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SUPPORT FOR ECONOMIC GROWTH AND ANALYSIS II (SEGA II)

2007 Second Quarter Progress Report

January 1, 2007 – March 31, 2007

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Quarterly Report January 1, 2007 – March 31, 2007

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INTRODUCTION

The Support for Economic Growth and Analysis and Mandela Economics Scholars Program II (SEGA II) began on August 27, 2004 and continues through August 26, 2007. SEGA II has been designed to support the Economic Capacity Strategic Objective of the USAID South Africa results framework. This second quarterly report 2007 documents progress made towards achieving USAID's objectives for this program as reflected in the Statement of Work:

- Working with public sector agencies and civil society organizations to perform analyses that will improve the policy and regulatory environment; and contribute towards a reduction in poverty and unemployment within a supportive macro-economic environment.
- Working with these same institutions, and employing both formal and informal training mechanisms, to develop economic research and policy capacity in South Africa.
- Collaborate with other donors, in particular the UK's Department for International Development (DFID), in achieving these results.

SUMMARY OF ACHIEVEMENTS

A number of large research activities were completed and the results disseminated during the second quarter of Fiscal Year 2007. SEGA II has also begun to implement a range of new activities in the areas of credit finance and small business development. Highlights from this quarter include:

- A number of new SIPP (Support for the Implementation of Pro-Poor Policies) projects were initiated covering a wide range of important policy issues – from black economic empowerment to the tax burden faced by SMMES. SEGA II will also fund a series of research projects to evaluate different aspects of South Africa's current social safety net and recommend changes or improvements to it.
- SEGA II continues to provide substantial support to the new National Credit Regulator (NCR). A batch of activities designed to assist the NCR in the implementation of the National Credit Act began or continued this quarter, including a training program to assist 400 magistrates to understand the terms and implications of the new Act and regulations.
- Work with the Department of Trade and Industry (DTI) is developing well. Eight literature and policy reviews on issues relating to SMME development in South Africa were completed this quarter and a long-term advisor was appointed to manage the DTI's corporate law reform process.

TECHNICAL AREAS

While the SEGA II statement of work is diverse, it is clearly unified by its focus on capacity development and a strong orientation towards poverty and unemployment. It identifies 10 technical areas covering a wide range of issues and clients. In each area, activities have been designed to enhance the capacity of government, its regulators, NGO's and universities to design and implement economic policy in South Africa. This is to be achieved through policy research, technical advice and a variety of short and longer term training modules. Progress, by each technical area and activity, is described below and summarized in Annex A.

TA 1: STRENGTHENING THE IMPACT OF PRO-POOR PROGRAMS (SIPP)

SIPP is co-funded by DFID and was established to assist the National Treasury (NT) to incorporate pro-poor concerns into its tax and spending programs. Specific projects are identified by the Treasury and submitted to NT's research committee (a panel of four Deputy Director Generals) for approval.

The following SIPP projects have been completed to date:

- A desktop analysis of the importance of the child support grant within different households and for household members and its possible impact on poverty alleviation.
- A discussion paper on the calculation of poverty lines and the implication of different estimates for the measurement of poverty in South Africa.
- A discussion and policy paper on the eligibility of people with chronic illnesses for disability grants.
- A modelling workshop to assist the Government in planning, budgeting, and evaluating the economic impact of the World Cup 2010 soccer tournament.
- The development of a demographic model to assist the National Treasury in projecting the long-term size and distribution of the government's major social grants.
- A baseline study of the reach, targeting and effectiveness of the primary school nutrition program.
- An extensive and qualitative analysis of the patterns and determinants of poverty and vulnerability in rural South Africa.
- A review of the costs and benefits of different kinds of subsidies for affordable housing (desk-top study and a workshop).

Three additional SIPP projects are now underway:

1. A study and evaluation of the main black economic empowerment (BEE) programmes funded by national government departments that form part of the economic cluster. This information will help the Treasury in planning for future expenditure in this area.
2. A firm-level survey to investigate the causes and cost of tax compliance among small businesses and to propose legislative and administrative amendments (see Box 1).

3. A range of research studies to evaluate different aspects of South Africa's existing social safety net and recommend changes or improvements to it. The first of these studies, a scan and evaluation of the benefit funds managed by bargaining councils, began in this quarter.

