Role of consultants in development projects

CONSTRUCTION AND DEVELOPMENT SERIES, NUMBER 11

H ATKINS
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Series preface

Policies and strategies for promoting development in South Africa are arguably as important a product of the Development Bank of Southern Africa as its loan finance and technical assistance programmes. This series of publications on ‘Construction and development’ illustrates this point.

Development projects in South Africa have traditionally been undertaken to meet only the physical needs of the recipient community. South Africa’s changing social and economic environment demands that such projects are executed in a way that also addresses communities’ other needs. To achieve this, projects should be structured so that opportunities for employment and the development of skills and entrepreneurial abilities are maximised.

Construction and maintenance of resultant facilities are an essential part of any growing economy and in South Africa historically an important employer and an industry typifying the overcapitalisation which has bedevilled the economy. These considerations, together with the fact that a large part of DBSA’s lending goes to construction projects, suggest that it would be helpful to make practical proposals to assist the industry to adapt and contribute to development in the new circumstances.

The publications in this series present an approach to development that focuses on

- identification of the broad economic and social needs of communities
- optimal use of resources available to them
- ways in which communities can exploit the opportunities presented by development projects
- approaches to making best use of labour – an abundant but underutilised resource
- appropriate design and methods of building and construction
- the use of, and misconceptions about, building regulations
- entrepreneurial development.

The publications are thus designed to help alleviate the constraints which have inhibited poorer communities from developing the skills at both individual and community level that can lead to entrepreneurship and genuine empowerment. This is perhaps the most important message of the series. It is above all through active participation in the process of development that individuals and communities can improve their quality of life. And it is to this end that the series is dedicated.

The Construction and development series of publications is produced by DBSA staff and consultants contracted to the construction and development policy programme, whose advisory panel has recommended the widespread distribution of these publications to further the human development approach pursued by DBSA.

GJ Richter
General Manager

JH de V Botha
Programme Manager
Acknowledgements

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The responsible General Manager is Deon Richter and the Policy Programme Manager is JH de V Botha.

Modifications and additions

The readership is requested to share their comments, recommendations and experiences. Those who wish to contribute to further editions should contact the compiler.

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1. Introduction

1.1 Problem definition

A conventional project has physical asset creation as its primary if not only objective, whereas a development project includes socio-economic objectives that condition the delivery of the physical asset. These projects are usually publicly funded, involve poor communities and require a variety of support services if the socio-economic objectives are to be met.

Current implementation of the Reconstruction and Development Programme (RDP) and the National Public Works Programme (NPWP) adds weight to the need to address developmental aspects promptly.

1.2 Readership

The intended readership are those who promote, identify, design and implement development projects and programmes.

1.3 Purpose

The purpose of this paper is to support the implementation of the RDP, the NPWP and other government investments by

- defining development issues and projects
- identifying the professional input required to address development issues
- determining at what stage of a development project the input of a consultant is required.

A further purpose is to contribute to the current debate on the remuneration of consultants.¹

1.4 Objectives

Development projects have three distinct objectives:

- the physical asset (in common with conventional projects)
- socio-economic benefits to the community² and to society at large, resulting from the delivery process and from the use and continued operation of the physical asset
- development of human resources using the project as a vehicle for capacity-building and training – generally in a broader sense than just technical training.

The socio-economic objectives add a new dimension to the input required throughout the project cycle. A project can only be considered successful if all the development issues have been met. In poor communities, to the overriding need of gainful employment are likely to be added the specific needs of education, health and sanitation to mention but a few. The latter are not to be confused with the school or the clinic per se which are possible options to be assessed. Empowerment from the project process entails the client community through its representatives and with due technical advice, deciding on how best to use limited resources for maximum benefit. If

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¹ The term ‘consultant’ in this context means any person or organisation appointed to provide a professional and/or technical service. It includes the traditional professions, community facilitators, project managers and those who contribute to the training and capacity-building of the beneficiary community.

² ‘Community’ denotes those who together are directly or indirectly affected by a project. Definition from the report of the National Economic Forum on the provision of training and capacity-building for a public works programme, May 1994.
a saving is possible in one area, the community should then be able to satisfy other needs.

The socio-economic upliftment of poor communities is a stated objective of the RDP. The chapter on Housing and Services states:

'Community control: Beneficiary communities should be involved at all levels of decision-making and in the implementation of their projects. Communities should benefit directly from programmes in matters such as employment, training and award of contracts. Key to such participation is capacity-building, and funds for community-based organisations must be made available. Educational institutions must also be reoriented to provide the skills needed for development.'

Some responsibilities are thus transferred to the community and the project objectives are broadened to include socio-economic upliftment, which can only happen if certain preconditions are satisfied.

In a similar vein, a recent report by the Training and Capacity Building (T&CB) focus group of the National Economic Forum Public Works Programme (NEF/PWP) states:

'Equally the running of projects according to the principles of community participation and consultation has been neglected in this country and the kind of expertise and insight required for this building of engagement is in short supply. Unsatisfactory payment of service providers has compounded the difficulties.

The task of a future government (April 1994) over the next 5 years will be to draw on the valuable experience and expertise already gained, and the available resources available to energetically and steadily consolidate, develop and coordinate the capacity of the T&CB sector to provide an effective service of a PWP:

• in line with expanding developments in labour-intensive technology appropriate to South Africa; and
• in response to the expanding requirements of a National PWP.'

The White Paper on a new housing policy and strategy for South Africa (1994: 24) states when referring to housing and economic empowerment that:

'Housing as a process represents more than a simple economic activity but constitutes the foundation for the establishment of continuously improving public and private environments within which stable and productive communities can grow and prosper.

Government housing policies and strategies will therefore be directed at enabling and supporting communities to mobilise towards participating in the satisfaction of their own housing needs in a way that maximises the involvement of the community and the private sector and leads to the transfer of skills to and economic empowerment of members of the community.'

These policy statements taken from current policy papers set the scene for government investment while highlighting impediments that currently compromise the delivery of the developmental components of projects. The activities associated with meeting the three objectives previously mentioned require specific professional and facilitatory input. The precise nature,
duration and cost of the input will depend on the particular circumstances of the project; for instance, not all communities have the same needs regarding training and capacity building.

2. Conventional and development projects

2.1 Conventional projects

A conventional project is likely to be circumscribed to the design and construction of a physical asset identified by the client or implementing agent (local authority, parastatal or other). The parties to the project, that is the client, funder, implementing agency, consultant and contractor, are usually established ones and understand and are comfortable in their habitual roles. The community as the intended beneficiary is often relegated to a passive or at best to a reactive role. (This subject is dealt with in greater detail under section 4.)

In these circumstances, the project brief is likely to be a repetition of a previous one adapted to local conditions. The terms of reference of such a brief constitute a framework within which the physical asset is to be designed and built.

Conventional projects are characterised by the following:

- The client – in the traditional sense – is mainly concerned with creating a physical asset at the lowest financial cost. Economic considerations are incidental.
- Empowerment, social upliftment and local human development are marginal considerations, if at all.
- Community capacity-building is not an issue.

- Professional services are only for the creation of a physical asset.
- Entrepreneurial development and small-scale contractor involvement in project work are usually token issues.
- The contractor is free to choose the technology for construction within the constraints of time and cost established in the contract.
- The contractor is free to buy material anywhere.
- The contractor is free to employ labour from anywhere.
- The composition of labour force (gender and youth) are not issues.
- The contractor has no training responsibilities towards the labour employed other than to meet own requirements.

