



SOUTH AFRICA AND THE POST 2015 AGENDA

REPORT

 **Knowledge Pele**
Implementing Research-Led Development

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Foreword

In 2015, I had the privilege and pleasure of speaking at Trialogue's annual CSI Conference, held in May at the Wanderers Club in Johannesburg. My presentation took the form of a debate on the new Sustainable Development Goals and their relevance for South Africa. It's one of those conversations for which a clear case for or against cannot be made intelligently. Because who can really argue against, in principle, a global compact for poverty alleviation? On the other hand, with the Millennium Development Goals having achieved such mixed results, it's hard not to be sceptical of a homogenous set of targets to be applied to heterogeneous societies in a rapidly changing world. So it was clear from the onset, that a more relevant conversation, given also that the conference is centred on corporate social investment, would be about the ability of the local private social investment sector to align with global development practices, where relevant of course.

The South African CSI sector is estimated to be worth R8 billion. This rivals the USD1,2 billion received by South Africa in 2013 per the World Bank's assessment of net official development assistance. It is thus evident that outside of government's role as the primary social investor, the corporate sector plays a critical role in South Africa's development, at least from a pure budget perspective. The Trialogue debate then, in its attempt to unpack the relevance of global development, revealed two key hurdles preventing CSI's alignment with global development best practice: skills/capabilities and accountability. This foreword seeks to reflect on these challenges in terms of the factors that have produced them, the reasons why they act as impediments to development as well as the remedies that can be explored to bring about good change.

So let's start with who actually works in CSI. It is often the case that South African corporations give the task of CSI management to Public Relations or communications practitioners, at times human resources managers, compliance officers and at worst, anyone who demonstrates that they have the biggest heart for social issues. The problem is this: development, although appearing to be a common-sense challenge, is in fact a vexing one, which is best suited for subject-



matter experts. One has only to observe the very questionable impact that the development sector has had over the past 70 years to appreciate the impact of the capability gap in the sector.

A paper by Kenny and Sumner, reporting the survey results of a multi-country assessment, titled 'More Money or More Development: What Have The MDGs Achieved?' concluded that while poverty levels appeared to have decreased in the decade between 2000 and 2010, it was difficult to attribute such decreases to aid. Indeed, much of the gains in poverty reduction over the past two decades have been a function of China, which by virtue of economic growth, rather than aid, lifted half a billion people out of poverty. For many then, the inability to correlate development gains to development efforts proves that claims to development expertise are in fact bogus. Another common challenge in development is project-level success, where for reasons related to the failure of simplistic scaling, the gains made in one area are not reproduced when the same project is implemented on a larger scale. The PlayPump story is a recent poster-child of this phenomenon, which, on a small scale attracted the backing of everyone from the US government to celebrities like Jay-Z. However, scale proved to be the very thing that broke the camel's back and ultimately resulted in the demise of the village-centric water purification system. And therefore, while civil engineers can lay claims to millennia-old infrastructure, the very conscious act of alleviating poverty in the post-colonial era, has not delivered such amazing results.

But this infant-status, is in fact, the point. Development has only been a recognised field of study since the 1950s, linked largely to the establishment of new relations between former colonisers and their colonies. And certainly, one clearly sees the similarities between South Africa's internal transformation model and the global regime of moral and financial obligation for historical redress. Correspondingly, the global scarcity of development professionals is true in our local context, both in the public and private sectors. And it is in part because development is a sector that emerges out of obligation that its evolution has gone from public relations to compliance and lately, albeit gradually, to social justice. These shifts have been felt both in international development practice and theory. And it would appear, certainly from the admissions of CSI practitioners, that South Africa's private social investment sector is due for a similar shift from CSI as a marketing activity with compliance benefits to a compliance activity with social impact benefit.



It is in driving social impact, that the profile of required professionals will have to shift in favour of individuals trained to understand the inter-disciplinary connections between society, economic structure, anthropology and politics who are able to translate that into a set of practical programmes that have the latest development principles at their core: participation, impact assessment, empowerment, sustainability and accountability, to name a few.

But having the right degrees around the table is not sufficient. One of the key arguments made by William Easterly in his bestseller, 'White Man's Burden', is that the absence of accountability acts as one of the main impediments to development on a global scale. Julie Anderson Schaffner who reviewed the book, summed this argument up perfectly, stating that:

'the purse strings are held not by the poor, whose interests the aid establishment should serve, but by rich country politicians and their constituencies, who have little knowledge of the poor. In their ignorance or pursuit of self-interest, they treat numbers of reports written, summits organized, and dollars spent as if they were indicators of ultimate success, and fail to hold the international aid establishment accountable for real impact.'

Translated into a critique of the private social investment sector, one sees similar accountability challenges owing to bad regulation. The corporation accounts to the government and its shareholders in terms of money spent rather than the development impact of that money. In exceptional cases, as publicly presented by Vodacom and Anglo, corporations employ external agencies to assess impact, and furthermore, own up to failure in the order of hundreds of millions of Rands. The rules of the CSI game however, do not require that corporations account for actual improvements in the lives of the poor. There's no reporting mechanism that cares whether donated computers are unused, if after-school programmes produce little educational gains or if pensioners actually find Mandela Day visits intrusive. Thus apart from exposing the moral weaknesses of CSI, the absence of impact accountability reveals a deeper financial leakage issue. Because while spend can often be accounted for, complete with pictures to appease the guilt of the haves, very little of this R8 billion industry can demonstrate change in the lives to whom justice is owed.



The hope then is that the growing willingness of CSI departments to acknowledge their limitations marks the dawn of a new phase in private sector-led development. Critical to this process, will be an improvement in the data and theory that focuses on the local CSI sector. South Africa cannot look to the international development community to produce such theory because we don't mirror the typical developing country. As already indicated, our private social investments rival the size of the international donor assistance we receive. It is thus incumbent upon us to interrogate and remedy our own context.

Without a doubt, CSI departments must look to up-skill their teams by ensuring that more individuals are trained in development. Universities and training institutions also have a responsibility to produce development studies graduates who understand the marriage between theory and practice to ensure relevance beyond academia. The research fraternity is also called upon to investigate the efficacy of the grant-making system; to assess NGOs and their programmes and to document the experiences of beneficiaries. But above all, the most important change to CSI must be the obligation to report on impact, imposed by both the state and shareholders.

Linked to this, must be a mind-shift away from CSI as charity or donations to CSI as a social entitlement. By entitlements, it is meant that CSI forms part of the broader transformation agenda of the country, which is itself born out of the imperative to correct the historically entrenched poverty of the majority. CSI is therefore not a discretionary act of charity, but an extension of the rights to social justice and human dignity.



Fumani Mthembi

Managing Director: Knowledge Pele

Introduction

This report details the results emerging out of Knowledge Pele's (KP) first study of the private social investment sector. In this study titled, 'South Africa and The Post 2015 Agenda' we sought to understand the relationship between the private social investment sector and global development targets set through the United Nations.