Finally, SEGA II has contributed a fixed amount of funding to a capacity building facility to enable National Treasury employees to participate in targeted economic training events in the USA and South Africa. To date, six employees have received financial assistance from this facility to undertake short-courses in the United States; nine received assistance to undertake short courses locally and the facility contributed towards the costs of the Treasury's representation at the CABRI (Collaborative Africa Budget Reform Initiative)¹ workshop in Mozambique.

Box 1. A survey of tax compliance in South Africa

In 2005, the World Bank undertook a Sector Study of the Effective Tax Burden in South Africa. This study found that the effective tax burden on small business is high and one of the major contributing factors is the cost of tax compliance. In response, the National Treasury and SARS have asked SEGA II to fund a firm-level survey to further investigate the causes and cost of tax compliance among small businesses as well as propose legislative and administrative amendments.

The main objectives of this survey include:

- To improve the culture of compliance with business taxes in South Africa among small businesses.
- To identify the principle time and cost burdens on small businesses associated with registering for Income Tax, VAT and PAYE, the filing of returns for these taxes, access to SARS and penalties and interest.
- To establish a baseline against which future progress can be measured.

The survey will be divided into two components and will target two different samples. The first survey will focus on the formal sector i.e. businesses that are registered with SARS. These businesses are already experiencing the cost of compliance and the study aims to quantify the administrative cost of the three main taxes i.e. Income Tax, PAYE and VAT.

The second survey will focus on the informal sector i.e. businesses that are not incorporated and / or not registered with SARS. These businesses do not comply with tax administrative procedures but they do face other barriers to compliance, such as financial recordkeeping, perceptions about SARS and the expected implications of registering for tax. The extent to which these pose a barrier to entry to the formal economy will be tested in this survey.

¹ CABRI is a professional and autonomous network of senior government officials in ministries of finance *and* planning which aims to improve the efficacy of public finance management in Africa. The CABRI secretariat is located in the National Treasury of South Africa. For more detail see: <http://www.africa-sbo.org/cabri>

TA 2: PARLIAMENTARY TRAINING

SEGA/MESP (implemented by Nathan Associates) provided extensive formal economic training to South African parliamentarians and this support was continued by SEGA II. This activity came to an end in December 2006. SEGA II is still waiting for the results for the final group of 13 Parliamentarians that completed their Honours in Economics Degrees in 2006.

TA 3: MICROFINANCE POLICY REFORM

SEGA II (with co-funding from PRIME) has a long-standing relationship with the Microfinance Regulatory Council (MFRC) of South Africa. Most recently, the project has assisted the MFRC in preparing for a new National Credit Bill and Act. In December 2005 this Bill was approved by Parliament and the new Act and National Credit Regulator (NCR) came into force on 1 June 2006.

Current and future activities focus on the implementation of this legislation and the transformation of the responsible regulators. This includes:

- An assessment of the consumer credit market in South Africa.
- Assistance with the establishment of the National Credit Register and debt counselling process, which come into effect on 1 June 2007.
- The design of appropriate policies and business procedures for various new divisions in the NCR.
- The implementation of a communications and stakeholder relations campaign for the NCR.
- The development of information booklets, explaining the objectives and implications of the new act for creditors, debt counsellors and consumers.
- The training of magistrates to understand the terms and implications of the National Credit Act. This programme began in this quarter and the first 3 of 13 training courses were completed. To date, 82 out of an anticipated 400 magistrates have received training with USAID assistance.

In this quarter we received progress reports from four of the subcontractors working for the NCR on the above activities:

- The situational assessment and scoping exercise for the National Credit Register has been completed and proposals have been received from potential service providers for the technical design phase of the National Credit Register.
- The development of 'Policies and Procedures' has been completed for 8 out of the 10 departments in the NCR.
- A pamphlet has been designed and completed on 'Section 3 Regulations' and radio, newspaper and magazine advertising campaigns have been initiated;
- A draft report on the consumer credit market in South Africa has been concluded, providing the NCR with data on the volume and cost of consumer credit.

Further activities planned for the remainder of this fiscal year include a study on the impact of indebtedness and over-indebtedness in urban households in Johannesburg; in-house training of NCR management and staff on credit bureaux information; and assistance with the design of a legal and regulatory framework for ‘developmental credit’.

