



South Africa Siyasebenza

Learning Series

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PFUNANANI ENTERPRISE DEVELOPMENT PROJECT (PEDP)/SABI SANDS

**Uplifting communities through local tourism
linkages in Bushbuckridge**



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The Jobs Fund is a R9 billion fund established by the South African Government in 2011. It was established to encourage innovation and give greater impetus to initiatives with potential to generate sustainable employment. The Fund aims to catalyze innovation in job creation through structured partnerships with the private and public sectors as well as NPOs by awarding once-off grants to organisations through a competitive process. The Jobs Fund operates on challenge fund principles and aims to incentivise innovation and investment in new business approaches that directly contribute to long term sustainable employment creation.



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Abstract

This paper presents the results of the evaluation of the implementation of the Pfunanani Enterprise Development Project (PEDP) in partnership with the Jobs Fund (JF) to stimulate jobs and environmental sustainability in the rural communities of Bushbuckridge, which borders the Kruger National Park and other nature reserves. Bushbuckridge is one of the poorest areas in South Africa. The project aimed to link local small enterprises in the area to the wildlife tourism value chains and to explore emerging market opportunities to address social ills in the areas surrounding the game reserves. The evaluation used the most significant change approach and found that there was material change in the ability of the participants to grow their businesses as well as meeting all its contracted job creation targets.

1. Introduction

Bushbuckridge is located in the South Eastern part of Mpumalanga province. It is bordered on the east by the Kruger National Park and the Sabi Sands Game reserve. It is a rural area with high unemployment and high poverty rates among the predominantly youthful population of just under 600 000.

The presence of the game reserves to the east of Bushbuckridge provides for a dichotomous existence of a thriving tourist industry in the game reserves with luxury lodges and other enterprises alongside a largely poverty stricken local municipality riddled with service delivery problems and accompanying ills of poverty, crime and unemployment.

Over the long term this dichotomy has led to animosity and strained power relations between those “inside” and those “outside” the reserves.

In spite of the many examples across Africa of how wildlife reserves have been used to create

employment and eradicate social ills, problems still exist in Bushbuckridge that impede the advancement of progress from the existence of these wildlife assets in the area. Some of the problems are:

- Lack of access to viable markets
- Lack of access to finance
- Lack of managerial and technical skills among entrepreneurs
- Lack of access to information and communication technology
- Poor quality products from local manufacturers
- Lack of compliance with government regulations and registration requirements

These complexities and deficiencies present opportunities for innovative approaches to social economic development in Bushbuckridge. This was the motivating factor for the Sabi Sand Pfunanani Trust (SSPT), and its partners to get involved in the local enterprise development activities in Bushbuckridge with the implementation of the PEDP project.

SSPT is a community development organisation that works in the Bushbuckridge area. The Trust collaborates with landowners, NGOs and lodges within the Sabi Sand Game Reserve (SSGR) to address the social challenges of the area.

The SSPT partnered with the Buffelshoek Trust, University of Johannesburg (UJ), SSGR and the Jobs Fund in a project aimed at providing linkages to established trading partners in the game reserves for local aspiring and existing entrepreneurs in Bushbuckridge. The project was implemented in villages in the Bushbuckridge Local Municipality and provided training, mentorship, work placements and business linkages for small scale enterprises participating in the project.

This paper presents the results of the evaluation of the implementation of the PEDP project in Bushbuckridge.

2. Objectives of the PEDP Project

The objective of the partnership was to address the social economic ills in Bushbuckridge and reduce the tensions between the “insiders” and the “outsiders”. The project was guided by six sub objectives all geared to uplifting local Small Micro and Medium Enterprises (SMMEs) by linking them into the conservation and tourism value chain in Bushbuckridge. The following is a list of the sub-objectives that guided the implementation of the project:

1. To capacitate 60 community-owned businesses to join the conservation-tourism value chain as suppliers of goods and services.
2. To build trust and improve working relationships between the SSGR and neighboring communities, NGOs, Lodges and funding partners.
3. To create awareness in the local communities of the reserve's socio-economic contribution to Bushbuckridge
4. To stimulate the local economy through creation of sustainable employment and

