

# PROGRAMMES REPORT



COMPILED FOR THE

**Annual General  
Meeting 2022**



**KAGISO  
TRUST**  
Overcoming poverty



# TABLE OF CONTENTS

<b>1. Education Programme</b>	<b>2</b>
1. Beyers Naude Development Programme	4
2. Eric Molobi Scholarship Programme	8
<b>2. Capacity Building</b>	<b>12</b>
1. Local Government	14
2. KTC's 'Radical Collaboration' Model – Makana Test Site	18
3. Civil Society Support Programme	24
<b>3. Socio-Economic Development</b>	<b>34</b>
1. Background	36
2. Agriculture	40
3. Property	52



## EDUCATION PROGRAMME

# BEYERS NAUDÉ DEVELOPMENT PROGRAMME



## Your year that was

The school academic year started later than usual, however, the learners went back to school on a full-time basis with the rotational schedule being discontinued. The 2021/22 cohort across all grades has accumulated 2-year gaps due to the pandemic which has led to curriculum trimming and rotations. The majority of those in grade 12 are progressed learners.

Kagiso Trust, in its Five-Year Strategic Plan (2022-2026), has shifted its focus to scaling its models, following a rigorous process of testing and validation. The year saw the pillar forming strategic partnerships in new areas, such as the ICT integration in teaching and learning, cultivating alternative career pathways through the technical high schools program, in partnership with Sasol foundation.

## Highlights

1. Noting the ICT infrastructure and resources challenges, especially in Sekhukhune, it is intended to incorporate ICT capabilities to facilitate teaching and learning, using the hybrid approach, to improve delivery. KT collaborated with Eutelsat, a French satellite operator, to conduct a proof-of-concept in five schools, testing the viability of using satellite broadband.
2. In advocating for the scaling and adoption of the BNSDP programme, the model presentation was conducted to the Portfolio Committee
3. In celebrating youth month, the program hosted a 4IR entrepreneurship development event to create awareness around the opportunities relating to 4IR. The event provided an opportunity for attendees to collaborate in problem solving.
4. The mining sector has been approached with a view to possible collaborations and partnership opportunities.

## Achievements

- KT hosted teacher development workshops for the district through the 1+9 departmental initiative.
- The Mentorship Programme assisted teachers in planning for the beginning of the 1st quarter. The programme included resource packs developed in collaboration with Subject Advisors.
- Provincial teacher skills competitions were held.
- KT hosted a district management workshop with the purpose of ensuring that district plans are aligned and that there is available capacity to support the schools.

### THE INVESTMENT KT HAS MADE ON PROGRAMME SPENDING IN THE QUEST TO IMPROVE EDUCATION

YEAR	EMSP	BNSDP	School Halls
2009	R1 873 380	R21 200 000	-
2010	R2 260 000	R23 540 000	-
2011	R2 839 100	R28 660 900	-
2012	R2 450 000	R27 850 000	-
2013	R2 500 000	R76 450 000	-
2014	R3 364 224	R64 843 483	R65 186 515
2015	R3 782 954	R53 003 422	R51 403 701
2016	R3 829 021	R27 994 888	R69 592 106
2017	R4 380 173	R8 986 519	R29 096 302
2018	R4 892 879	R7 627 318	R2 156 033
2019	R5 387 362	R7 450 259	-
2020	R5 963 932	R2 389 726	R16 725 724
2021	R2 823 632	R8 365 625	63 152 347
<b>TOTAL</b>	<b>R46 346 657</b>	<b>R358 362 140</b>	<b>R234 160 381</b>



## Challenges

- Capacity gaps in the districts
- Lack of ICT infrastructure
- Poor connectivity in rural areas

## Looking ahead to the next FY

### Upcoming Key projects:

- Technical teachers conference. This is to enable a Professional Learning Community (PLC) of technical schools' professionals through a facilitated discourse, documenting best practices that contribute towards achieving excellence in technical-vocational education.
- Technical teachers' skills competitions designed to harness teacher skills so they can better support learners in performing quality practicals.
- Maths campaigns and competition to advocate for the subject with the intention of increasing the number of learners taking pure mathematics.
- Career EXPO to provide learners with information on different career paths.
- Participate with education platforms to advocate for the education model and share the programme's work.
- Implement a broader career support programme in line with the 3-stream model.