The scope of a conventional project is typically limited to project design and construction. What happens before the design stage and what follows after hand-over largely fall outside the consultant’s brief. Specific input needed for these stages would be deserving of a separate understanding with the client.

2.2 Development projects

Development projects broaden and modify the scope of conventional ones to include a process of project motivation, usually by mobilising the beneficiary community, identification prior to the conventional cycle, together with operation, maintenance and evaluation phases after. Human resource development adds a new dimension to the project cycle.

The project activities, output and the timeframe are thus extended beyond the conventional cycle.
Diagram 1: Programme framework

<table>
<thead>
<tr>
<th>AGENCIES</th>
<th>ACTIVITIES</th>
</tr>
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<tbody>
<tr>
<td><strong>1. NATIONAL</strong></td>
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<tr>
<td>Government</td>
<td>PROGRAMMES</td>
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<tr>
<td>R D P</td>
<td>Policy Issues:</td>
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<tr>
<td>N P W P</td>
<td>Objectives</td>
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<tr>
<td>Parastatals</td>
<td>Target groups</td>
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<td>Others</td>
<td>Targets</td>
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<td>Budgets</td>
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<td><strong>2. PROVINCIAL</strong></td>
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<tr>
<td>Government</td>
<td>PROGRAMMES</td>
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<tr>
<td>R D P</td>
<td>Social Assessment (including</td>
</tr>
<tr>
<td>N P W P</td>
<td>gender and youth issues)</td>
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<tr>
<td>Parastatals</td>
<td>- need analysis</td>
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<tr>
<td>Others</td>
<td>- resources analysis</td>
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<td>- constraints analysis</td>
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<td>- support analysis</td>
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<td>Environmental Assessment</td>
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<td>Budgets</td>
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<td><strong>3. LOCAL</strong></td>
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<td>Government</td>
<td>PROJECTS</td>
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<td>R D P</td>
<td>Social Assessment (including</td>
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<td>gender and youth issues)</td>
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<td>Parastatals</td>
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<td>Environmental Assessment</td>
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Development projects have to be structured to encourage and help the beneficiary community to actively participate throughout the project cycle and take ownership, in so far as possible, of the asset created (social compact)

- maximise the short-, medium- and long-term project benefits to alleviate poverty in a sustainable and replicable manner
- use the project as a vehicle for training and capacity-building
- benefit from the improved economic environment, the opportunities for employment (eg due to labour-intensive methods, and entrepreneurial development (eg small-scale contractors, suppliers, manufacturers and hauliers)
- minimise any negative social or environmental impact that may result from the project; for example, a housing project would not meet its developmental objectives if household waste or stormwater drainage were disposed of in ways that harmed the environment
- ensure sustainability through community commitment and responsibility for operation and maintenance of the assets created (social compact)
- gain from the project a sense of achievement and pride of ownership leading to social and economic advancement (empowerment)
- serve as a role model for others to emulate.

Until development projects are fully accepted and become the norm for public programmes, all intervening parties will have to go through a learning process. If not, projects will be less effectual in meeting developmental objectives. Programmes should be designed to ensure that expectations of future work generated by individual projects are attainable. Unrealistic projections would have a demoralising effect on a community by jeopardising the credibility of the development programme.

Delivery targets create expectations and motivate manufacturers and suppliers to gear up production to meet the anticipated demand. If target dates have to be postponed due to a slow start or poor productivity, programmes lose credibility and manufacturers and suppliers are discouraged to stock up to meet future targets. Better on site productivity may then be hampered by a lack of readily available materials. Forward and backward linkages are important for the success of building programmes.

3. Programme and project participants

Development programmes and projects require the interaction of the following role-players.

The client or community as

- user-consumer. In this capacity it will have to be satisfied that the project is
  - affordable
  - acceptable, that is, that minimum standards of health and safety are met
  - maintainable, in relation to human skills available in the community.
  - replicable, in regard to the skills and resources available in the community.

- resource. As a provider of goods and services to build the project and to operate and maintain it once built, the community will have to be satisfied that employment, entrepreneurial opportunities and other benefits such as capacity-building and training materialise.
Diagram 2: Levels of community participation

- Local authority
- Community

**Active role**

- Little or no communication with the community
- Information sharing
- Greater efficiency
- Consultation
- Greater effectiveness
- Decision-making
- Capacity-building
- Initiating action
- Empowerment

**Supportive role**

- The local authority and the community have a common objective

**Passive role**

**Active role**
• socio-cultural entity. In this role, the client or community will have to freely enter into a social compact to pay for the services provided and other project-related obligations agreed upon. The compact would express the cultural acceptance, desirability and ownership of the project by the community.

The project promoters and funders, for example the RDP, NPWP, development agency, local authority and others.

The professionals and other service providers such as ‘in-house’ and outside consultants, for specific input as and when required.

As the ultimate funder, the public at large through its representative institutions and organisations such as the media, chamber of commerce and others, by adopting a supportive, though not an uncritical role, in recognition of the common good being pursued.

Interaction between the parties has to be continuous throughout the project cycle to ensure an effective learning process and for the community to identify with the project and own it. This interaction should facilitate future projects by bringing about a better understanding of development and should help communities define their roles in the process.

4. Programme framework

Diagram 1 shows the levels of decision in the new spatial and administrative structures, viz, national, provincial and local. The levels reflect tiers of governance and the activities which take place at each. Some projects and programmes may be driven from the national or provincial levels, even so, local data will be necessary if local socio-economic benefits are to be derived from them.

Databases are an invaluable resource intended to avoid duplication. Data collected for one project, for example the number of contractors or training institutions active in an area, will be useful information for subsequent projects on condition that it is regularly updated and readily accessible. The careful monitoring and recording of projects and programmes will greatly facilitate the evaluation process.

If it is not to be an isolated event of temporary relief, a project should be part of a programme structured to develop the community from its present level to one that will enable it to articulate and address its concerns. It is therefore necessary that communities should be identified, their resources known and their constraints acknowledged.

Diagram 2 shows five levels of community participation. At the lowest, the local authority assumes an active role and the community is relegated to a passive one. There is little or no communication between them. At the highest level, the local authority and the community share common objectives, with the former having a supportive role and the latter an active role. With local authority legitimacy disadvantaged communities should have a stronger voice in local government affairs.

Reliable data on communities is critical for the design of programmes and their constituent projects if they are to

3 The Human Science Research Council through their Proder department are preparing a national database of training and capacity building providers with financial assistance from DBSA.
Diagram 3: Development programmes and projects

DEVELOPMENT PROGRAMMES ARE PARTNERSHIPS BETWEEN

COMMUNITIES

(at local level)
DEVELOPMENT COMMITTEE

PROJECT COMMITTEE

SERVICE PROVIDERS
Community facilitator
Professionals
Trainers

AND

NEEDS

OPPORTUNITIES
For local people

FUNDERS

RDP, NPWP, NEF
Local authority
Province and others

FINANCE

DEPT OF LABOUR AND OTHERS
eg Donors

SUPPORT
succeed in meeting the set developmental objectives.

Diagram 3 illustrates the relationship between a local community and the development funder. Depending on the complexity of the project the Development Committee and the Project Committee may be the same body or the latter a subcommittee of the former.

5. Project cycle

Diagram 4 relates the project cycle to the activities and the timeframe required for them. The differences between conventional development project cycles and the professional service requirements of each are shown.