The study, which was executed over a 7-month period, from February 2015 to August 2015, was timeous as it came at the end of the Millennium Development Goals. Thus, although backwards looking in nature, it sought to understand whether we should reasonably expect South Africa's private social investors to align itself with global goals. This however, is not a value-driven position. In other words, Knowledge Pele doesn't treat global development objectives as unquestionable. What we sought to understand was the nature and quality of decision-making in the private social investment sector.

In this context, the term 'global' is also code for what may be deemed as international best practice. Of course, this framing does not invalidate the possibility of the local being ahead of or better than the global, but it serves as a conceptual tool for establishing a commonly understood reference point.



We use the term Private Social Investment (PSI) as a broad umbrella to encapsulate the efforts of corporations; foundations; philanthropists and limited life project companies, inter alia. All these actors are driven by different obligations but in the end, they augment the state's role in serving the excluded.

Therefore, three main 'currents' in thinking at KP informed this piece of research:

1. A growing interest in the private sector's social investment goals and practices, beyond the renewable energy sector (where our experience is historically concentrated).
2. The silence about the role of the private sector in development theory, owing to an over-emphasis on aid-reliant countries in the discipline of Development Studies.
3. The conclusion of the Millennium Development Goals (MDGs) in 2015. In particular, it is their mixed record of success, which raises questions about the governance and impact of externally driven change.

The task we set for ourselves then was to go further than description, which is the most dominant form of literature regarding private social investment. We also critique and provide advice. Because the private social investment sector is hugely diverse, the advice is more conceptual than it is technical. It is woven into every section of the report and is aimed at triggering deeper consideration around social investment choices.

Above all, the question that is most vexing for Knowledge Pele relates to impact. It is most alarming that a sector that reportedly spends over R8 billion per annum on the upliftment of the excluded invests so little in understanding impact.



Impact is a bigger question than monitoring and evaluation. Where monitoring and evaluation focus on the integrity of execution, impact assessment seeks to answer a deeper question: are these people truly better off as a result of this investment?

Failure to interrogate impact lies at the heart of the sector's collaboration challenges. Thus,

- ❑ Bad investments thrive and good investments are not sufficiently scaled for impact.
- ❑ Another lost opportunity is policy influence.

The question of impact is therefore linked to the ethics of giving. Therefore running through this report is the question: are the practices of the private social investment sector, ethical?



REPORT STRUCTURE

The report is split into 3 main sections drawn from survey results:

1. Alignment with Millennium Development Goals
 - a. Sample composition: 40 CSI practitioners
2. The Practices of Corporate Social Investment Divisions
 - a. Sample composition: 40 CSI practitioners
3. The Professional Development Needs of Private Social Investment Professionals
 - a. Sample composition: conference attendants who participated in Knowledge Pele's conference- South Africa and The Post 2015 Agenda held at The Nelson Mandela Centre of Memory

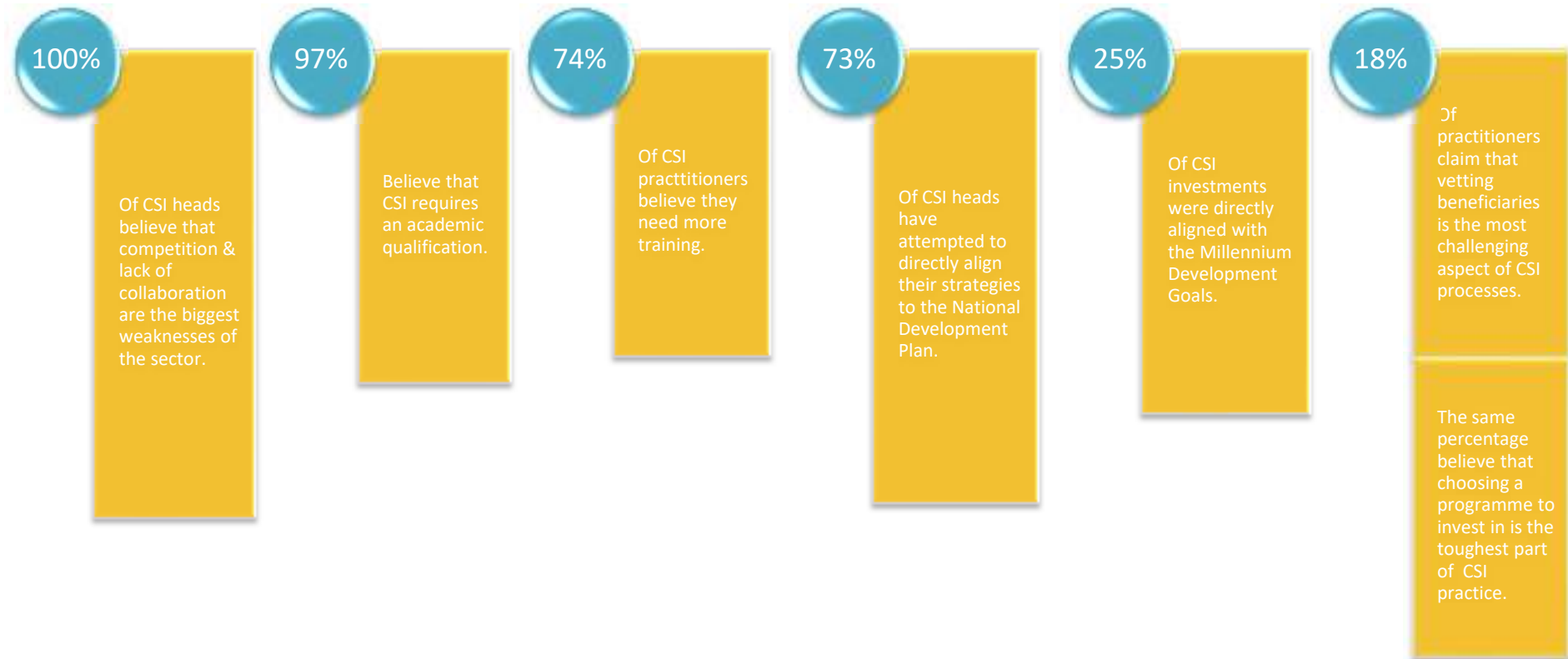
The report also includes two analytical contributions that delve deeply into the following themes:

1. The Interconnection Between Social and Economic Objectives
2. The Possible Implications And Possibilities Arising Out Of The Sustainable Development Goals

The report concludes with a summary of key issues to monitor, which serves as advice for practitioners and academics working within the private social investment sector.