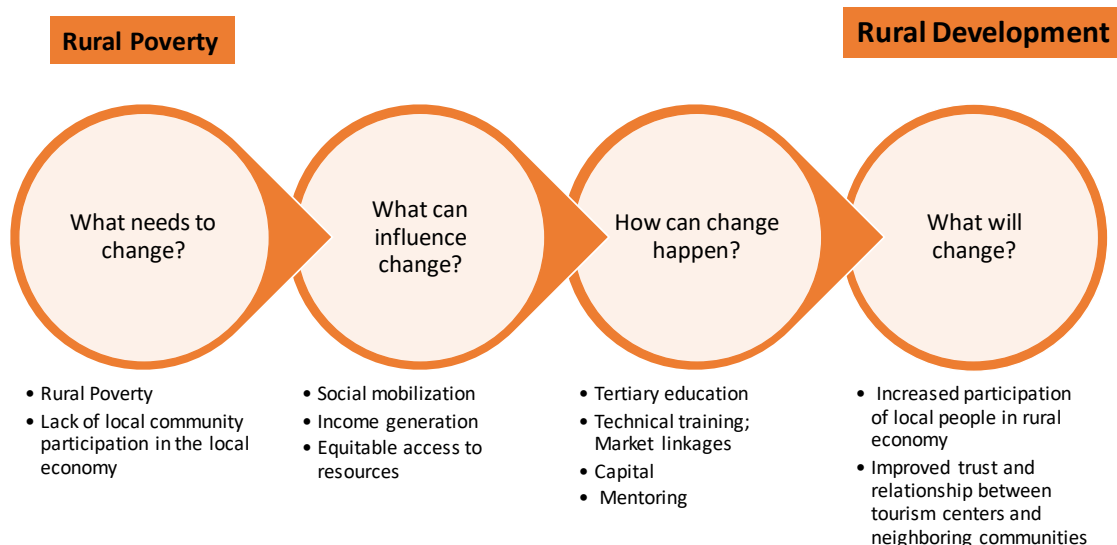
income.

5. To support communities to shift from dependence to self-sufficiency.
6. To develop community-based business products to capture local and regional markets through equivalent or better quality products and services.

3. Theory of Change

The PEDP project's theory of change worked on the assumption that rural poverty in Bushbuckridge was a result of the gap that exists between the thriving tourist industry and the poor business environment in the surrounding villages. If this gap is reduced through innovative interventions, the levels of poverty can reasonably be reduced through the income generating opportunities that arise through the closing of this gap. Figure 1 summarizes this theory. An increase in the number of people participating in the local economy; improving the quality of the goods produced by local manufacturers; and increasing access to finance and communication technologies will lead to an improved trust and working relationship between the wildlife and tourism sector and the surrounding communities. This coupled with better business practices by local enterprises will

Figure 1: PEDP/Sabi Sands Theory of Change



lead to increased household incomes which will result in less poverty in the communities surrounding the game reserves.

These changes will be facilitated through more access to higher education by local people, which will help raise their technical skills so that they can take advantage of the linkages that will be provided by the activities of the Pfunanani Sabi Sands project.

Some of the project activities included a thirty-day business startup and technical skills training program; a monthly three-hour one-on-one mentorship program; and a five-day end-user computer training program for the local entrepreneurs.

Each of the supported business was also given a R13 000 stipend to help grow their business.

4. Method and Approach

The evaluation was centred on finding out whether the project had met its stated objectives in view of its relevance, effectiveness, efficiency, impact and possible sustainability of the project outcomes. Both quantitative and qualitative methods were employed during the evaluation.

The program logic was reviewed using desktop analysis of the project documentation, reports, result frameworks and statistical reports. The evaluator relied on previous funder's mandated data audits to ensure all statistics were backed-up by evidence, such as training attendance registers and application forms.

The Most Significant Change (MSC) approach was then used to ensure that the evaluation captured the results and other more nuanced qualitative information. This is a method that accommodates the complexities of the real world impact of the project beneficiaries and the staff.

MSC involves the collection of significant change stories emanating from the field and the systematic selection of the most significant of these stories.

5. Results of the Evaluation

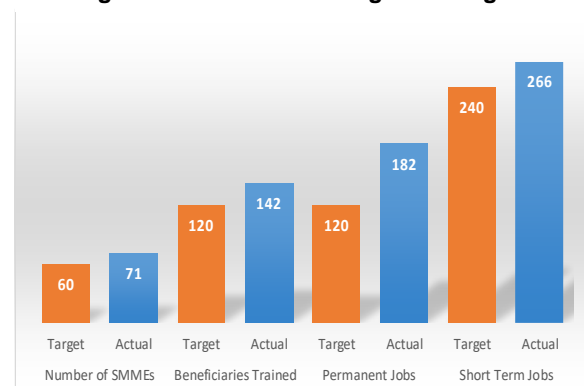
5.1 Relevance

This project was implemented in one of South Africa's poorest areas and responded to a very real and material need in the community. The partnerships formed with the university of Johannesburg and the other Trust organizations in the area worked very well together in bringing the local community closer to the different actors in the Bushbuckridge conservation and tourism sector.

5.2 Effectiveness

The project was highly effective in achieving its targets. Figure 2 shows that the project created more short term and permanent jobs than it contracted for. The target was to reach at least 60 businesses and link them to the conservation and tourism value chain in Bushbuckridge. The project reached and linked 71 SMMEs who reported growth and improvement in sales during their interaction with the project.