TA 4: AGRICULTURE AND LAND REFORM

SEGA II has supported two large studies on land-related issues with funding from ESF (a survey of the extent and causes of eviction; and two case studies on the economics of land reform). Both of these activities were completed last year and have been reviewed in previous quarterly reports. There is some possibility that the Treasury will ask SEGA II to fund an additional two case studies on the interactions between land reform and rural development in South Africa, but if these do not proceed, then no further work is expected in this area for the remainder of the contract.

TA 5: HIV/AIDS

SEGA II supports the government in costing and monitoring the impact of HIV/AIDS on health care workers and the delivery of basic care and treatment to HIV/AIDS patients and Orphans and Vulnerable Children (OVC). Most of SEGA’s work in this area has been completed with three PEPFAR-funded projects remaining.

1. A study on lessons learnt in addressing the situation of Orphans and Vulnerable Children (OVC) in Southern Africa was completed in this quarter (see the key results and recommendations in Box 2 below). This study will assist the Department of Social Development in the design of a data system for recording the status of OVCs in South Africa.
2. Work continues on a review of existing government and non-governmental databases and systems to record OVCs in South Africa and selected developing countries. This study, also done on the request of the Department of Social Development, is expected to be completed in June 2007.
3. A new activity has been designed and is in the process of being awarded to support MEASURE on a targeted evaluation of PEPFAR funded organisations providing support to OVCs in South Africa. The overall goal of the targeted evaluation is to describe the effectiveness of different interventions in terms of models, components, costs and outcomes in improving the well-being of OVCs in South Africa. Best practices will be identified and disseminated. This study is expected to begin next quarter.

Box 2. An analysis of the lessons learnt in addressing the orphans and vulnerable children (OVC) situation in Southern Africa

The Department of Social Development commissioned this desk-top study to synthesize the available research related to OVC interventions in Southern Africa and to present key policy lessons. The main findings and lessons learnt from this study are summarized below:

1. Lessons Learned in targeting and identification of OVC

- (a) Targeting mitigation and support interventions at orphans only in the context of the AIDS pandemic is entirely inappropriate and HIV prevalence within a community is not necessarily an appropriate targeting criteria for additional OVC interventions.
- (b) The use of checklists or lists of criteria in order to identify OVC for support at local level are not recommended.
- (c) Interventions that rely on appearance of children in order to identify them for support may be overly focused on provision of food and clothing therefore missing those children who are primarily in need of psychosocial or other support.
- (d) Whilst targeting of individual children is subject to the caveats above, targeting communities with additional OVC interventions would seem to be appropriate.

2. Lessons Learned in Relation to Increasing Access to Essential Services

- (a) Strengthening systems to reduce barriers to access to essential services for all children has potential to greatly enhance access to these services for OVC and should be supported.
- (b) Access to child care and Early Childhood Development (ECD) services for children 5 years and under has been shown to play a critical role in protecting the development of children.
- (c) The use of communication campaigns, including mass media, print media and social mobilization should be encouraged.
- (d) Existing documented area-based interventions for OVC reach only the tiniest fraction of the most vulnerable children in South Africa and other countries.
- (e) Establishing effective partnerships with NGO/CBO and grassroots organizations to increase capacity for OVC support is critical.
- (f) Design of studies to collect routine data on children's access to services and how these services and other factors relate to their well-being and healthy development should be a high priority.

3. Lessons Learned in Relation to the Package of Services that should be Offered in OVC Interventions

- (a) It is critical to develop explicit strategies to forge partnerships and co-ordination to develop a safety net for children. This applies to all levels and settings of interventions.
- (b) At the level of the community interventions, different settings and communities need some latitude regarding those priorities and actions likely to make the greatest difference to the well-being of children in their area.

4. Lessons Learned in Relation to How Area-Based OVC Support Interventions should be delivered

- (a) Data overwhelmingly suggest that new interventions should be developed embedded within credible pre-existing institutional structures or centers wherever possible, rather than as stand-alone models.
- (b) Discussions with community leaders, gatekeepers and duty-bearers are critical during set up and design of the intervention.
- (c) Screening procedures should be used to select volunteers and OVC support providers to ensure that they are motivated, capable and trustworthy.
- (d) Implementers should be assigned specific tasks and their work monitored and supported.