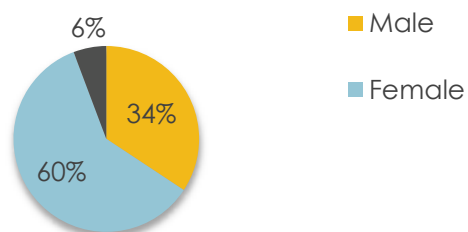


FINDINGS HIGHLIGHTS



DEMOGRAPHICS OF INTERVIEWED PSI HEADS

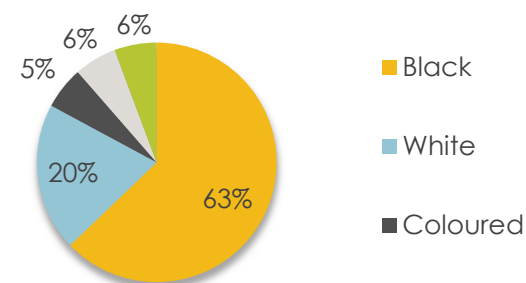
Gender



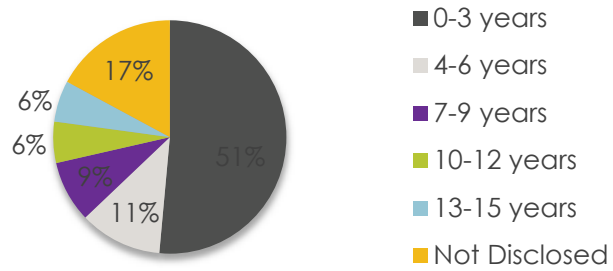
The people interviewed for this study were in senior management roles, responsible for strategy, budgets and monitoring implementation. The majority of these individuals were female.

White people constituted 20% of the interviewees. The remaining parties playing a leading role in social investment divisions are Black, Coloured and Indian.

Race



Time in Role



51% of the people interviewed had been in their roles for under 3 years. They were followed by people with 4-6 years experience. This statistic viewed in relation to the average age of a social investment programme provides an indication of why impact may be difficult to achieve.

Average age of CSI Programme



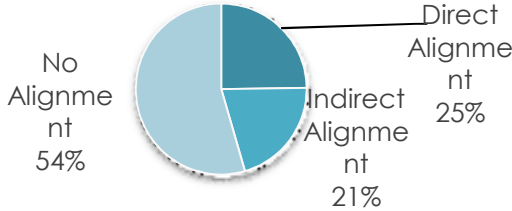
PART 1: DOES THE PRIVATE SOCIAL INVESTMENT SECTOR ALIGN WITH GLOBAL DEVELOPMENT GOALS?

THE PRIVATE SOCIAL INVESTMENT SECTOR'S ALIGNMENT TO THE MDGS

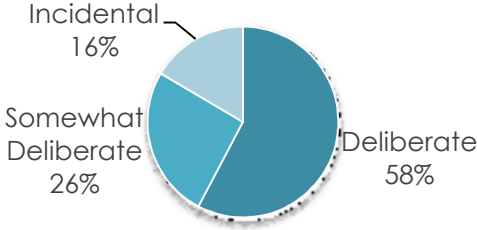


On aggregate, it was found that social investment strategies aligned to the MDGs 25% of the time. In the majority of instances, the social investment choices of the private sector did not align with the 8 MDGs.

Are Social Investments Aligned to MDGs?



Are Cases of Alignment Intentional?



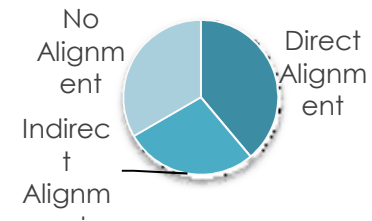
In the 25% cases of direct alignment to MDGs, it was found that 58% of the instances of alignment were deliberate. This means that practitioners referenced the MDGs in making their choices.

ASSESSING ALIGNMENT PER MDG GOAL

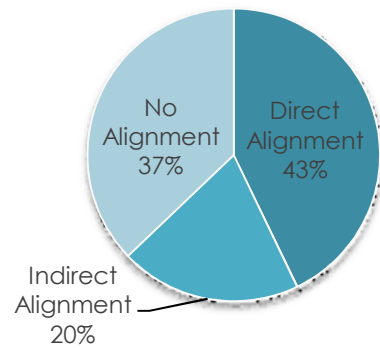


A small majority reported that their social investment strategies were directly aligned with the objective to halve abject poverty.

Goal 1: To eradicate extreme poverty and hunger



Goal 2: To achieve universal primary education

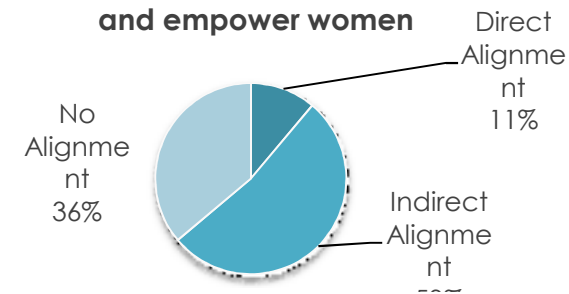


South Africa's private social investment sector has a strong education focus. It is thus unsurprising that 43% of respondents confirmed that they were directly aligned to this goal.

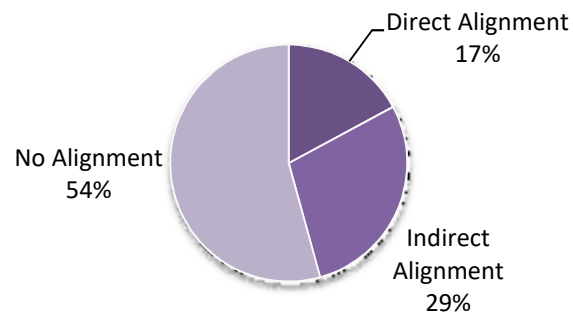


Only 11% of private social investors are directly aligned with this objective. However, 53% claimed to have an indirect focus on gender equality. This was mainly achieved through an insistence on equal representation of men and women in the programmes invested in.

Goal 3: To promote gender equality and empower women



Goal 4: To Reduce Child Mortality

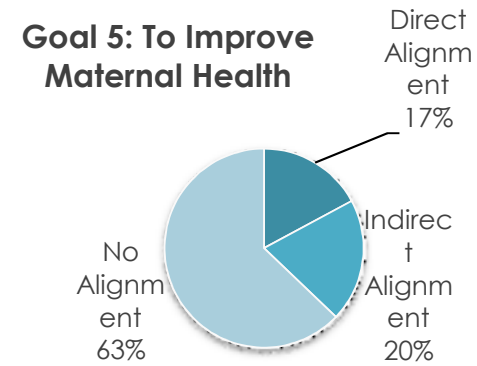


17% of respondents confirmed that their CSI departments are directly aligned to the goal of reducing child mortality.