As development projects gain acceptance and become the norm, professional service input will shift emphasis particularly in the promotion phase. By then communities will have been motivated and alerted to what has to be in place locally to promote and identify a development project. The same reasoning applies to the technical input as practical experience gained by communities, agencies, consultants, small-scale contractors, trainers and suppliers implementing labour-intensive methods of construction, will help to make future projects more efficient in the use of local resources. Achievement is to be measured in cost, time, economic activity (eg jobs created, entrepreneurial development, multiplier effect) and community advancement.

As previously mentioned project monitoring and evaluation are significant factors in any development programme, which will need the setting up and the regular updating of data banks with project feedback.

5.1 Phase I: Promotion and preparation

Funds for development programmes and projects are channelled through central, provincial and local governments. The NPWP has a national dimension; programmes for hostel improvement are mainly provincial concerns; whereas projects with a distinctly localised focus fall within the ambit of local government.

Community participation in the project cycle will depend on how well the programmes are understood by the community as user-consumers of project products. Critical to this are the expectations aroused in some quarters prior to the quantification of fiscal resources to be made available for development programmes.

What can be done and what cannot, has to be clearly understood and become part of a common culture. Given always scarce public resources, the extent to which a community is self-motivated to address its needs and contribute to their resolution will better position it to benefit from development programmes.

The first step is for the community to recognise common interests through the coming together of the various groups active in it. Every effort should be made to enlist as many local people as possible in decision-making in order to avoid the ‘I was not consulted, they decided for me, so why should I pay’ syndrome. Time and effort spent on these issues will ensure that the project satisfies community-felt needs.

The more communities are encouraged to identify and articulate their needs, the greater will be their motivation to get programme and project funding. A community has much to gain from
Diagram 4: Development project process

<table>
<thead>
<tr>
<th>PROJECT CYCLE</th>
<th>PROJECT ACTIVITIES</th>
<th>TIMEFRAME (Months/Yrs) (*)</th>
<th>PROFESSIONAL SERVICES INPUTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1 Identification and promotion</td>
<td>Motivating</td>
<td>Development project</td>
<td>CBO, NGOs, Community facilitator or 'professional' consultant Capacity building</td>
</tr>
<tr>
<td>Phase 2 Preparation</td>
<td>Preparing</td>
<td></td>
<td>CBO, NGOs, Community facilitator or 'professional' consultant Capacity building and training</td>
</tr>
<tr>
<td>Phase 3 Planning</td>
<td>3.1 Brief</td>
<td>Brief writing to: RDP/NPWP/CBWP/ NEDLAC principles</td>
<td>Capacity building and training</td>
</tr>
<tr>
<td></td>
<td>Criteria setting</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.2 Designing</td>
<td>Conventional Project</td>
<td>Project design team Capacity building and training</td>
</tr>
<tr>
<td>Phase 4 Implementation</td>
<td>4.1 Building</td>
<td></td>
<td>Management team Training</td>
</tr>
<tr>
<td></td>
<td>Operating and</td>
<td>Operating and maintenance team Training</td>
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<td></td>
<td>maintaining</td>
<td></td>
<td></td>
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<tr>
<td>Phase 5 Evaluation</td>
<td>Monitoring and</td>
<td>Development project</td>
<td>Evaluation team Feedback to data banks (local and provincial)</td>
</tr>
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<td></td>
<td>evaluation</td>
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</tbody>
</table>

*Notes: The sizes of the shaded blocks in the timeframe are not indicative of the duration of the project components
exercising the right to petition the local council through its representative spokespersons. Grass roots involvement from the start of the process is crucial to ensure that consensus is reached in the community and that the social compact is understood and freely entered into. Community-based and non-governmental organisations (NGOs) have an important part to play in helping communities they serve reach consensus.

One should guard against emphasising the speed of delivery of the physical assets while perhaps overlooking or downplaying the less obvious developmental objectives.

The first projects of a programme are likely to be more time-consuming but once the practice is understood delivery time will be shortened. Getting things right from the start is important if programme and project goals are not to be discredited in the eyes of the recipient communities and local authorities, to the benefit of those who would rather implement projects along conventional lines.

The training and capacity-building costs of a programme of several projects involving the same community or the same group of contractors – if assigned on a pro rata basis for the duration of the programme – would better reflect the cost of the development components. The first projects of a series are likely to require more support than the following ones which will benefit from past experience.

Diagram 5 illustrates how a representative Development Committee or Forum (DC) can be constituted. This may be time-consuming, depending on how well the community is organised. In some instances there may be a DC in place and ready to act; in others, community organisation and motivation will require greater investment in time and money. This would be a one-off capacity building effort which, once achieved, becomes a community asset for future projects.

Once constituted, the DC will have to identify its own capacity-building needs to deal with shortfalls with respect to running meetings, taking minutes, reporting back, drawing up budgets, keeping books and generally running its affairs efficiently. As part of its mandate the DC will be able to engage outside support to facilitate its task. This component will have to be quantified and the source of funding identified.

Of particular importance is the identification of support available ‘in-house’ from the programmes (national, provincial and local levels). A key factor is the role of the community facilitators, which is defined as:

‘The PWP recommends the utilisation of skilled personnel to run the community facilitation process for PWP projects. Community facilitators (CF) will deal with the training and other capacity-building requirements of the community in general, and of the specific structures set up or consulted with on matters pertaining to the project which may require such skills as the running of committees, maintaining accountability, conflict resolution, adult basic education and training, etc.

In addition the community facilitators will sensitise authorities and professionals involved in the project to
Diagram 5: Development committee

The Development Committee

The community elects a committee — a Development Committee (DC) — to represent the wishes of the community. The DC has representatives of all the different sectors in the community.

Trade unions

Stokvels

Women's societies

Civic associations

Hostel residents

Burial societies

Church groups

Youth groups

The DC appoints a smaller group of people – a sub-committee – to be responsible for discussions and negotiations with the local authority.

the 3-member sub-committee
the principles of community-based
development." 4

The circumstances of each project
initiative will determine the extent to
which the community facilitators will be
involved. Communities at the lower end
of the scale where there is little or no
communication with the local authority
(see again Diagram 2) will require
actions to build intra- and extra-
community bridges, in order to petition
local councils and others eg private
sector for the resolution of their
immediate needs.

Empowered communities with
established development committees will
be ready to interact with the local
councils for funding to carry out
development projects in their areas.

Projects driven by a local authority will
have to ensure that the beneficiary
community is actively involved in each
phase of the development process.

The cost of the promotion phase must be
estimated and budgeted for.

The degree of outside consultancy inputs
required in the promotion phase will
depend on

- the existing level of community
development as expressed in its
capacity to organise itself and run its
affairs, and in the project-related skills
at its disposal
- the support available from the
programme or from other sources, for
example the availability of a
community facilitator, training
agencies and other ‘in-house’ services.

Shortfalls in these areas may require
outside consultancy services to
supplement and build up local resources.
The training of trainers is a local
resource that will stay with the
community once the initial project has
been completed. The training process
should put the trainee on an accredited
career path, for example in the
construction industry. This strengthens
the need for a National Qualifications
Framework and a South African
Qualifications Authority to accredit on-
the-job training of all development
projects.

5.2 Phase II: Preparation

This phase mainly deals with translating a
community-felt need into a viable project
proposal – one that meets the objectives
of a development programme. A social
and an environmental scan should be
done by the community facilitator early
during the project cycle to provide an
indication of the social structure of the
‘community’, the various groupings that
should be involved in the project and the
issues to be explored in detail later in the
social and environmental assessments.
The community as client, through its DC
interacting with the project funder, has to
identify and prioritise its perceived
needs, for instance, adult basic education
training, accessibility, health or other.
Care should be taken not to confuse the
need with its resolution; eg health with the
clinic. The issue may be further
complicated by those who, regardless of
the merits of arguments to the contrary,
would rather have a clinic than any other
solution.