## ERIC MOLOBI SCHOLARSHIP PROGRAMME

### Your year that was

The year saw the halting of the bursary offering as there was no new intake in 2021. This is owing to the review of the EMSP offering in light of the organisation's 5-year strategy (FY2022-2026).

The year focused on supporting the existing intakes from 2018 to 2020, while undertaking a reconceptualisation and validation of the new programme offering. The intention is to intensify and broaden alternative career pathways.

### Highlights

There was a post COVID-19 workshop held to better understand how the students thrived through the lockdown, and also to reconnect through interpersonal face to face interactions. The session involved an inspirational address aimed at reigniting students passion to pursue their dreams.

The strategic partnership with SAICA saw ten additional bursars recruited in January 2022. The total number of students supported is now 33. The programme has been downscaled due to reconceptualisation. Of the 33, 6 will be completing their final year in 2022.

### Achievements

- Three bursars graduated this year in April/May.
- Programme beneficiaries have responded to the call for alumni registration.

## Looking forward to the next FY

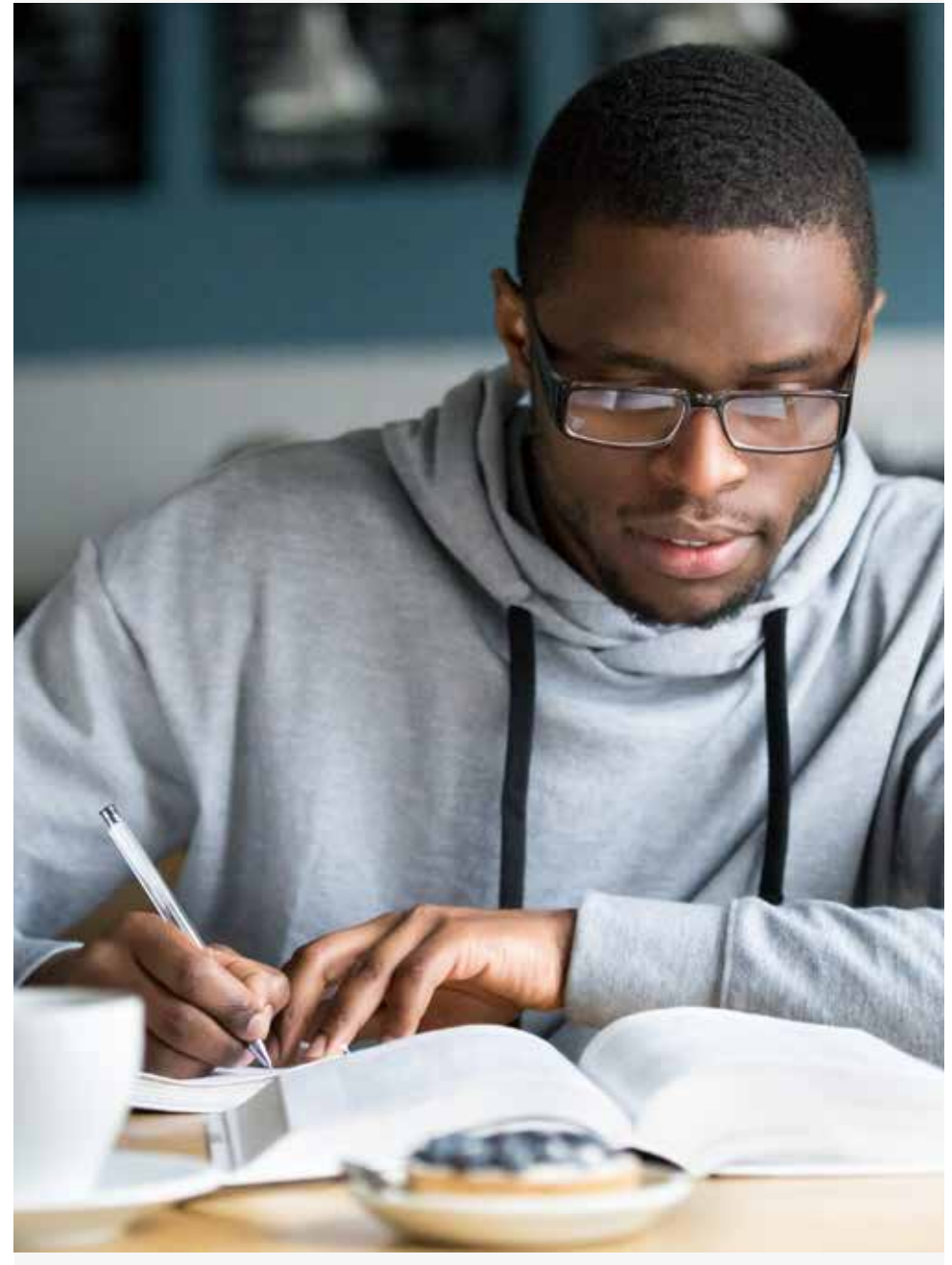
The next year will see the scaling of the EMSP offering, not only to academics but to broaden it to provide exit opportunities through skills development initiatives. The emphasis in the broadened scope of the programme is to empower students with entrepreneurial skills in addition to skills that will enable them to enter the job market.

