntsibande, Bricklaying Instructor
- John Peters, Carpentry Instructor on the DANIDA Project.
- Vasco Seleokane, Director
- Joe Sithole, Training Manager
- Phumani Zondi, Chairperson of the Board

Training Boards and Other Training Institutes

- Lance Ledingham, Training Advisor for the BITB
- Peter Cullen, Training Manager for the Natal Training Centre.
- Jay Parmanund, Former Teacher with Sastri Technical College and presently Lecturer with the M L Sultan Technikon.

Others

- Ruth Bengu, National Deputy President, SANCO, and MD, Ubuntu Development Consultants
- Dan Chetty, CEO, Consumer Division, SANCO
- Bongani Khonjwayo, Managing Director, Gauteng Regional Office, Department of Public Works
- Dumisani Mthlale, Deputy Chairperson, SANCO/KZN, and Administrative Director, Ubuntu Development Consultants
- Roy Naidoo, General Foreman, G. Rivero Napierville Prisons Project
- Zodwa Ntombela, TLC Counsellor
- Quintin Swanepoel, Plumbing Foreman, Stocks and Stocks Edendale Low-Cost Housing Project

The evaluators did *not* contact the following individuals and organisations mentioned in the scope of work or otherwise identified as having useful input. The reasons for each omission are given in brackets.

- Carol Davis, IFESH, Controller (on leave, deputy contacted instead)
- Department of Public Works, Director General or Deputy Director General (unable to contact in time)
- Fanie LeRoux, Provincial Skills Development, Department of Labour/KZN (unavailable)
- National and Provincial Youth Commissions (inadequate time for meetings)
- Patrick Fine, USAID, Education Officer (out of the country)

7.3 Documents Reviewed

As well as the documents presented in this section as annexes, we reviewed the following:

- Co-operative agreements between USAID and IFESH (2)
- Correspondence between the various parties (USAID, IFESH, OICI and SA-OIC)
- Evaluation scope of work
- Green paper on Further Education and Training, issued by the Department of Education on April 15, 1998.
- Green paper on Skills Development Strategy for Economic and Employment Growth in South Africa, issued by the Department of Labour in March, 1997.
- IFESH annual report, 1994
- IFESH/SA annual work plans and semi-annual progress reports
- IFESH brochure, "Building a Better Future through Self-Help"
- Minutes of recent SA-OIC Board of Directors meetings
- OICI affiliate agreement with SA-OIC
- OICI capability statement and informational brochures
- OICI briefing materials for evaluation
- OICI/DPW feasibility study
- OICI proposal to IFESH
- OICI reports to IFESH (project start-up, semi-annual reports)
- OICI technical assistance trip reports
- OICI training materials for SA-OIC staff and board
- SA-OIC 1997 audit report
- SA-OIC proposal to USAID (1998-99) and budget
- SA-OIC reports to OICI (two samples)
- Sub-grant from IFESH to OICI (with amendment)
- Training curricula and certification requirements (as per Section 7.5)
- USAID evaluation manuals (two versions)
- USAID web sites (AID/W, USAID/SA)

7.4 Current Board members

[insert list of current board members here]

7.5 Training Annexes (4.1.1a–4.1.15f)