5. Lessons Learned in Relation to Documentation of Interventions and Learning

- (a) It is apparent that undertaking sound evaluation does not depend entirely on which evaluation methods are used, but more in using the appropriate methods to the best standard possible and undertaking high quality data analysis and report writing.
- (b) There is an urgent need for policy-makers, program managers, funders and researchers to develop a more nuanced understanding of the different kinds of intervention evaluation available for DOSD programs.
- (c) Researchers and program managers responsible for monitoring and documentation of interventions should be held accountable to provide certain minimum data elements or indicators.
- (d) In documenting interventions and impacts on children's lives, researchers need to be sensitive to situations where they are conducting research with respondents who are in great distress and situations of extreme hardship.

TA 6: REGULATORY REFORM (AND SMME POLICY)

Three tenders have been issued to initiate a range of new work in the area of SMME development. The focus of this assistance will be on the impact of crime, regulations and competition on small businesses.

The first of these activities was completed this quarter. The main task of this particular study was to synthesize the existing body of work in the area of SMME development in South Africa and to make it accessible for policy-makers. This extensive literature and policy review contained in eight separate and thematic reports:

- Priority sectors (creative industries, business process outsourcing and off-shoring and tourism);
- The informal economy and home-based enterprises;
- The impact of Local Economic Development programs;
- Clusters and regional development;
- Integrating SMMEs in the value chain;
- Finance, training and the regulatory environment;
- The existing state of data on SMMEs; and
- Government versus market-led approaches to business development.

The consultant has been invited to present this research at an inter-governmental workshop in May 2007 and to assist the DTI to apply this knowledge towards an integrated SMME research programme. SEGA II will continue to provide support to this process.

Two new projects are due to begin next quarter:

1. The Provincial Government of Mpumalanga is concerned that the SMME sector in the province is underdeveloped and uncompetitive. SEGA II has been requested to fund a study to identify the main constraints to SMME development in Secunda, Witbank and Middleburg and to explore means to improve linkages between SMMEs, Government and Industry in these areas.
2. The Presidency has asked requested SEGA II to commission new research work on the impact of crime on small enterprises, particularly those in 'township' and urban informal settlements. The objective of this work is to obtain a better understanding of the extent to which crime prohibits, or makes it difficult/costly to maintain, small enterprise activities in such settings.

SEGA II has also engaged a long-term advisor to manage South Africa's corporate law reform process within the Department of Trade and Industry. In this quarter, the Draft Companies Bill was submitted to the Cabinet Committee on Economic Development; presented to Cabinet; approved for public comment; and then published. Information sessions were held in all nine provinces and an international conference on the draft Companies Bill was hosted in late March.

TA 7: ENVIRONMENTAL ECONOMICS POLICY

There is unlikely to be any work in this TA over the duration of the project. SEGA II will continue to monitor developments in this area and will inform USAID if any prospective activities arise for future consideration.

TA 8: INTELLECTUAL PROPERTY RIGHTS

There is unlikely to be any work in this TA over the duration of the project. SEGA II will continue to monitor developments in this area and will inform USAID if any prospective activities arise for future consideration.

TA 9: SUPPORT FOR HIGHER EDUCATION

SEGA II funds and manages the Mandela Economic Scholarship Program (MESP) which provides bursaries to South African students to undertake advanced degrees in economics at foreign (MESP I) and local (MESP II) universities.

SEGA II has provided bursaries to four MESP I students to enable them to complete their PhDs in Economics through the Universities of Rhode Island, Michigan State, Massachusetts and Colorado. Two of these students completed their degrees last year and the remaining two plan to return to the USA to defend their theses before July 2007.

Support for MESP II ended in December 2006. The University of KwaZulu Natal has a small amount of un-used funding available and this will be used to support selected MESP II bursary holders to attend and present their theses at a national economic conference later this year.

TA 10: COMPLEMENTARY ACTIVITIES

The above technical areas cover most of the key aspects of poverty and unemployment in South Africa, but not all. Notable exceptions include private sector issues and the impact of globalization on trade, investment, employment and the poor.

Frank Flatters is currently contracted as a policy advisor within the economic policy division of National Treasury. In this quarter he provided input into a paper on the exchange rate and macroeconomic management; participated in a workshop on development finance institutions; helped to develop a research programme on a range of environmental issues; and continued to assist on the MIDP and industrial policy.