The skills pipeline requires involving critical strategic stakeholders to collaborate with in order to bridge the disconnect between technical skills qualifications with that of industry requirements, therefore maximising exit opportunities. It is important that ICT and technical skills training keep abreast of global trends in order to stay relevant.

## Upcoming Key projects

In order to prepare bursars for their final examinations, a two-day workshop will be held, covering exam preparation. The workshop will also cover work readiness: what skills, competencies, and qualities an employer typically seeks in a newly recruited graduate. The workshop will include:

- Personal planning and goal setting prior to and during the exams.
- Professional and leadership skills
- Personal effectiveness in the office.
- Career planning and commercial awareness.



## CAPACITY BUILDING





## LOCAL GOVERNMENT

### The year in review

It has been a dynamic and interesting period as Kagiso Trust Consultancy (KTC) continued to tackle the complex issues associated with underperforming local government, the strengthening of civil society and reigniting the relationship between local government and community.

KTC will take significant lessons from this experience, strengthening our future value proposition to the sector. KTC work can be divided into two work streams:

- Consulting services to government clients.
- Developmental services in partnership with government and community stakeholders.

KTC's consulting work includes providing revenue and data management support to municipalities through contracting with government clients. Consulting work requires KTC to participate in the conventional competitive procurement processes of Government. The government procurement process is unpredictable and unreliable at best. However, this important work has provided KTC with the opportunity to remain current in our understanding of the challenges that local government is faced with.

Despite widespread underperformance, local government remains an important development agent that requires continued support to deliver on its intended community centric mandate. In addition to local government consulting works, KTC's second workstream is developmental in nature and focuses on strengthening local governance and creating an enabling environment for development through radical collaboration between all local stakeholders



## 2021/2022 Highlights

### Revenue and Data Management Contract Work

KTC was contracted by the Gauteng CoGTA in January 2022 to provide revenue and data management services to all six small municipalities in Gauteng. The scope of the work is to rehabilitate large water and electricity consumers and to secure revenue streams that are critical to local government sustainability. The contract is due to end in December 2023, however due to delays caused by COVID-19 the contract period may be extended.

The contract has been running for fifteen months in two of the designated municipalities, Mogale City and Rand West municipality. With the COVID-19 regulations and the associated constraints, digital engagement became necessary. For many of our clients, this was difficult to adjust to. Despite these challenges, the project has delivered on all stakeholder expectations, and this is thanks to our dedicated project team and our partners, M22Z and Bakerstreet Data Analytics.

## Achievements

During this phase of the project KTC has reengineered revenue and data management processes and procedures, cleaned targeted customer, and billing data, and built municipal capacity to manage key accounts effectively. In addition to the above, KTC has supported the development of municipal leadership to think differently about integrated account management through the various municipal war rooms that have been created.

KTC's data management tool "KDOS" is a key element of our revenue management solution, providing KTC and our clients with analytics and enriched data integration. KDOS continues to improve as KTC strives to provide municipalities and provinces with a relevant management tool. It is also anticipated that KDOS functionality will be expanded to support other Kagiso Trust Pillars.

## Challenges

The key project challenges faced are:

- Inappropriate municipal organisational culture for effective customer service and effective service delivery.
- Disengaged leadership.

Both negatively impact municipal sustainability, and this has been compounded by the weakening economy, growing unemployment and escalating poverty - all affecting the municipality's ability to collect revenue effectively and remain sustainable. Future municipal support initiatives need to address these issues before considering building technical capacity.