Having done this, the options to satisfy
the needs have to be explored. Limited
funding and the imperative to have
maximum value for money impose the
careful consideration of options and

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4 Report of the training and capacity-building
focus group, prepared for the National
Economic Forum Technical Committee on a
trade-offs. For instance, what are the pros and cons of rehabilitating or upgrading an existing building for use as a school, as against building a new one, if the saving is to be used to satisfy other community needs. These are technical issues, sometimes the solution is obvious, but often not.

The nature of an identified need for which funding is sought has to be understood by the community. For instance, in a locality with a high incidence of water-borne disease, one should consider whether the need is for safe water or for improved waste disposal if current arrangements contaminate the water. Often, the perceived need may be for a clinic because people are ill. These technical issues have to be resolved before an informed choice can be made.

Technical issues demand the necessary level of technical competence to
- identify problems
- propose solutions
- estimate costs
- evaluate options
- suggest trade-offs
- recommend choice.

The community as user-consumer must also be made aware of the cost to itself of each option. Option implies choice and for choice to be valid it has to be informed. Affordability or the ability to pay, and willingness or commitment to pay for the capital and recurrent costs have to be known and accepted beforehand, as must be the agreed actions to be taken in the event of default.

Under no account should a community be worse off after a project is delivered to it as would be the case if it could not repay the capital or pay the recurrent costs.

Devising ways of ensuring that commitments will be met is an important consideration which can be realised only if the community perceives a benefit to itself in meeting its obligations. Practical experience would suggest that a culture of paying through the exercise of peer pressure is always more effective than contractual clauses and penalties, which often are unenforceable and have led to confrontation, boycotts and even vandalism. Overcoming entrenched positions, dividing a community between those who would pay from those who would not, implies having to build up community trust and goodwill towards a project initiative. It should not be assumed that a community will be in complete agreement on a project proposal; for instance, a person selling water from a well or standpipe is not likely to support a more extensive reticulation system likely to deprive him or her of a source of income. All communities are constituted by a variety of interest groups often difficult to reconcile. The role of the DC is critical to ensure that the community reaches consensus on the project and on the obligations it assumes in the form of a social compact.

Finally, the community as a resource should benefit from the project in terms of job creation, small-scale contractor development and as a general provider of goods and services. Sustainable development will have been achieved if these project induced activities continue after the delivery of the physical asset.

The composition of the project committee will be determined by the specific requirements of the project. A social assessment study to the level of
detail required will have to be done. The project committee also has to be fully aware of developmental issues and their resolution.

Social scans and assessments form part of systematic decision-making in development programmes and projects and constitute a flexible technique which differs in depth and breadth according to the project. It involves a process that includes the participation of interested and affected people, the facilitation of participation and local organisation capacity-building.5

Typical areas of investigation are
- demographic information
- sociocultural characteristics
- socio-economic characteristics
- institutional characteristics.

Social assessment shows what the actual and potential resources of a community or area are, highlighting at the same time shortfalls and constraints, e.g. educational and institutional. The conclusions of the social assessment should pinpoint those areas in need of support if the developmental objectives of socio-economic benefits and training and capacity-building are to be satisfied. Of particular importance are the issues of gender and youth in the identification of beneficiaries and participants.
A project’s impact on the environment has to be assessed to ensure that any negative effects are acknowledged and addressed.

It would be totally unacceptable for the environment to be worse off after the completion of a project.

The physical environment of many disadvantaged communities often has deteriorated to the extent that an environmental improvement scheme is a necessary component of a development project. In rural areas, ‘dongas’ and other forms of soil erosion fall into this category as does the cleaning up of watercourses in urban areas.6 These components could be seen as counterpart contributions to the project.

Any development programme consisting of several projects will greatly benefit from reliable data from other projects in a given geographical area, be it local or provincial.
Some data will be project specific; other data will have a wider application.

Social assessments have to be carried out by appropriately qualified persons who can successfully interact with the community. In these circumstances language can be a serious barrier.

5.3 Phase III: Planning

Planning in this context is concerned with ensuring that the project identified and approved for funding is designed to achieve the developmental objectives referred to earlier. Social assessment and environmental impact studies will set the scene to develop the
- project brief
- project design
- management structure.

5.3.1 Project brief

The brief for the physical planning team to work from has to translate general

5 Transcribed from Framework for social assessment, an internal DBSA paper by A Jardine-Orr. See also Annexure A, ‘Broad issues for social development’.

Developmental objectives into project specific ones intended to meet particular needs. The social assessment will have identified and quantified local resources of

- **manpower**, consisting of the potentially active population in need of employment. Included in the assessment would be the technical, managerial and entrepreneurial skills of the workforce and entrepreneurs and the associations (local builders’ chamber of commerce, trade unions and others) in the project area
- **materials**, those local resources of stone, sand and clay and manufactured components whose use will promote employment and economic activity
- **machinery**, locally available machines, equipment, tools and vehicles
- **money**, to the local community’s accessibility to finance (credit, loans, grants, savings and others) that would stimulate local development.

The following example should help clarify the relationship. The social assessment or the data banks would have revealed, for instance

- the building materials produced or manufactured locally
- the quantity and quality of production
- the constraints, if any, affecting extraction, manufacture, transportation or the use of a given material, for example:
  - blockmakers not being able to cope with an increased demand for their products due to a short delivery time imposed by the project
  - blockmakers not meeting reasonable quality standards
  - lack of local transport to take blocks to site
  - limited number of local blocklayers.

The brief would then

- prescribe the use of locally produced materials, such as the blocks referred to above (SABS marks are a useful guide in development projects)
- relate local block making (units of production and cost) to the overall demand for blocks of a given quality in the locality, for instance making up a deficit by extending the project timeframe to accommodate local production, by allowing the importation of a percentage of the blocks, or by encouraging the increase of local block production to meet the demand in a given time
- address, if necessary, the constraints on the use of locally produced materials, for instance by training more blocklayers or allowing the importation of a number of them if the project or the programme should not justify the training of more blocklayers.

The same reasoning would apply to all other project resources such as small-scale contractors and the contractual implications of their employment, for example, the size of the contracts and training and support requirements. In contrast the brief for a ‘conventional’ project would not focus attention on the ‘developmental’ aspects, which if they arose, would only be the contractor’s concern.

By relating the local resources and constraints on their use to the project, the brief focuses attention on the project’s potential for job creation. This potential should be broken down into the following employment categories:

- **Temporary** (for the duration of the construction phase of the project)
- in construction
- in construction support services (extraction, manufacture, transport and project support and training)
• others resulting from the multiplier effect of the project in the locality.

*Permanent*
• in operating the facility or service
• in maintaining the facility
• others resulting from improved economic circumstances in the locality.

Training and capacity building as developmental components will help prepare some people for industry specific jobs eg bricklaying. Business, administrative and managerial skills are not industry specific, consequently they may allow greater job mobility between industry and trade.

The accurate assessment of the jobs to be created will highlight a key developmental objective with implications for
• the community, as a provider of labour
• training and capacity-building
• future projects to employ trained labour and contractors
• the sustainable size of the industry in the locality and the province.