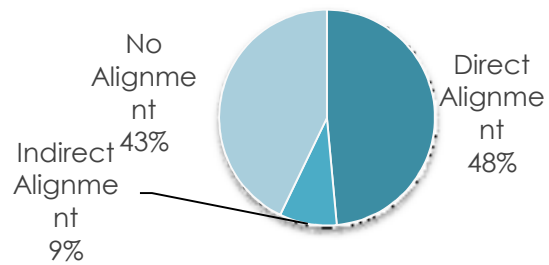
The majority, 54%, are not invested in programmes that advance this goal.



63% of respondents had no social investments with a maternal health focus.



Goal 6: To combat HIV/Aids, Malaria and other Diseases

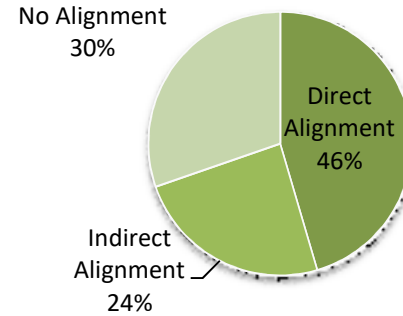


Despite the high prevalence of HIV/Aids in South Africa, the private social investment sector has pivoted away from a focus on this topic. Therefore, although 48% of participants reported direct alignment, almost an equivalent figure of 43% reported no alignment at all.

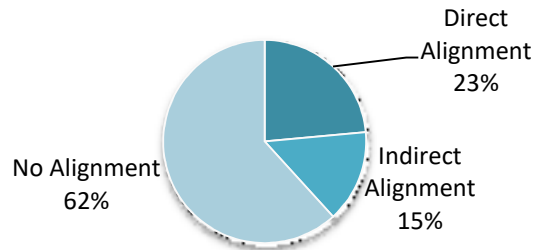


46% of respondents reported that they invest in programmes that are aimed at ensuring environmental sustainability.

Goal 7: To ensure environmental sustainability



Goal 8: To develop a global partnership for development



62% of respondents reported that they do not invest in CSI programmes that are specifically geared at enhancing partnership in global development.



THINKING AHEAD...



THE INTERCONNECTION BETWEEN SOCIAL & ECONOMIC OBJECTIVES

The development of South Africa's renewable energy sector provides a case study for understanding the inter-relationship that exists between social and economic development.

In 2011, the South African government initiated a renewable energy procurement programme with the view to achieve a few aims: the diversification of its energy sources away from coal; liberalisation of the sector through the introduction of independent power producers and augmenting supply to fuel economic growth and limit the impact of blackouts owing to aging power generation facilities.

By introducing technologies for exploitation of wind and solar power, the programme required that experienced foreign entities be invited to design, construct and operate these new generation facilities. Additionally, the space requirements of these new power plants opened up an opportunity to locate infrastructure in typically under-developed, rural areas. Therefore, the internationally lauded programme has, since inception, attracted 'over R120 billion in foreign direct investments' (Finweek, 7 August 2014); secured 2220MW of electricity (if the round 4 allocation is not exceeded) and perhaps most importantly, it has generated social benefits that range from job creation to the generation of 20-year annuity incomes that will flow from the energy projects directly to the communities in which they are located.

As a model, what the programme demonstrates is that social and economic objectives can be pursued simultaneously. Even more importantly, that social investment can be generated through a system of entitlements rather than charity or aid. The question that emerges then, is how this form of development, which promises a much higher level of sustainability, will be incorporated into the Sustainable Development Goals?



UNDERSTANDING THE MECHANICS OF SA'S RENEWABLE ENERGY PROGRAMME

South Africa's Renewable Energy Procurement Programme requires independent producers to submit proposals into a competitive bidding process. Independent Power Producers are necessarily consortia comprised of senior partners, who are typically foreign energy utilities with extensive track records in renewable energy and junior partners, who are a combination South African entities aspiring to become utilities as well as Community Trusts who hold shares on behalf of the communities in which power plants are to be established.

In submitting their bids, these consortia are judged on two criteria: Economic Development and Financial/technical robustness. Economic Development (ED) comprises 30% of the score that is ultimately allocated to a bidder. Making up the ED score are seven elements: job creation; management control; ownership; local content; preferential procurement; enterprise development and socio-economic development.

All these sub-elements of ED concern themselves with the extent to which investments are made into various, previously disadvantaged categories of South Africans: Black people, women, youth and people with disabilities. Therefore, a project's score is dependent on the extent to which it commits itself to making these social investments. Critically, all successful projects are bound to the commitments made in their plans and are subjected to financial penalties in the event that they fail to fulfil their obligations.

From the perspective of sustainability, the most aggressive obligations are those linked to community development because they guarantee two income streams for communities: a share in annual revenues as well as a share in project dividends. Given that the power plants are awarded 20-year licenses, what this means is that communities are also provided with a 20-year revenue stream to fund local development.

LEARNING FROM THE WEAKNESSES OF SA'S RENEWABLE ENERGY PROGRAMME



The programme is of course not without its weaknesses. Although designed to address both infrastructure and social development concerns, the inability to monitor the quality of social investments has proven to be a drawback. As a result, one of the missed opportunities that has come with the job creation process is insufficient skills development. By emphasising job creation, the State has incentivised the creation of high volumes of short-term jobs, which are typically of a very basic nature for the purpose of power plant construction. These jobs last, at most, for 24 months. What this means then, is that the real opportunity is not in enabling a family to have income for 24 months, but rather to ensure that the employment period improves employability in future, which is dependent on an improvement in or diversification of one's skills.

Another challenge has come from an ownership requirement that looks only at the identity of the owners and not their role in the power plant. The result then is a fairly passive class of Black owners of power plants who are oblivious to the actual operations. Their role is thus limited to raising funds and then waiting for dividends, which denies the economy what it really needs: Black industrialists who are capable of organising all elements of production for the purpose of constructing and operating renewable energy power plants. Therefore, one of the key lessons of South Africa's experience is that development requires a monitoring system that measures not just crude participation but also the substance of that involvement.

A SUSTAINABLE WAY FORWARD

However, the broader development lessons from this experience provide an alternative and arguably more sustainable approach to what is generally touted. First of all, it is clear from this programme that there is massive potential in development investments that marry social objectives to economic and political goals. For in committing to a certain level of social investments, private companies can be held accountable by both the state and communities for their choices. This then goes beyond corporate social responsibility, which sees private sector players accounting only to shareholders for their actions.



Furthermore, by virtue of owning shares, communities are empowered to directly drive the social investment agenda rather than receiving development as charity or aid. In other words, development as an entitlement can be fostered through government-regulated investments made by the private sector.

And this type of model is of even greater relevance given the massive infrastructure needs across the African continent. Therefore, what we'd like to see in the Sustainable Development Goals is a framing of development objectives that goes beyond social objectives, and rather locates the social in a context that is linked to economic and political objectives. This requires the new development goals to draw to clear linkages between the state, the private sector and society.