Figure 2: Achievements against Targets



5.3 Efficiency

The project's budgeted cost per job agreed with the Jobs Fund was R54,880 per job. The project achieved an actual cost of R44,100 per job. This is a 20% saving on the cost per job. This demonstrates a high level of financial efficiency in the project. The actual cost per SMME supported

and trained was R278,263, although R329,278 was budgeted per beneficiary.

5.4 Impact of the Project

There was material positive impact on the ability of SMMEs to grow their businesses. The extent of attribution was not directly investigated by the evaluation but all the anecdotal evidence gathered pointed to the fact that the levels observed were linked to the activities of the project. Although it is a long-term and complex process, the project had an effect on the relations and perceptions between those inside the game reserves and the neighboring communities. Even though animosities and tension still exist, in-roads were made to create more mutual awareness between those inside and those outside of the fence.

An example of an unintended outcome of the project was that some SMME owners have become more employable, resulting in some leaving their SMMEs to start formal employment elsewhere. This is a positive side effect of the project that was not part of the plan.

The project's biggest observed outcome was the ability of beneficiaries to grow their businesses and increase income. Bringing about changes in equity and social status is a much more complex process, requiring many years of sustained outputs and the involvement of many stakeholders.

So how did the change happen?

1. Work placements enabled SMME owners to gain new skills and insights into the business world, including basic skills like customer service etiquette.
2. Business management training by the University of Johannesburg and the provision of mentoring increased the entrepreneurs' business knowledge and skills enabling them to better manage their business operations.
3. The technical skills training enabled them to employ more effective and efficient methods of managing their money and using

information and communication technologies.

4. The support that was rendered in setting up the business linkages between the game reserve and the community was critical in moving the SMMEs to the next level.

5.5 Sustainability

Sustainability is notoriously hard to measure and even harder to predict. Considering the size of the socio-economic problem this project was trying to tackle, a two-year intervention could not possibly be expected to yield predictable and verifiable sustainability results. It is assumed that SMMEs will implement what they have learnt during the project and that this will lead to improved income over a long period of time.

6. Lessons learnt

The project selected entrepreneurs who already had a certain level of competence and education. This type of selection criterion exposes the project to the risk of concentrating on the low hanging fruit, unintentionally reproducing village-level social and economic inequalities.

A suggestion to mitigate this effect is for such projects to include several categories of beneficiaries from the start, where people with very low or no formal education stand an equal chance of participating in the project.

A lot of effort went into educating the beneficiaries, especially about the wildlife-tourism economy, but very little was done about educating the entities in the wildlife-tourism value chain about the surrounding communities to enable them to do business with SMMEs in the community. A two-way sensitization approach is more advisable for this type of intervention where a cultural gap is being targeted.

This project was about much more than developing rural entrepreneurs to participate in the local economy. It was also about changing the meaning of two important concepts that determine the future of the whole area –

“communities” and “reserves”. The sustainability of the project’s efforts depends on changing local perceptions about:

- How communities *perceive* the reserves, and,
- How the reserves and lodges *perceive* communities.

Perceptions are not just changed through education, facts and statistics. Handing out pamphlets in villages about how much the wildlife tourism economy is contributing to local development does not change their perceptions about nearby reserves.

More creative work is needed to give people real experiences that change their perceptions and beliefs. The initiative to bring SMMEs into the reserves, and lodge staff to the communities, is a good example of an initiative that triggers these kinds of transformative interactions.

7. Conclusion

The project was implemented during a challenging political and social period in Bushbuckridge when rhino poaching was reaching record levels around the SSGR, with many local community members implicated and criminalized as a result. The community also went through a local government election and a period of intensified service delivery and other civil society protests. Despite these challenges project partners managed to develop a model for entrepreneurship development in Bushbuckridge, combining expertise from a variety of sectors and learning institutions while continuing to produce tangible results with SMME beneficiaries.

The project was socially innovative and responded to a pressing social need in Bushbuckridge. As an on-going process, the project began to challenge some of the basic routines, resource and authority flows as well as beliefs of the social systems in the Bushbuckridge area.

8. Recommendation

Hard lessons were learnt and rich experiences gained during the implementation of the project. The stage was set for the transformation of this social innovation program into a long-term funded and expanded program.

However, some of the outcomes could not be quantified at the time of the evaluation either because it was too soon or because they were outside the scope of the evaluation e.g. the knock-on effects on an entire household when an SMME increased its income.

It is recommended that a well-designed impact study be carried out in Bushbuckridge to study and document these outcomes and determine sustainability of the linkages formed during the PEDP project.