SEGA II is also involved in the National Income Dynamics Study (NIDS) commissioned by the Presidency and to be undertaken by SALDRU (a research unit attached to the University of Cape Town). The NIDS is a massive and complex exercise which will involve interviewing every adult member in each of 8 000 households across the country (see Box 3). SEGA II has contracted a panel of international experts to provide technical advice to SALDRU and the Steering Committee on issues of sampling, methodology and questionnaire design and comment on various documents, questionnaires and reports; and will fund a

parallel qualitative study to inform the questionnaire design and provide a deeper understanding of the data collected for the NIDS Survey.

Box 3. The National Income Dynamics Survey (NIDS)

The decision to conduct the proposed longitudinal national panel household study was taken at the January 2005 Cabinet Lekgotla, emanating from the findings of the discussion document on the Macro-Social Environment and Challenges for South Africa and was also announced by the President in the February 2005 State of the Nation address.

It is envisaged that the NIDS, which is a longitudinal survey, will be carried out at two or three year intervals amongst a nationally-representative sample of the South African population (of approximately 8 000 households) over a continuous period to examine income, consumption and expenditure dynamics of households.

The overall objective of the NIDS is to contribute towards the efficacy of public policy interventions in household economies in South Africa with a view to improving service delivery and the achievement of economic and social development goals in South Africa.

Amongst other issues, the NIDS is expected to shed light on the following themes:

- Wealth creation in terms of income and expenditure dynamics and asset endowments;
- Demographic dynamics as it relates to household compositions and migration;
- Social heritage, including education and employment dynamics, the impact of life events (including positive and negative shocks), social capital and intergenerational developments; and
- Access to cash transfers and social services.

NIDS Terms of Reference (2006)

BENCHMARKS

The following table provides a summary of the key objectives and results for SEGA II. Existing targets, taken from the Performance Monitoring Plan for USAID/South Africa's Economics Capacity Building Strategic Objective, have been added to show the contribution of SEGA II and to facilitate USAID monitoring of the progress of the project.

	<i>Objectives</i>	2007 (1 Oct 2006 to 31 March 2007)			
		<i>Anticipated results</i>	<i>Proposed Targets</i>	<i>Performance</i>	<i>Comment</i>
Sustainable capacity-building	Strengthen human resources in economics and policy	Number of historically disadvantaged people completing long term advanced degrees	110	140	SEGAI does track the number of graduates that find jobs as economists in government
		Number of people selected for training	N/A	N/A	MESP ended
		Gender Equity – percent women trained	40%	44%	61/140
		Proportion of graduates working for government	N/A	N/A	MESP ended
	Strengthen centres of economic excellence in teaching and research at historically disadvantaged universities.	Full-time equivalent students	N/A	N/A	Program ended
		Outreach programs with govt, Parl., bus., NGOs	N/A	N/A	Program ended
Quality Research papers		N/A	N/A	Program ended	
Assessments and analyses	Strengthen government departments that deal with policy matters.	Number of directorates strengthened	5	13	
		Number of quality policy studies completed	30	10	
		People in economics training	150	83	
		Gender Equity – Women in Training	40%	29%	24/83
	Strengthen think tanks to formulate and deal with economic policy options.	Number of quality studies produced	10	2	
		Number of seminar, conferences, and workshops attended by think tanks.	4	2	
		Black professionals working on assisted activities	20	2	
		Gender equity – professional women working on assisted activities	12	8	

It is important to recognise that the indicators and targets applied above were developed to monitor the performance of the SEGA/MESP (Nathan Associates) contract and are not all reflective of type and scale of work done by SEGA II. In the absence of a more accurate and appropriate PMP, SEGA II will continue to report against these indicators.

DELIVERABLES

The following deliverables were prepared during the period January 1, 2007 – March 31, 2007.