First published on May 25, 2015 in Pambazuka News: <http://www.pambazuka.org/governance/putting-power-grid-alternative-lesson-development>



PART 2: THE WHAT, WHY AND HOW OF PRIVATE SOCIAL INVESTMENT PRACTICES

HOW AND WHY THE PRIVATE SECTOR MAKES SOCIAL INVESTMENT CHOICES



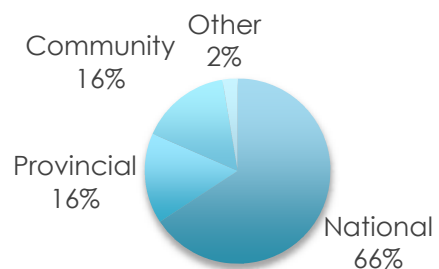
Have you attempted to align your strategy to national objectives?



73% of interviewees claim to align their strategies to national development objectives, specifically, the national development plan (NDP).

Only 9% claimed to not align with national development objectives.

Where are the implementation agencies based?



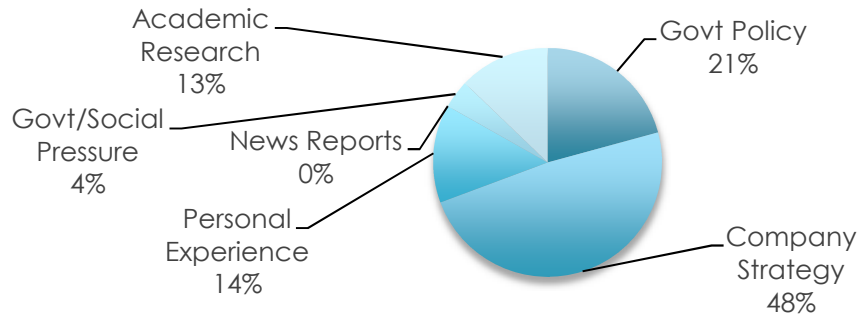
66% of interviewees reported that they work with implementation agencies that have a national presence.

16% claimed to work with community-based implementation agencies.

Another 16% claimed to work with partners whose footprint is limited to a province.

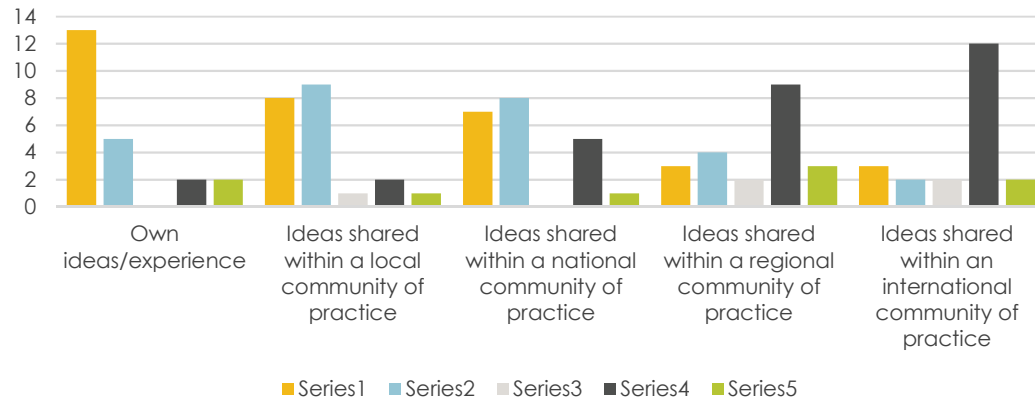


Influential Information in Determining Social Investment Decision-Making



- 48% of interviewees reported that the most influential driver of CSI strategy is the company strategy.
- Government policy was most important for 21% of respondents.
- Academic research is the most influential determinant of CSI strategy for 13% of respondents.

How do you devise your tools for monitoring interventions?



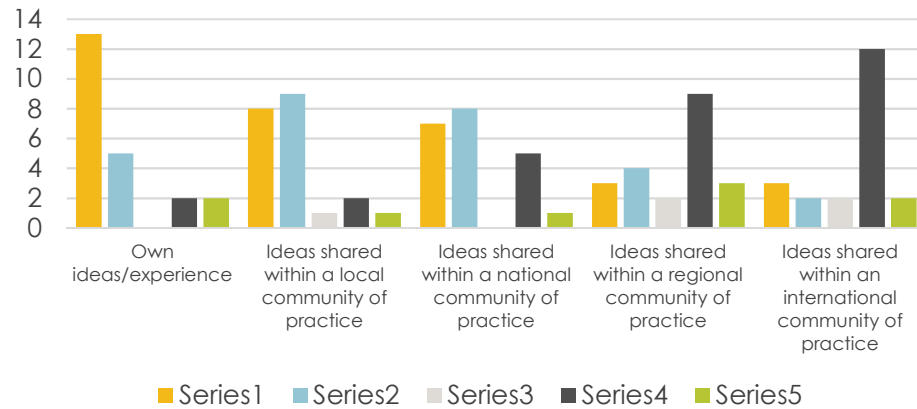
Key:

- Strongly Agree
- Agree
- Strongly Disagree
- Disagree
- Don't Know

- Most practitioners rely most on their own ideas/ experience.
- They are least likely to depend on ideas drawn from the regional or global community of CSI practitioners.



How do you devise your tools for monitoring interventions?



Key:

- Strongly Agree
- Agree
- Strongly Disagree
- Disagree
- Don't Know

-Most practitioners rely most on their own monitoring tools.

-They are least likely to depend on tools drawn from the regional or global community of CSI practitioners.

How do you rate the research available to you?