When employing contractors in development projects with a strong job creation focus, care should be taken not to restrict opportunities only to local contractors. Often communities take the line that as it is their project outside contractors should be excluded. A good case can be made for the employment of local labour to the exclusion of outsiders; this approach should not be extended to contractors, particularly those operating at the higher levels. Small communities are not likely to be able to sustain contractor growth beyond the initial stages. Contracting is essentially footloose requiring of the contractor or subcontractor mobility in response to work opportunities. Barriers limiting access will reduce competition and will surely result in retaliatory restrictions.

5.3.2 Project design

The physical design team will have to work within the parameters set by the
• brief
• timeframe
• budget
• interaction with the DC (the community as client must be kept informed of what is happening).

Channels of communication between the parties should be kept open at all times. If a community is not told about a delay, say in the start up of building work on site, there are those who may spread the rumor that work will be indefinitely postponed. Easy access to information will prevent rumor mongering. Feedback sessions and information sharing are a prerequisite to ensure openness in the proceedings. When public funds are being expended accountability must be clearly established and the accounts regularly audited.

There could be a degree of flexibility in that the community may have views on how funds should be spent. For instance, a lower daily rate than that set by the Industrial Council might be acceptable to the community on condition that more people were employed, or if the ‘saving’ were allocated to satisfy other community needs. The DC has an important role to play in these circumstances, ensuring that the options are understood and acceptable to the community.

A sacrifice of earnings has to translate as a perceived tangible benefit in some other area.
The timeframe is also likely to be flexible enough to accommodate the delivery rate of contractors, or the production capacity of local manufacturers.

A project designed for labour intensive methods will only stay within budget if productivity is as anticipated. For this to happen payment must reflect output; payment regardless of output creates an open-ended situation over which the contractor and ultimately the client have no control.

Once completed, the design and specifications will have to be measured against the brief. The DC will have to review the design with the community, amend it if necessary, and finally secure approval from the community. Formal approval will signify that the contract documentation can be finalised.

It is absolutely essential that the ‘tendering and contractual’ arrangements match the development level of ‘emerging contractors.’ To ‘assist’ level 2 contractors to tender for level 4 contracts creates dependency and frequently leads to exploitation of the emerging contractors by those appointed to ‘support’ them. The development of a contractor from one level to the next is a process involving training and experience. Quick-fix solutions should be viewed with suspicion.

It must be assumed that not all contractors may want to continue to grow. Some may choose to stay at a level in which they are comfortable. Growth will be the outcome of opportunity, capacity, vision and ambition, the last two being innate qualities of the individual.

The project manager (PM) or the design team in the name of the DC will have to advertise the call for tenders in the local media, inviting interested parties to attend a workshop on the project. The workshop is run by the PM and is intended to explain the project in detail to the contractors and to assist them in preparing their tenders. Only tenders from contractors attending the workshop should be accepted or, alternatively, tenders from established contractors which provide more employment opportunities than local contractors.

The tender evaluation and the recommendations to the DC for consideration, or for forwarding to the relevant Tender Board, will be similar to those of ‘conventional’ projects, with the difference that the evaluation will have to take account of all the project objectives.

The project management will have to assess the performance strengths and weaknesses of the contractors. In a complex project, management will have to engage a training expert to determine needs. The actual training should be done by a suitably qualified trainer. To avoid conflict of interests both functions should be kept separate.

5.3.3 Management structure

There are several management structure options, for example:

- ‘in-house’ management by an implementing agency (local authority, development corporation, ministry or other)
- the appointment of an external consultant as manager (professional or other suitably qualified), either with or
without a financial interest in the project

- the appointment of an established contractor engaged to manage contractors, either as main contractor or in a management function only
- a consortium.

The managerial function is important, more so when the contract involves a number of small-scale contractors in need of guidance and support. The assessment of small-scale contractors will determine the extent of the responsibilities to be entrusted to each and the contractual arrangement that best suits them.

Diagram 6 illustrates the management structure of a development project. 'Input' reflects community involvement resulting in a mandate to the Development Committee and through it to the Project Committee. 'Output' is the developmental objectives of the project and the social compact entered into by the community in order to meet obligations arising from the project, for example repayment of capital cost and meeting service charges. The funders set the conditions to be satisfied by the project. Government may also pay for some services such as training and capacity-building, through the Department of Labour and others.

5.4 Phase IV: Implementation

The implementation phase consists of construction, and operation and maintenance.

5.4.1 Construction

This activity refers not only to building the physical asset but also to the 'ongoing' support and training and capacity-building components previously identified and detailed in the brief as developmental needs to be met by the project.

Some of these needs would be focused on the community; a programme of adult basic education would be in this category. This can extend beyond traditional numeracy and literacy to family planning and health issues. The DC determines the actual requirements. Project-specific support would include such items as the following.

a. Training programmes

These programmes are intended to make up workforce and small-scale contractor deficits in

- technical skills (eg brickmaking or bricklaying)
- business, managerial, committee work and administrative skills.

These skills could be imparted in the workplace as on-the-job training or in the office or classroom if necessary. Training should preferably be limited to income-producing work.

An important consideration to be satisfied by training programmes is that they should enable a person graduating from one course to attend a more advanced one after. This will encourage him or her to follow a career path within the industry; at the same time local human resources are built up.

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Emerging contractors: framework for estimating. DBSA publication No 7 in the Construction and development series, gives a breakdown of project management requirements for development projects using small-scale contractors.
Diagram 6: Development project management structure

This diagram should be read bearing in mind the relationships established in diagram 3.
b. Financial assistance

A contractor’s credit rating with financial institutions and suppliers will determine the support that may be required. The typical arrangements to provide financial support are

- **Cession of payment.** When weekly or fortnightly payments are to be made to the contractor agreements may be entered into with suppliers for the implementing agency to pay them directly.

- **Guarantees.** The implementing agency may guarantee payment of materials supplied to the contractor.

- **Bridging finance.** Some banks have special loan facilities; when accessible, they usually carry high interest charges. More favourable terms may be secured if the implementing agency guarantees the loan. Conditions should be attached to the drawing of cheques to ensure that the loan is only used for the purpose intended.

- **Forward funding.** The client or implementing agency may choose to forward fund a contractor by advancing a sum of money at the start of the contract. Conditions should be attached to the way the funds are spent and recovered from the small-scale contractor.

**Insurance and performance bonds.** The client or implementing agency will eventually have to pay for these items, which are upfront costs that may strain a small-scale contractor’s resources. Direct payment by the client is preferable and likely to be less expensive due to the client being better placed to bargain. Care should be taken to ensure that insurances and performance bonds are clearly understood and in place at the start of the contract.

- **Credit and other loan requirements.** A small-scale contractor needs different types of credit facilities and loan arrangements, such as
  - Revolving credit. This is normally project linked to establish the contract and pay running costs.
  - Working capital. This is for a longer period, for instance five years, and is required for equipment, transportation, and so on.

Long-term credit. This is mainly for office, yard and storage space.

c. Counselling

This service is intended to check the results of training on a contractor’s performance in order to identify areas in need of further support. Each contractor will have specific handicaps.