## Looking forward to the next FY

It will be critical to support the rejuvenation of effective local government. KTC must continue to ensure we remain relevant and impactful.

KT will be hosting Gauteng government green space dialogues to discuss support challenges and to co-create new solutions and approaches that deliver improved sustainable impact for municipalities and communities.

In 2023 the Gauteng CoGTA project will also expand to include additional Gauteng municipalities. We anticipate a smoother implementation process as lessons learnt in the 2022 FY will be applied to the new sites. In addition, we will be sharing our learning in Gauteng with other provinces and municipalities to increase our consulting footprint.

## KTC'S 'RADICAL COLLABORATION' MODEL – MAKANA TEST SITE



While implementing revenue management projects in several municipalities, KTC realised that socio-economic development in marginalised communities is a key factor that needs addressing to create an environment that is conducive to development.

One of our biggest challenges is the quality of thinking used to solve local issues. Communities, politicians, CBO and a depleted civil society are generally extremely polarised and egocentric in behaviour – ineffective when trying to solve challenges and seek solutions. This debilitating environment needs to be rectified before development is possible. For this reason, KTC embarked on a Makana test project to promote 'radical collaboration' as an approach to breaking down barriers and mending previously stressed relationships between municipal stakeholders.

Community polarization and the depleted roll of civil society needs to be rectified to ensure public servants are held accountable and communities are suitably enabled to participate and strengthen local governance. Both enabling local government and strengthening governance structures requires behavioural change - this takes time and perseverance. People both in the municipality and community need to be empowered to move from ego-centric thinking to eco-centric thinking.

### Highlights

The Makana test site has completed its third year and has delivered some significant insights and results, enabling KTC to develop a scalable collaboration model. The 2022 FY focused on deepening local non-government stakeholder collaboration within the Makana Circle of Unity (MCU) and promoting better government community collaboration. To achieve this, KTC has partnered with like-minded organisations.

KTC's strategic relationships, coupled with the growing MCU civic coalition, enables enhanced local ownership, improved ideation, co-creation of solutions, all of which have resulted in more impactful implementation of projects. The Makana Circle of Unity (MCU) continues to gain momentum in addressing local challenges such as education

inequality, food security, local economic development and community engagement, to name a few. The food security, health, and communication clusters were very effective in combating the unintended consequences of COVID-19 regulations within marginalised communities.

The positive outcomes of the project have also provided KTC with significant content to share with other interested parties through webinars, thought leadership articles, media interviews and focused stakeholder dialogues.

## Achievements

The collaboration model is sufficiently generic for scaling as it focusses on creating an enabling environment for development and does not focus on unique local issues. The MCU has delivered some significant benefit for the local community as stakeholders own local issues and start building meaningful solutions. The following list includes some of the more notable results of radical collaboration and civic coalition:

- MCU is a registered NGO and PBO which enables the MCU to raise funds for investments, projects, and administration.
- A municipal precinct plan for Makana East has been completed and provides the region with a structured enabler and platform for investment and development.
- An Education Economy research project is in the process of completion, providing all stakeholders with a better understanding of the importance and impact of the local education economy and is providing insight into how this economy can be protected and grown.
- Makana is the first SA municipality to become a member of the Open Government Partnership (OGP). This collaborative commitment between civil society and the municipality illustrates positive intent from both parties and the potential willingness to navigate this new collaborative approach in addressing local problems.
- The several MCU clusters remain active, meeting monthly to address local issues.
- KTC has introduced a “Township Robotic Project”. 12 Makana East trainers have been trained and 5 employed trainers currently provide 75 Makana East learners with robotic instruction and coding skills weekly.

- Indigent management policies have been reviewed and adopted by council, which will enable better management of the indigent community and improve collaboration between the municipal LED department, local jobseekers and the MCU LED cluster.
- A communication and community engagement policy has been adopted by council to promote more community centred engagement.
- All schools have free WiFi, enabling teaches to access internet services and websites for instruction purposes. This was achieved through collaboration with a local service provider and the MCU.
- Community Kitchens are being supported to provide much need meals to marginalised communities. In addition, ongoing research is being conducted by stakeholders to improve food security in a more sustainable manner.
- Psycho-Social support has been implemented for Makana East youth, providing marginalised communities with much needed access to support in dealing with difficult socio-economic times.
- Several youth dialogues have been hosted to include and empower the youth to participate in all MCU structures and to contribute to development dialogue and planning.