Technical Area	Activity	Date	Document title. type
Regulatory Reform / SMME Policy	SMME Literature and Policy Review	March 2007	segavc2.doc segadata.doc segaclusters2.doc segafintreg.doc
MFRC/NCR	Feasibility and Design of the National Credit Register	March 2007	Tracy vd Heijden Progress Report2.doc
MFRC/NCR	Communications advisor	March 2007	Bertha Dlamini Report on Progress (Jan – Mar 2007).doc
MFRC/NCR	Policies and procedures	March 2007	NCR – Yarona Progress Report.pdf
MFRC/NCR	Indebtedness indicators	March 2007	NCR – Frisk Progress Report.pdf
HIV/AIDS	OVC Lessons Learnt	February 2007	HDA OVC Lessons Learnt Final.pdf
HIV/AIDS	OVC Data Systems	February 2007	Literature Review
SIPP	SMME Tax Compliance	February 2007	SMME Tax Survey Inception Report.doc

ANNEX A: SUMMARY OF ACTIVITIES

Activity No.	Project	Description	Objective	Indicative Budget \$	Status	Start date	End data
<i>TA1: Strengthening the Impact of Pro-poor Programs (SIPP)</i>							
8	Intra-household dynamics in resource allocation	Analysis of the flows of social grants to different types of households and the impact of these grants on household members	To evaluate the allocation and effectiveness of social grants	30 000	Completed	Feb 2005	May 2005
30	Poverty line	Review of methodologies for calculation of poverty lines and the implications of different estimations for the measurement of poverty in South Africa	To assist Government in the determination of an appropriate methodology and measure	15 000	Completed	Jan 2006	Feb 2006
3, 45 & 50	CGE Micro-simulation	Technical assistance to National Treasury modelling unit	To assist NT in the development of a CGE Micro-simulation model	120 000	Ongoing	Nov 2004	Mid-2007
10	Land-based vulnerability, labour markets and social protection	Analysis of the patterns and determinants of vulnerability and food security in rural South Africa; and a review of government policies in these areas	To inform government on the livelihoods of the most poor and recommend policies to assist them	295 000	Completed	Feb 2005	Dec 2006
17	Primary School Nutrition Program	Baseline study and evaluation of the reach and effectiveness of the government's school feeding scheme	To provide baseline data and a possible methodology for future M&E	175 000	Completed	Aug 2005	Jul 2006
12	Social grants projections	Examination of population dynamics and the likely evolution of the economic position of welfare beneficiaries	To estimate the cost and improve targeting of social grants	80 000	Completed	Jun 2005	Apr 2006
18	Rural municipality case studies	Analysis of the economic impact of land reform projects in four pilot sites.	To clarify the economic case for land reform	200 000	Completed	Aug 2005	Nov 2006
33	Economic Analysis	Work with NT officials to develop analytical spreadsheets and develop a set of tools to evaluate policies	To build capacity for economic cost-benefit analysis within NT	240 000	Ongoing	Apr 2006	End 2007
28	FIFA Workshop	Workshop to assist NT to evaluate the potential economic impact and develop	To engage world experts to present and advise the	10 000	Completed	Nov 2005	Dec 2005

Activity No.	Project	Description	Objective	Indicative Budget \$	Status	Start date	End data
29	Disability Grants	appropriate models for the 2010 World Cup. A desktop policy review of the main problems experienced in the delivery of the disability grant and a description of the policy options available to government.	NT modelling unit. To assist NT in developing a national policy for the delivery of disability grants	11 000	Completed	Dec 2005	Jan 2006
48	Housing Tax Incentives	A desk top study and workshop with international experts on on the experience and appropriateness of different kinds of housing subsidies and support in middle-income countries	To advise government on possible housing finance support programmes.	41 000	Completed	Nov 2006	Nov 2006
44	BEE Review	Documentation and evaluation of main BEE expenditure programmes initiated by national government departments that form part of the economic cluster.	To understand similarities, synergies, and areas of cooperation and duplication.	41 000	Ongoing	Sep 2006	Early 2007
53	SMME Tax Compliance	A national survey of tax compliance costs impacting on small businesses operating in both the formal and informal sectors.	To assist government and SARS to reduce the cost and raise the incidence of tax compliance.	300 000	Ongoing	Jan 2007	Dec 2007
55,56 +	Poverty Reduction and Social Security	Analyses of various models for social security benefit schemes: UIF, Retirement, Workman's Compensation, death, disability and survivor benefits.	To assist government in the review and revision of the social security system.	500 000	Contracting/Ongoing	Jan 2007	Dec 2007
40	Reference Panel	A technical and policy review of completed SIPP projects.	To improve the accuracy and relevance of SIPP research.	75 000	Ongoing	Jul 2006	Dec 2007
<i>TA2: Parliamentary training</i>							
19	Parliamentary training	Formal economic training and support to Parliamentarians, especially the Budget Committee.	To improve economic knowledge and capacity in Parliament	150 000	Completed	Sep 2005	Nov 2006
<i>TA3: Microfinance policy reform</i>							
7	Consumer Credit Act	Evaluation of credit conditions and interest rates in different consumer credit markets	To recommend methodology for determination of interest rate ceilings	60 000	Completed	Feb 2005	Sep 2005