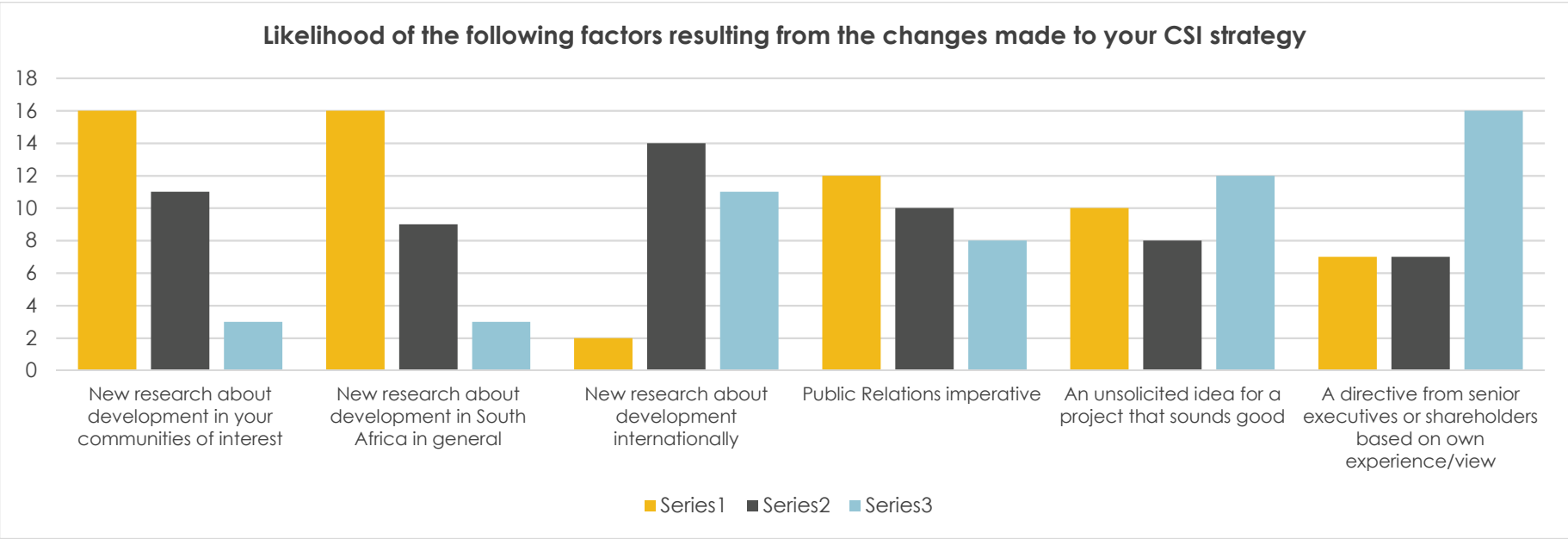


57% of interviewees believe the research informing their decisions is good.

23% of respondents rated the available research as average.

17% believe the available research is poor.





Key:

High

Medium

Low

- New research that is community-based on nationally focused has a high likelihood of changing CSI strategy.
- Unsolicited ideas, however good, have a low likelihood of changing CSI strategy.
- Similarly, senior executives have a low likelihood of changing CSI strategy on the basis of their personal preferences or views.



THINKING ENERGY AND

THE SDGs...



ENERGY COMMUNITIES AND THE SDGS

The Sustainable Development Goals (SDGs) represent an important shift in thinking about development, as they have brought to the fore the importance of building sustainable communities. While these goals may seem ambitious and somewhat inflated, such a shift is critical in ensuring development outcomes achieve the ultimate goal of the SDGs, the eradication of poverty. Furthermore, with the landmark agreement where 188 countries committed to lower greenhouse gas emissions sufficiently to keep a global temperature of below 2 degrees Celsius, a new era in sustainable development has been ushered in.

The Sustainable Development Goals (SDGs) adopted at the United Nations on 26 September 2015 and culminating in 2030, replace the 8 Millennium development goals (MDGs). These new global goals, are made up of 17 interrelated goals and 169 targets, with a number of pertinent goals for the renewable sector.

Goal 7 recognises the central role that energy plays in the development of economies, a key aspect required to increase employment/income and foster growth, while Goal 12 seeks to promote resource and energy efficiency to reduce the negative externalities of growth and consumption on communities as well as to encourage companies to adopt sustainable practices. Lastly, Goal 17 encourages the development of strategic partnerships between governments, business and civil society that place the sustainability of communities at the centre of growth and development.

While in and of themselves, the goals are ground breaking, critics point out embedded contradictions in their formulation such as relying on endless growth to end poverty while at the same time taking “urgent action to combat climate change” (goal 13), and vowing to “protect, restore and promote sustainable use of terrestrial ecosystems” (goal 15)¹. Goals such as those addressing the degradation of the planet reflect an emerging awareness about the relationship between

¹ <http://www.theguardian.com/commentisfree/2015/oct/19/un-poor-wealth-sustainable-development-goals>



the perceived limitlessness of industrial growth, and the proliferation of poverty and degradation of the planet. Despite this growing awareness, the SDGs seem to still be steeped in the very same model of growth, which is based on ever increasing levels of extraction, production and consumption.

On the other hand, SDG proponents rightfully argue that due to the inclusive process which ensured voices of the developing world were included, the SDGs are a much better representation of what is required to eliminate poverty. Thus, the emerging SDGs are multifaceted as they recognise the complex, structural nature of poverty.

Furthermore, advocates for the SDGs commend the SDGs for moving beyond aid, arguing that aid, in the traditional sense, is no longer sufficient to achieve the targets set out by the SDGs and the ultimate eradication of poverty by 2030. This highlights the need for accountability and informed decision making, using the measurement of needs and impacts, to become the key driver of a renewed development approach.

Overall, what is most glaring in the discussions pertaining to the SDGs is the insufficient tangible solutions being offered to assist companies in working towards achieving the ideals represented by the SDGs within this complex landscape.

The question then is how should Independent Power Producers (IPPs) approach the investment of their SED obligations? How do we ensure that we are aligned to the SDGs against this quagmire? Our best bet is to critically think of the SED spend and how to responsibly invest it in ways that support the development of sustainable, self-sufficient communities for the reduction of poverty.

In line with the above, we believe some of the key drivers for IPPs should be that they begin working towards supporting the development of sustainable communities through research led development approaches and interventions that ensure capacity building and empowerment of communities to drive their own development trajectory beyond the 20 year obligations of the IPPs. Therefore, IPPs should not view their SED fund as aid/charity, but rather approach it as an investment into energy communities.



This would not only mean that greater emphasis needs to be placed on collecting data and measuring results, but this would require us to view development as an "accumulation of small steps, each well thought out, carefully tested and judiciously implemented".² Indeed, development is not a quick process, on the contrary, it is a complex process requiring that we make informed decisions while never forgetting to listen to what our energy communities tell us about their lives.

Nonjabulo Zondi

Programmes Manager, Knowledge Pele

PART 3: WHAT PRACTITIONERS NEED

TO BECOME BETTER DEVELOPMENT

PROFESSIONALS

² <http://www.theguardian.com/global-development/poverty-matters/2011/apr/11/duflo-banerjee-rethinking-fight-against-poverty>



Practitioner Perspectives

Knowledge Pele hosted a symposium on South Africa and the Post 2015 Agenda in September, 2015. The purpose of the symposium was to share and debate views on the place and direction of South Africa's private social investment sector. 36 of the CSI practitioners in attendance chose to complete a survey focused on ascertaining their level of training and requirements for their professional development. This was a critical continuation of this research project as it tackled a key weakness identified by practitioners in the initial interviews.



Tito Mboweni and Setlogane Manchidi debate the merits of private social investment at the Knowledge Pele Symposium held at The Nelson Mandela Centre of Memory.