KTC is convinced that ‘radical collaboration’, if embedded in the DNA of a community and government can enable meaningful solutions for local issues. ‘Radical collaboration’ has enabled Makana stakeholders to harness local intellect and talent to ideate new creative solutions that benefit the community.

## Challenges

Being realistic, not every community leader, politicians, or CBO embraces collaboration. Some stakeholders prefer polarised and chaotic environments as this enables personal and egocentric benefit for individuals. KTC has experienced several incidences of resistance to ‘radical collaboration’, both within the Makana Municipality and the community. Despite this, there are many adopters, and we believe that as ‘radical collaboration’ begins to deliver results, more stakeholders will embrace to the approach.

A key concern is a municipality's ability to change its focus from an inward and upward focused organisation to a downward and outward focused organisation that is customer centric. Until this happens the municipality will remain dysfunctional and not community centric.

### Looking ahead

The 2023 FY remains exciting for KTC as we focus on grounding and refining the collaboration model in Makana with strategic partners and look for opportunities to scale the 'radical collaboration' mindset to other communities and municipalities. We intend documenting the Makana process and outcomes to bridge the gap between theory and practice and to share the learning.

### Conclusion

KTC realises that sustainable socio-economic development is dependent on radical stakeholder collaboration. The adoption of 'radical collaboration' by municipalities will require a different type of municipal leader, a leader that is innovative and creative, collaborative and who holds municipal staff accountable for service delivery. Without this fundamental leadership mindset, we can expect much of the same, leaving marginalised communities to fend for themselves.

Communities need to build stronger coalitions and collectively hold municipal leaders to account. Protest action and conflict with the municipality has made very little difference to service delivery in South Africa. Communities need to bury the hatchet, join hands and collectively solve local issues for the benefit of all.



# CIVIL SOCIETY SUPPORT PROGRAMME



## Background

**Kagiso Trust recognises the remarkable role that civil society plays, both in opposing apartheid and contributing to development and functioning of a post-1994 democracy.**

While the sector is challenged in many fronts, it has the potential to contribute to socio-economic transformation; the strengthening of democracy; and the empowerment of communities to ensure governance accountability. Kagiso Trust is well-placed, given its vast knowledge and experience, to play a strategic role in strengthening the non-profit sector in South Africa.

Against this backdrop, the Civil Society Support Programme (CSSP) was conceived. Kagiso Trust finalised its 5-year strategic plan (2022-2026) in October 2021, and the CSSP strategic plans for the period are structured around seven mutually reinforcing strategic elements:

- (i) NPO capacity building
- (ii) Leveraging private sector contributions
- (iii) Civil Society sector coordination and collaboration
- (iv) Civil Society agenda-setting national dialogues
- (v) Government-CSO engagement through social compacting
- (vi) Knowledge generation through research
- (vii) Pan-African collaboration.

Powered by these strategic interventions, CSSP issued a 'Call to Action' in January 2022, calling on the sector to re-mobilise for further advancement of social transformation, given the perilous state of our nation and the multiple challenges it faces. This call was positively received and engaged with by CSOs, and the expressed

desire for the convening of a deliberatively national space was widely shared. As a result, a civil society consultative conference will be held during the 2021/22 financial year, the second year of our 5-year strategic plan.

## Context

The key contextual issues that impacted on the CSSP's scope of work, during the period under review (2021/22FY), included: the socio economic impact of the ongoing COVID-19 pandemic; the roll out of the State of Disaster protocol; the July 2021 "riots/uprising" that revealed the crisis in political leadership and governance; the implications and recommendations of The Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector, including Organs of State (The Zondo Commission) Reports; the global economic impact of the Russian invasion of Ukraine since March 2022; as well as the KZN flood disaster that washed away infrastructure, land, houses, schools, and impacted on livelihoods.