The project manager will have to identify the support requirements of contractors and of their workforce and take appropriate measures to provide for them. The financial assistance package required by contractors implies having to restructure contracts to facilitate their participation. If the items listed under ‘Financial assistance’ above are not addressed, or if the conditions of tenders approved by the Tender Board are inflexible about such matters as guarantees, insurance and performance bonds, local contracting will be constrained and likely to be limited to subcontracting, that is under the wing of an established contractor. In these circumstances contractor growth is likely to be limited to horizontal expansion, that is within a particular trade such as bricklaying or plumbing. Upward mobility – moving from a low level to a high one – will be a less likely outcome. In the course of his or her work the
Diagram 7: RDP and the construction Industry

<table>
<thead>
<tr>
<th>PROGRAMME (S)</th>
<th>DEVELOPMENT</th>
<th>RECONSTRUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>National:</td>
<td>Human development</td>
<td>Industry restructuring</td>
</tr>
<tr>
<td>Policy</td>
<td>Capacity-building</td>
<td>Procurement procedures</td>
</tr>
<tr>
<td>Strategy</td>
<td>Training</td>
<td>Industrial Council wage order</td>
</tr>
<tr>
<td>NPWP</td>
<td>Skills transfer</td>
<td>Contract documentation</td>
</tr>
<tr>
<td>Provincial:</td>
<td>Adult Basic Education</td>
<td>Tender board procedures</td>
</tr>
<tr>
<td>Programmes:</td>
<td></td>
<td>Guarantees</td>
</tr>
<tr>
<td>NPWP, NEDLAC,</td>
<td></td>
<td>Bridging finance</td>
</tr>
<tr>
<td>SBDA</td>
<td></td>
<td>Marketing</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
established contractor has to interact with clients, consultants, suppliers and bank institutions. At the lower levels of subcontracting interaction is more restricted, consequently negotiating and other business skills are not practised. It is, however, not implied that subcontracting cannot be a chosen activity, even when other options are available.

Local contractors should be viewed as part of the local sector of the industry that includes suppliers of raw materials, hauliers, building component manufacturers, small-scale contractors and their labour force, and service providers of training and capacity-building. For maximum growth the constraints on all the local participants will have to be attended to.

Selectively addressing some constraints while excluding others less obvious or more difficult to deal with, may put the whole process at risk. For instance, providing building finance but ignoring contract size may exclude the contractor from tendering. A contractor able to build ten pit latrines in a given time may lack the organisational capacity to build a thousand in the same period. Contract site must match contractors level.

Diagram 7 is included to illustrate the barriers that have to be recognised and removed to encourage contractor development and growth. The RDP programmes at national, provincial and local levels are new opportunities for the small-scale sector of the industry, on condition that participation is effectively promoted and facilitated. This can only happen through the transfer of skills and the restructuring of procurement procedures and financial requirements to be satisfied by the contractors. These are factors which currently severely constrain economic activity at the local level. DBSA's experience in hosting workshops for this sector of the industry is that the sector is acutely aware of the predicament it finds itself in and is demanding action to facilitate participation in development projects.

5.4.2 Operations and maintenance

This component of the construction cycle refers to the job creation potential of the physical asset or service being provided. For employment to materialise and benefit an impoverished community the project brief will have to raise issues such as the following.

a. Choice of technology

For instance, a waste collection system for an area with poor roads would be suitable for the use of either
- a cart drawn by a horse, donkey or oxen, likely to be available in the community already
- a tractor and trailer, which entails a considerable capital cost.

The option of a cart limits loading capacity to 500 kg, with a speed of 10 km/hr, whereas the second option has a loading capacity of 1500 kg, with a speed of 40 km/hr. Running costs are fodder for the animals as compared with petrol or diesel for the tractor. Furthermore, animals can be readily replaced; servicing the tractor is time-consuming and costly. Both options achieve the same result although one may be perceived as 'backward' and the other as 'modern'. The former creates jobs in the community for a local entrepreneur and his or her drivers, while the latter may need one local driver and the owner of the tractor could be from outside the community. Even when the owner is from the community, purchase or the hire
Diagram 8: Professional input during the developmental project cycle

<table>
<thead>
<tr>
<th>PROJECT CYCLE</th>
<th>PROJECT ACTIVITY</th>
<th>TECHNICAL BUILDING PHYSICAL ASSET</th>
<th>INPUT FOR SUPPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Phase promotion</td>
<td>MOTIVATION Social and environmental scan * Information on project aims * Election of Development Committee * Interaction with community: media, workshops, personal contacts <strong>Community informed and motivated</strong> IDENTIFICATION * Social and environmental assessment by: - impact analysis - community needs analysis (including gender and youth issues) - local resource analysis - local constraints analysis - support analysis * Interaction with community project identified and prioritised: physical assets and CB&amp;T <strong>Project identified and approved</strong></td>
<td></td>
<td>Community Facilitator or Liaison Officer (CFO &amp; CLO)</td>
</tr>
<tr>
<td>2. Phase preparation</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3. Phase Planning</td>
<td>3.1 BRIEF AND MANAGEMENT STRUCTURE * Selection criteria based on social assessment and developmental objectives: (affordability, acceptability, job creation, entrepreneurial development, etc) * ‘Willingness to pay’ (Social compact) * TOR project management * CB&amp;T project needs <strong>Brief completed and approved CB&amp;T programme</strong></td>
<td></td>
<td>CFO &amp; CLO</td>
</tr>
<tr>
<td>3.2 DESIGN (brief interpretation)</td>
<td>* Appointment of consultants * Physical design proposal: construction options, local resource inputs: (materials, labour, etc) Local output: jobs, entrepreneurial development, small-scale contracting * Review by community</td>
<td></td>
<td>CFO &amp; CLO</td>
</tr>
</tbody>
</table>

Notes: The professional input required at each cycle is identified by a number indicative of a specific professional requirement:

1. Person(s) trained in social sciences, including social analysis and participatory techniques
2. Physical planner capable of translating developmental issues into the brief for the physical asset.
3. Training and capacity building expert to assess community and project-specific needs.
4. Physical planning team (planner, land survey, service engineer, architect, civil engineer, quantity surveyor, landscape architect).
5. Trainer(s) to provide the skills identified in the programme devised by (3).
<table>
<thead>
<tr>
<th>PROJECT CYCLE</th>
<th>PROJECT ACTIVITY</th>
<th>TECHNICAL BUILDING PHYSICAL ASSET</th>
<th>INPUT FOR SUPPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>* Contract documentation * Pricing * Tenders and recommendation * Training</td>
<td>4 4 4 5</td>
<td>CFO &amp; CLO</td>
</tr>
<tr>
<td>Contract adjudicated</td>
<td>Management Option chosen</td>
<td>Project training in progress</td>
<td>5</td>
</tr>
<tr>
<td>4. Phase</td>
<td><strong>4.1 CONSTRUCTION</strong> * Management, supervision support, counselling, contract * Training * Monitoring</td>
<td>6 4 5 7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Physical asset built</td>
<td>Developmental objectives met</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training in progress</td>
<td>Management performance</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>4.2 OPERATIONS AND MAINTENANCE</strong> * Brief * Contractual arrangements * Supervision * Training * Monitoring</td>
<td>4 4 4 5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Life of asset and jobs created</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 5</td>
<td><strong>Evaluation</strong> * Audit * Project input and output * Data capturing * Lessons learnt</td>
<td>7 7 7 7 7</td>
<td></td>
</tr>
<tr>
<td>Evaluation</td>
<td>Feedback to data base (local, provincial)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. **Whatever the project management option selected.**
   a. established contractor
   b. project manager appointment
   c. project manager engaged by a consortium of small-scale contractors with or without an economic contract
   d. consultant.

7. **Expert to evaluate the degree of match between project objective, input and output.**

**CFO =** Community Facilitator Officer: person trained in facilitation, conflict resolution, committee room and social organisation skills.