Activity No.	Project	Description	Objective	Indicative Budget \$	Status	Start date	End data
13	Long-term adviser on Microfinance Policy	Design and implementation of National Credit Regulator (NCR) and development of framework for credit providers	To assist in the design of a regulatory regime for the NCR	100 000	Completed	Sep 2005	Mar 2006
38	Consumer Education and Awareness	A marketing and research organization will design and publish easily comprehensible booklets on the National Credit Act for distribution to debt counsellors and creditors.	To educate debt counsellors and creditors on the new Act.	70 000	Ongoing	Aug 2006	Feb 2007
39	Feasibility and Design of the National Credit Register	Technical adviser to assist with the design and implementation of a national credit register.	To guide NCR staff through the establishment of the Register.	135 000	Ongoing	July 2006	Jun 2007
43	Communications Advisor	Communications expert to initiate stakeholder relations and develop a marketing campaign for the NCR	To implement a corporate communications strategy.	82 000	Ongoing	Oct 2006	Jun 2007
42	Policies and Procedures	Analysis of existing policies and procedures and the design and implementation of new procedures to address changes to the organisation and the Act.	To establish new and appropriate policies and business procedures for the NCR.	191 000	Ongoing	Oct 2006	Apr 2007
32	IT Technical Assistance	Specialist adviser appointed to check and revise specifications for system, arrange feedback between users and evaluate and test system.	To support the IT Infrastructure as the MFRC transforms in NCR	70 000	Complete	Apr 2006	Jan 2007
49	Indebtedness indicators	Review and quantification of possible indicators to be used to measure consumer credit indebtedness	To propose measures of consumer credit indebtedness to be tracked by the NCR	12 000	Ongoing	Jan 2006	Apr 2007
54	Magistrates Training	Manage logistics for 700 + Magistrates from all nine provinces to attend a 2.5 day course instructed by the Justice College in Pretoria	To educate Magistrates on the new National Credit Act	200 000	Ongoing	Feb 2007	July 2007
<i>TA4: Agriculture and land reform</i>							
9	Evictions - national survey	National survey of incidence and socio-economic impact of farm evictions	To inform policy on land evictions and highlight vulnerable communities	150 000	Completed	Mar 2005	Nov 2005
<i>TA5: HIV/AIDS</i>							

Activity No.	Project	Description	Objective	Indicative Budget \$	Status	Start date	End data
4	Home and Community Based Care (HCBC)	Assessment of characteristics, cost and efficiency of different HCBC models	To recommend appropriate models for scaling up HCBC programs	190 000	Completed	Jan 2005	Nov 2006
15	Impact of HIV/AIDS on health care workers	Analysis of the prevalence of HIV/AIDS amongst professional nurses its impact on attrition and productivity	To assist in human resource development and planning	85 000	Completed	Sep 2005	May 2006
20	Macroeconomic impact study	Evaluation of the economic impact of HIV/AIDS, by sector	To demonstrate the economic cost of HIV/AIDS	20 000	Completed	Sep 2005	Apr 2006
n/a	SA Journal of Economics	Publication of special edition focusing on the economics of HIV/AIDS	To publicize research in this area	20 000	Completed	Dec 2005	Dec 2005
27	HIV/AIDS and Poverty Workshop	Conference on the relationship between HIV/AIDS and poverty	To improve data and research on HIV/AIDS	20 000	Completed	Dec 2005	Dec 2005
23	Health Economics Roundtable	Forum for health economists to present research and identify research priorities.	To improve research coordination and collaboration	10 000	Completed	Feb 2006	Feb 2006
26	Roll-out of ARV treatment in the Free State Province	Monitoring and evaluation of the roll-out of ARV treatment and the impact on nurses at specific pilot sites	To highlight progress and obstacles to ARV roll-out	150 000	Completed	Dec 2005	Nov 2006
34	OVC –Media Stories and Documentary	Documentation of 5 OVC case studies and the preparation of presentations and a short documentary film of one selected site	To assist OVC organizations to document and share their ‘stories’ at a national conference.	35 000	Completed	Jun 2006	Oct 2006
36	OVC – Lessons learnt	Review of research done, policies in place and interventions implemented on OVCs in Southern Africa	To assist DSD in the development of an OVC data system	35 000	Ongoing	Aug 2006	Feb 2007
35	OVC – Data systems	Review information on OVC data systems established in South Africa and internationally	To assist DSD in the development of an OVC data system	90 000	Ongoing	Aug 2006	Mid 2007
58	Effective Intervention for	Documentation of all PEPFAR OVC partners	To determine best	300 000	Contracting	Early 2007	Late 2007