METHODOLOGICAL HIGHLIGHTS

1. Sample size: 36
2. Data collection methods: surveys.
3. 78% female

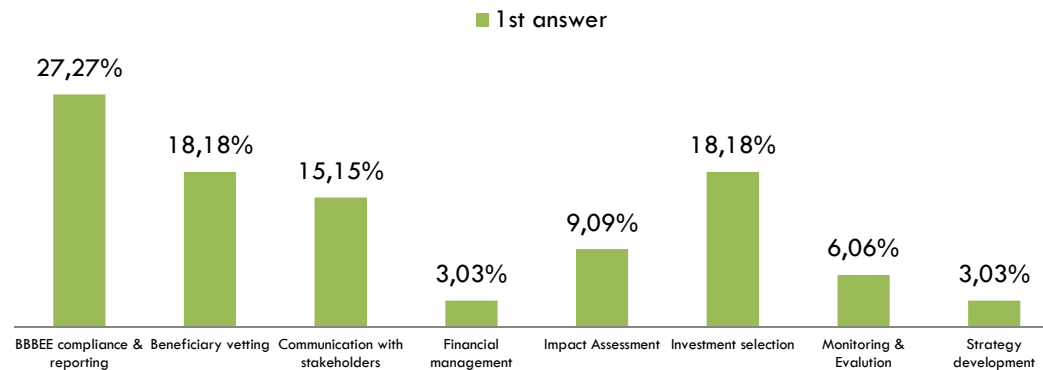
FINDINGS HIGHLIGHTS

1. 57% of respondents are interested in training opportunities to improve their CSI skills.
2. 97% believe that academic qualifications in development studies are relevant for CSI.
3. 74% said that they require additional training in development.
4. 79% said that they were responsible for social investments in their organisation.
5. 25% of the people believed 'site visits' to be the area of most concern in the social investment process.



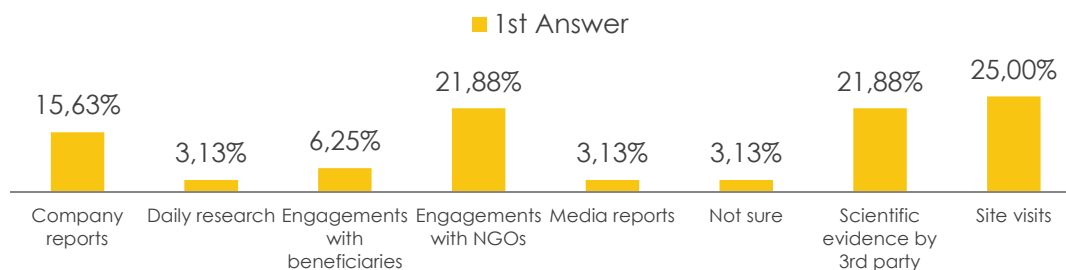
RESULTS

Critical Issues in Social Investment Process



- 27% of respondents claimed that BBBEE compliance is the most concerning aspect of the CSI process.
- 18% of respondents claimed that vetting beneficiaries is the most challenging aspect of CSI.
- Another 18% claimed that determining which programmes to invest in was the primary concern.

What Underlying Challenges Create Issues Social Investment Process?



- 25% of respondents report that site visits are the main underlying challenge in the CSI process.
- 21% of respondents claimed that accessing valid 3rd party evidence is a driver of CSI process issues.
- Another 21% claimed that engaging NGOs was the main underlying issue causing CSI process issues.



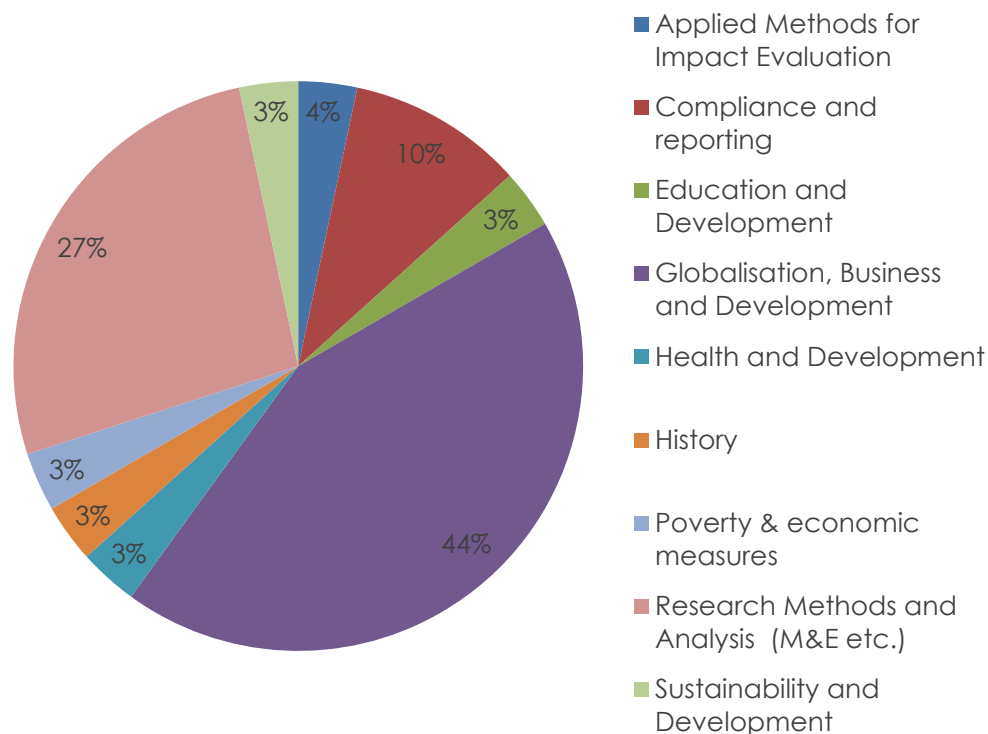
SKILLS DEVELOPMENT REQUIREMENTS AS IDENTIFIED BY RESPONDENTS

1. Accredited CSI Training
2. BBBEE Compliance
3. Compliance, Governance And Strategy
4. Stakeholder Management, Engagement And Communication
5. Development Studies
6. Economic Development Strategy For Renewable Energy IPP Programme
7. General
8. Impact Measure And Assessment
9. Regulatory Framework And Policies
10. Strategy Development
11. Monitoring And Evaluation

- ✚ Practitioners are most interested in accessing accredited training that deals with compliance and stakeholder management primarily.
- ✚ Academic concerns such as Development Science and Impact evaluation are lower down the priority ranking of practioners.