**CLO =** Community Liaison Officer: person with a clear understanding of local issues and an ability to interact at all levels.

Often the CFO and CLO functions are combined in one person.
of the tractor and trailer will drain local resources.

Waste recovery and recycling are other areas with potential for job creation and local entrepreneurial development. Composting vegetable waste, for instance, is such an activity. The forward and backward linkages of the project must be exploited for their potential to create job opportunities.

b. Training
Training is a precondition for adequate maintenance. In this regard damage that can be prevented is more cost effective than what has to be redone to remedy a situation deteriorated beyond normal repair. For instance, gravel roads rapidly deteriorate to the point of becoming impassable if left unattended during the rainy season. Help might be elicited from the local road administration in leaving supplies of gravel at accessible points. Close interaction between all parties is therefore essential for the success of development projects.

It should be recognised that the lifespan of a development project can be extended, often indefinitely, if the maintenance aspects are properly addressed. Maintenance is a recurring source of employment. There are obvious trade-offs between capital and recurrent expenditures.

Maintenance of a building can be ‘preventive’ when carried out periodically, for example, the regular painting or varnishing of exposed woodwork. It can also be ‘remedial’ if action only follows after breakage or deterioration. The first option has regular cost implications; the second would increase outlays as the building ages and its useful life shortens. The precarious condition of many hostels is an example of this last approach to maintenance. Without debating the pros and cons of hostels, the fact that they have been neglected has resulted in poor standards being further reduced because of a lack of maintenance.

Diagram 6: The development project management structure

5.5 Monitoring and evaluation

The monitoring and evaluation function is a critical input to the programme database, as experience gained will be helpful for subsequent projects. Aspects of particular interest are those that reflect attitudes towards projects and the attainment of developmental objectives.

5.5.1 General considerations

Under this heading are included
- lessons from each phase
- build up of human resources through training and capacity-building
- community cohesion and motivation to continue the development process
- identification of future projects
- indicators of economic improvement as a result of the project.

5.5.2 Project-specific considerations

This heading refers to
- use of the physical facility, for instance, is the occupancy of an industrial development as was expected in the brief? If not, are the units vacant or in some other use, such as storage?
- effectiveness of the institutional arrangements to operate and maintain the physical asset (eg industrial development). If rentals and service charges are in arrears what measures were put in place to remedy the situation?
the effectiveness of the social compact to ensure cost recovery
suitability of the design for the use intended. If not completely adequate, what could be done to improve the design?

Diagram 8 summarises the professional input needed to carry out a development project in construction. It should not be assumed that the diagram covers all eventualities. The circumstances of each project will dictate the input needed. It must again be stressed that the creation of the physical asset is only part of the project and that the developmental input by consultants is critical for the success of these programmes and projects.

The following aspects have to be satisfied:
- community involvement
- creation of a physical asset and/or the provision of a sustainable service
- human development through capacity-building and training
- economic development through job creation and entrepreneurial development
- social development throughout the process leading to empowerment
- respect for the environment.

6. Interim Conclusions

The foregoing pages hopefully will have succeeded in making the point that conventional and development projects are distinct since they differ in
- objectives (people development vs the creation of physical assets only)
- community participation involvement and ownership vs only an expression of need
- duration of the project (appropriate to the resources of the community)
- project selection and design criteria (RDP and job creation)
- implementation mechanisms (Development and Project committee)
- small-scale contractor mobilisation and support
- ongoing operation and maintenance requirements
- human resource development

In recognition of these facts it becomes necessary to explore the funding and budgetary consequences for programmes and projects of:
- the costing of professional and support service input to development projects
- the acceptability by professional institutions of the costing principles
- the sources of fiscal support for development programmes and projects
- the cyclical nature of investment. Development projects should be part of programmes designed to carry forward and build on what was achieved.

It is intended to workshop these issues with professionals and other service providers in an effort to understand what constitutes a fair and reasonable fee structure for development projects as opposed to the routine ‘physical asset’ type of projects.
Annexure A: Broad issues for social assessment

The list of issues below provide a broad indication of the information required for most DBSA-funded projects. The issues to be considered vary according to different projects and sectors. For example, the social assessment on a proposed cattle or game ownership would address cattle ownership patterns and so on, whereas a labour-intensive rural road project assessment would include the attitude of local people to labour-intensive road construction, their willingness and ability to work as well as an indication of appropriate local materials. The level of detail also varies according to the project and is a matter to be agreed upon between DBSA and the borrower, in consultation with the community if possible. For example, a dam project involving the resettlement of people requires considerably more detail than the upgrading of a road which passes through a stable rural area.

Sociocultural, economic and institutional assessment

Demographic information

- Population estimates and distribution (including age and gender) in the project ‘target’ areas and the surrounding areas
- Household and family profiles, migrancy, patterns of decision-making, and the division of labour within the family, including gender roles.

Sociocultural characteristics

- Local needs vis à vis the proposed project (Is the proposed project a priority for marginalised groups such as the landless, women, youth and the poor as well?)
- Attitude to development, that is historical antecedents which may have an influence on the project; resistance or receptivity to change
- Social organisation of the target area, its cohesiveness and the presence of socioculturally, sociopolitically or socio-economically diverse groups in the project area
- Social norms, beliefs, attitudes and local knowledge that could influence the proposed project
- Indication of broad educational standards, training and capacity-building needs
- Identification of ‘social ills’ that could be associated with, or caused by, the project, for example theft of project-related property, violence and tension within the community.

Socio-economic characteristics

- Productive activities in the project area, patterns of consumption, employment rates of men and women, estimates of levels and sources of household income and labour availability
- Control, allocation and access to resources and the effect of the project on existing resources of water, land and labour
- Existing skills that could be utilised by the project, for instance income-generating skills such as bricklaying and carpentry, farm management and new skills that the project could develop, for example functional literacy
- Presence of entrepreneurs who could be involved in the project, for example transport contractors and manufacturers
- Presence of informal credit schemes and their effect on or relationship to the project
- Land tenure arrangements and the effects of the proposed project
- Immediate and long-term benefits to local people, such as income and jobs
- Effect of the project on people who do not directly benefit from it (employment or other income-generating activities), including those who may be negatively affected
- Project beneficiaries to contribute to project costs, for example labour contribution and cash contribution
- Mechanisms of effective cost recovery currently in operation and which could be utilised by the project
- Project design to make maximum use of local resources, knowledge and skills, where possible
- Project design to make maximum use of appropriate technology.

**Institutional characteristics**

- Formal authorities (e.g., local authority, chief, tribal authority), the community's attitude toward them, their representativeness, their previous development record or history, their attitude to the project and the effectiveness of their communication with the people
- Informal and opinion leaders, the community's attitude towards them, their representativeness, their relationship or attitude to formal authorities and their attitude to the project
- Local decision-making structures within the target community (including the role of women) and deficiencies in the institutional structure, that is institutional aspects that are absent or poorly structured, and the effect of these on the project
- Existing local institutional structures, for example savings clubs, church groups, women's groups and youth groups
- Involvement of government departments and other regional organisations in the area, their capacity and potential role in the proposed project
- Involvement of NGOs in the area and their capacity to become involved in the project
- Extent of people participation appropriate for the proposed project, that is the level of control and ownership the project beneficiaries can exercise over the project during the various phases
- A people participation strategy that will facilitate the participation of the beneficiaries in project identification, planning, implementation, monitoring and general decision-making on the project. This strategy should involve requirements for mobilisation, institution-building, and communication channels
- Constraints such as tension or violence between or within communities, that might limit the effectiveness of local organisations and active community participation
- Effective local institutions which could be used in achieving people participation on the project
• If effective local institutions do not exist, the formulation of a strategy to support beneficiaries in the formation of local organisations or the strengthening of appropriate existing institutions

• Eliciting active participation and even decision-making in the project from all sectors of the community (eg women and youth).
Annexure B: Environmental assessment

This annexure partly transcribes the guidelines prepared by the Environmental Evaluation Unit, University of Cape Town, issued by the Department of Environmental Affairs.