Activity No.	Project	Description	Objective	Indicative Budget \$	Status	Start date	End data
	OVC	in SA to identify program models, cost them, and evaluate outcomes.	practices for providing services to OVCs				
TA6: Regulatory reform (and SMME Policy)							
41	SMME Literature and Policy Review	A desktop scan of available literature on SMME development and policies in S.A. and the identification of research gaps.	To assist DTI to develop an SMME research strategy.	70 000	Ongoing	Sep 2006	Feb 2007
52	Company Law Reform	Long-term adviser to manage the process of Corporate Law Reform in the Department of Trade and Industry	To assist the DTI to successfully conclude the law reform process through research and consultation.	160 000	Ongoing	Jan 2007	Aug 2007
TA9: Support for higher education							
16	MESP 1	Provision of bursaries and support to South African students to undertake post-graduate studies in the USA	To facilitate post-graduate education in economics amongst historically disadvantaged students	100 000	Ongoing	Nov 2005	Mid 2007
24	MESP 2	Provision of bursaries and support to select academic departments and courses	To facilitate post-graduate education in economics amongst historically disadvantaged students	130 000	Ongoing	Aug 2004	Early 2007
11	UWC / Centre of Economic Excellence (CEE)	Financial support and assistance to the economics department at UWC	To develop and sustain a CEE at UWC	35 000	Completed	Jul 2005	Jun 2007
25	Placements and internships	Assistance to MESP graduates in finding employment in Government departments or agencies	To help graduates find permanent and appropriate employment	10 000	Completed	Dec 2005	Dec 2005
TA10: Complementary activities							
5	Development through trade	Provision of support to South African Institute of International Affairs' (SAIIA) trade research and advocacy program	To inform policy makers and business leaders on trade policy developments	35 000	Completed	Jan 2005	Mar 2005

Activity No.	Project	Description	Objective	Indicative Budget \$	Status	Start date	End data
1 & 22	Trade training for union leadership	Facilitation of two workshops on trade theory and policy for union leadership	To inform union members and leaders on trade policy developments	50 000	Completed	Oct 2004	Oct 2005
37	Southern Africa Tax Institute (SATI)	Support to SATI training courses	To enhance tax knowledge amongst policy makers	10 000	Completed	Jun 2006	Jun 2006
6	Industrial policy and incentives	Analysis of the relative impact of investment incentives and other industrial policy initiatives	To inform policy makers on the design and impact of industrial policy	60 000	Completed	Mar 2005	Jun 2006
21	Trade and poverty	Various household and case study analyses of the relationship between trade and poverty	To understand the way in which trade impacts upon poverty in SA.	50 000	Completed	Nov 2005	Mar 2006
46	National Income Dynamics Survey (NIDS)	Experts to provide technical assistance and guidance to the project team for the first year of the NIDS survey.	To provide oversight of the NIDS project.	100 000	Ongoing	Nov 2006	Dec 2007
51	NIDS Qualitative Study	Qualitative study to provide a deeper understanding of the data collected for the NIDS Survey	To augment the design of the NIDS survey questionnaire.	100 000	Contracting	Jan 2007	Dec 2007
47	Overseas Development Institute	Assistance to the deployment of two long-term advisers to the National Treasury	To enhance economic capacity within the Treasury	15 000	Contracting	Dec 2006	Dec 2006
14	Economic growth analysis	Four reviews of key issues relating to economic growth and development in South Africa	To inform future USAID strategy in this area.	15 000	Completed	Jun 2005	Nov 2005