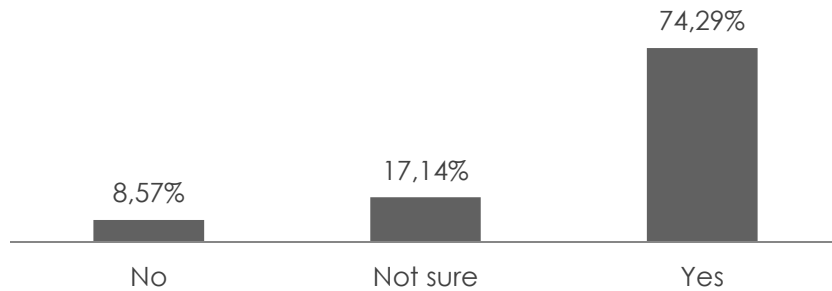
Development Science Topics Respondents Were Most Interested In



- ✦ Globalisation and business received the most interest with 44% of respondents claiming it as a first priority.
- ✦ Research methods were reported as interesting by 27% of respondents.
- ✦ Only 3% reported interest in the following areas:
 - health
 - history
 - poverty & economic measures



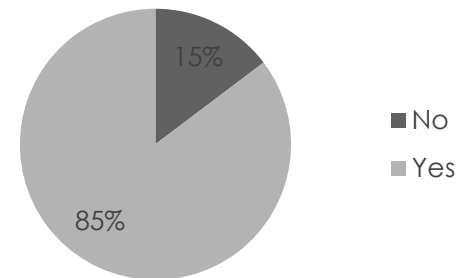
Do You Require Additional Training in Development?



74% of respondents confirm that they believe they require additional training to be effective.

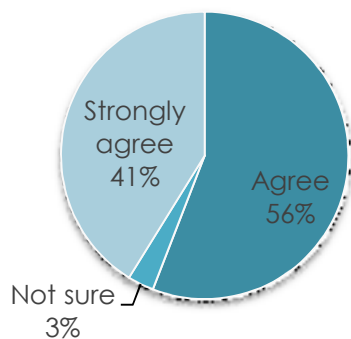
85% of practitioners confirmed that they would be interested in collaborating with other organisations in the CSI sector. This is despite the fact that collaboration was reported as a key weakness of the sector in the interviews reported on in Part 2.

Respondents Interested in Cross-Sector Collaboration

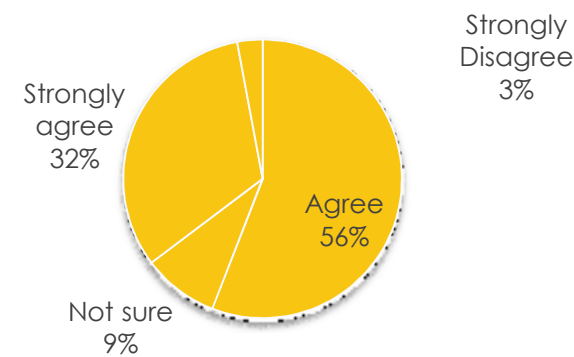


SHOULD CSI FORM AN INTEGRAL PART OF DEVELOPMENT STRATEGY AT THESE VARIOUS LEVELS?

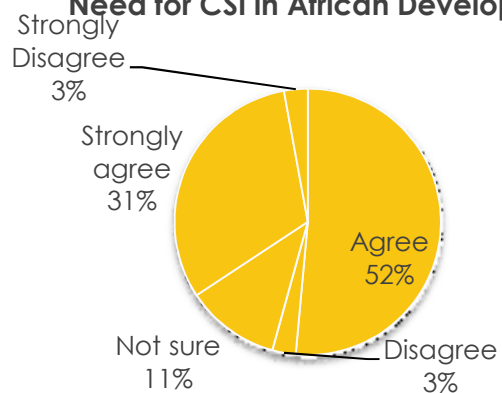
Need for CSI in SA Development Framework



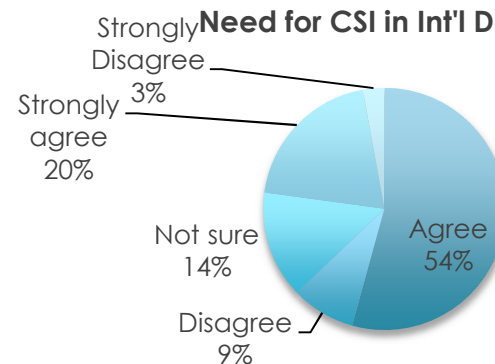
Need for CSI in SADC Development Framework



Need for CSI in African Development Framework



Need for CSI in Int'l Development Framework



IN CONCLUSION.

ISSUES TO MONITOR



By way of summary, we wish to highlight the key issues emerging from the research, based on the face-to-face interviews conducted with representatives of the organisations participating in this study.

1. Governance: We have opted for the term, ‘private social investment’, because we are not strictly concerned with corporations but are rather interested in the behaviour of all privately owned organisations who make development interventions. This ranges from corporations to project companies with a limited life (as in mining and energy) to philanthropic foundations.
 - One of the key outcomes of this assessment of the private social investment sector is that there remains an unresolved question about the quality of *the governance of giving*. For example, only one organisation claimed that beneficiary communities form part of its social investment decision-making process. This absence of ‘beneficiary’ participation, is a development practice that was invalidated in the 1980s because it reproduces paternalism, however it appears to persist without critique in this sector.

2. Unfocused Investment: South African organisations are largely not aligned to global development objectives and mostly view them as secondary to local development goals.
 - While this result is understandable given the broad nature of the MDGs, the private sector has a highly fractured way of viewing the local goals it claims adherence to. As a result, there are as many interpretations of education as there are social investors in the sector. This is also an outcome of ‘strategic CSI’, which, in aligning social investment to core business, creates an inherent inability to cooperate externally. There is thus a fundamental dissonance in how organisations view what is possible because they claim to seek collaboration but at the same time, are under pressure to align social investment to their individual companies’ core business, which is by definition, an area of competition. The question, therefore, is whether organisational buy-in could be garnered for a common set of goals that may not be aligned with core business? Is the harmonisation of investments (i.e. a move away from 40 definitions of education, for example) even desirable?



3. Questionable Impact: Of all the organisations interviewed, only 2 claimed to conduct impact assessments. The majority rely on internal reporting tools that are designed to track the extent to which beneficiaries participate in programmes that they invest in. These tools are also geared at ensuring that money is used by third parties in accordance with the intent, hence the interest in the financial records of implementing agencies, often non profit organisations (NPOs). This is further compounded by the fact that the parties interested in private social investment, both the government and internal structures such as boards, are typically and primarily concerned with the integrity of spend.
- The real goal of development however, is observable and verifiable, good change. To this end, there is no piece of research that can definitively quantify the impact of the CSI sector over the last decade, which is an indefensible knowledge gap. This is however a logical outcome resulting from a reporting system that incentivises financial reporting and instead views impact assessment as a burdensome administration cost.

IN OTHER WORDS, WE HAVE MADE DEVELOPMENT INTO AN ACCOUNTING PROBLEM RATHER THAN THE SOCIO-ECONOMIC IMPACT PROBLEM, WHICH IT IN FACT, IS.

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