Introduction

Integrated Environmental Management (IEM) is designed to ensure that the environmental consequences of development proposals are understood and adequately considered in the planning process. The term 'environmental' is used in its broad sense, encompassing biophysical and socio-economic components. The purpose of IEM is to resolve or mitigate any negative impact and to enhance positive aspects of development proposals.

Principles underpinning integrated environmental management

The basic principles underpinning IEM are that there be
- informed decision-making
- accountability for information on which decisions are taken
- accountability for decisions taken
- a broad meaning given to the term 'environment' (ie, one that includes physical, biological, social, economic, cultural, historical and political components)
- an open, participatory approach in the planning of proposals
- consultation with interested and affected parties

- due consideration of alternative options
- an attempt to mitigate negative impact and enhance positive aspects of proposals
- an attempt to ensure that the 'social costs' of development proposals (those borne by society, rather than the developers) be outweighed by the 'social benefits' (benefits to society as a result of the actions of the developers)
- democratic regard for individual rights and obligations
- compliance with these principles during all stages of the planning, implementation and decommissioning of proposals (ie from 'cradle to grave')
- the opportunity for public and specialist input in the decision-making process.

Develop proposal

Central to the notion of IEM is that its underlying principles should direct the planning of proposals, rather than being considerations to be addressed once the proposal has been 'planned'. By incorporating the recommended steps when developing the proposal, the proposal will be better planned, and the decision-making process will be streamlined.

The recommended steps are as follows:
- notify neighbours and other interested and affected parties
- establish policy requirements
- establish legal requirements
- establish administrative requirements
• establish purpose or need for the proposal
• consider IEM requirements
• consult with authorities
• consult with interested and affected parties
• identify and consider alternatives
• identify and consider issues, opportunities and constraints for alternatives
• consider mitigatory options
• consider management plan options.

Impact assessment

There are three principal components of an impact assessment:

• Scoping. This determines the extent of and approach to the investigation. The proponent and his or her consultant, in consultation with the relevant authorities and the interested and affected parties, determine which alternatives and issues should be investigated, the procedure that should be followed, and report requirements.

• Investigation. The investigation is guided by the scoping decisions and is intended to provide the authorities with enough information on the positive and negative aspects of the proposal, and feasible alternatives, with which to make a decision.

• Report. This should be based on Guidelines for report requirements, Guideline Document No 3. Particular report requirements may be established by the parties during scoping.

The scope of the impact assessment investigation will vary from a relatively brief assessment by a competent party to a very detailed assessment by a team of professionals, depending on the circumstances.

Implementation

Implementation of proposal

On approval, the proposal may be implemented. The conditions of approval may require that a management plan and/or an environmental contract be drawn up.

Monitoring

A monitoring programme should be required for all approved proposals, irrespective of whether there is a management plan and/or an environmental contract. This programme should include clear guidelines as to what should be done, who should do it, and should finance it. Aspects to be covered in monitoring include verification of impact predictions, appraisal of mitigatory measures, adherence to approved plans, and compliance with conditions of approval. Monitoring thus ensures that the requirements of the conditions of approval, and (where applicable) the management plan and environmental contract are met.

Audits

Periodic assessments of the positive and negative impacts of proposals should be undertaken. These will serve to provide instructive feedback on the adequacy of planning at the develop proposal stage, the accuracy of investigations in the initial assessment and/or impact assessment stages, the wisdom of the decisions at the authority review stage, and the effectiveness of the conditions of approval and monitoring programme at the implementation stage. Auditing is thus a reassessment of the project or policy proposal in the light of development during implementation.
Conclusion

The essence of the revised IEM procedure is that an impact assessment is either undertaken, or is not necessary. Provision is made for an initial assessment to establish whether or not an impact assessment is required, when appropriate. The intended message is that careful planning, incorporating the necessary assessment, will expedite the process, and facilitate informed decision-making.

Precise information is provided in the Integrated Environmental Management guideline series:

1 Integrated environmental management procedure
2 Guidelines for scoping
3 Guidelines for report requirements
4 Guidelines for review
5 Checklist of environmental characteristics
6 Glossary of terms used in integrated environmental management
### Diagram 9: Project cycle and DBSA appraisal modules

<table>
<thead>
<tr>
<th>Phase</th>
<th>Appraisal Modules</th>
<th>Socio-Economic</th>
<th>Technical</th>
<th>Institutional</th>
<th>Environmental</th>
<th>Financial</th>
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<td>1. Promotion and need identification</td>
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<td>Social and Environmental Scans</td>
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<td>Promotion interactions in the community and with institutions</td>
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<td>Needs identified (in the abstract: e.g., education, tourism)</td>
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<td>2. Preparation</td>
<td>Social and Environmental Assessments</td>
<td>Gender and youth</td>
<td>Capacity skills available</td>
<td>Structures capacity</td>
<td>Sensitivity to potentially negative impacts</td>
<td>Structures basic needs</td>
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<td>Training needs</td>
<td>Managerial training providers NGOs and CSOs</td>
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<td>3. Planning</td>
<td>Developmental Project Brief Approved</td>
<td>Appointment Consultant</td>
<td>Design team: brief interpretation of physical design</td>
<td>Interaction and consultation with: community and design team</td>
<td>Impacts and enhancement of project beneficial aspects of project</td>
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<td>Trainees</td>
<td>Brief estimation of local resources training needs</td>
<td>Training providers</td>
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<td>Small-scale contractor support adjudication social compact</td>
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<td>Contract</td>
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<td>3.1</td>
<td>Construction</td>
<td>Construction undertaking</td>
<td>Management supervision training counselling</td>
<td>Capacity to manage training providers</td>
<td>Implementation of mitigation guarantees credits disbursments</td>
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<td>Operations and maintenance</td>
<td>Social compact</td>
<td>Brief contracts training monitoring</td>
<td>Capacity to manage training providers</td>
<td>Management and monitoring of evaluation performance monitoring of borrower's environmental management</td>
<td>Disbursements</td>
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<td>5. Evaluation</td>
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<td>Audit and feedback to local and provincial data bank</td>
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Annexure C: Project phases and DBSA appraisal modules

Diagram 9 relates the phases of the project cycle to the DBSA appraisal modules. A development project lodged with the Bank for funding will have to meet specific requirements of the appraisal modules (socio-economic, technical, institutional, environmental and financial) for each phase of a project. The type and complexity of the project will determine the nature of the development conditions to be satisfied. In general terms, how the development project objectives of:

- creation of a physical asset
- socio-economic benefits to the local community
- development of local human resources

are satisfied in the project submission, will determine the project's viability in Bank terms and the conditions which may be attached to the loan.

Diagram 9 shows actions which are likely to be taken during the project cycle as a consequence of the appraisal. For instance, the Socio-economic module would require that in phase 1: Promotion and need identification, Social and environmental scans be done; to be followed in phase 2: Preparation by Social and environmental assessments. Diagram 9 has all the characteristics of a check list.
General references