## Key Highlights

- The COVID-19 pandemic that exacerbated the systemic socio-economic challenges and fault lines such as inequality, poverty, unemployment (under 50% of the working population), gender-based violence and patriarchy, lack of service delivery, corruption, and xenophobia.
- The July 2021 "riots/ uprising" was the most prominent example of the crisis in political leadership and governance. The riots exacerbated the already vulnerable and declining economy, unemployment, and poverty. It resulted in the destruction of property and infrastructure, loss of life and the erosion of our constitutional democracy with our security clusters overwhelmed. It exposed the vulnerabilities of South Africans, not only with regard to poverty, but also the security of its citizens.
- The local government elections held on 1 November 2021, which led to the ruling party representation dropping below 50% for the first time. Many local governments across the country are struggling to obtain clean audits.<sup>1</sup>
- The Zondo Commission published several volumes of the State of Capture Report, focussing on governance and accountability. Neither the 2022 State of the Nation nor the Budget speech dealt with these recommendations.

- The impact of the Russian invasion of Ukraine in March 2022 and the ongoing war has increased fuel, food, and commodity prices in general. These pose a major threat to global political and economic stability and COVID-19 recovery efforts. The recent economic data remains negative, impacting youth unemployment, increasing fuel prices, creating stresses on the global supply chain.
- KZN flood disaster: KwaZulu-Natal Province floods washed away infrastructure, land, houses, and livelihoods. Thousands of communities remain in evacuation shelters with an uncertain future. The hardest-hit areas were informal settlements built close to the rivers, below flood lines and rural areas especially on steep hillsides with little or no infrastructure to protect them from the elements. It is estimated that more than 8,000 houses were destroyed by the floods.<sup>2</sup> While families have been moved to over 206 temporary shelters, more than 6,000 people remain homeless. The death toll rose to over 461, with 23 unidentified bodies. There was extensive damage to community infrastructure, including schools, health facilities. 270,000 learners have been affected and over 600 schools have been damaged. 66 public health care facilities have been affected.<sup>3</sup> The president of South Africa, declared KZN floods as national state of disaster to maximise national and provincial coordination to respond to urgent crisis in affected communities.<sup>4</sup> The KZN provincial government made an application to the national disaster management centre to access a total of R17 billion in relief funds for KZN sector departments and municipal damages, which must still be approved.<sup>5</sup>

Once more, South Africans from all walks of life showed great compassion and humanity in giving generously to the affected communities and families. Kagiso Trust contributed R2m in partnership with KwaZulu-Natal Christian Council of Churches to support communities impacted by the floods.

<sup>1</sup> <https://www.iol.co.za/news/politics/auditor-general-report-the-good-the-bad-and-the-ugly-for-municipalities-40037629-b671-4217-85bb-a531daac2db3>; Cape Town - Auditor-General Tsakani Maluleke this week painted a worrying picture of municipalities whose audit outcomes remained poor. In her 2019/20 report, she said 27 municipalities obtained clean audits, 89 unqualified audits, 66 qualified audits, six adverse opinions and 12 disclaimers.

<sup>2</sup> <https://ewn.co.za/2022/06/13/kwazulu-natal-floods-death-toll-rises-to-461>

<sup>3</sup> <https://reliefweb.int/report/south-africa/south-africa-kwazulu-natal-floods-emergency-appeal-no-mdrza012-operational-strategy>

<sup>4</sup> <https://reliefweb.int/report/south-africa/south-africa-kwazulu-natal-floods-emergency-appeal-no-mdrza012-operational-strategy>

<sup>5</sup> <https://ewn.co.za/2022/06/13/kwazulu-natal-floods-death-toll-rises-to-461>

- The electricity challenges related to Eskom’s perennial loadshedding continue to cause deeper economic disruptions to many businesses, organisational operations, schools, and households, with little indication that the situation in energy supply will be stabilised soon.

## CSSP 5-Year Strategic Plan

This report is informed by CSSP approaches towards enabling the emergence of a unifying model/s to be replicated and scaled to enhance Kagiso Trust’s impact. As per the CSSP strategic Goal, we are embedding mobilisation and the strengthening of civil society activism as an anchor and change-agent for deepening social transformation and accountability.

### CSSP advocacy approach

#### Influencing Policy Change & Ensuring Impact



#### Elements of the advocacy approach

- Action research (evidence gathering)
- Policy position (evidence-based policy brief/proposal)
- Advocacy strategy development and alliance-building (mapping relevant stakeholders)
- Advocacy (engaging stakeholders – communities of interest & policyholders / influencers)

- Building advocacy momentum (review, reflect and re-planning)
- Advocacy closure (impact assessment and reporting)

## 2021/22 Year in Review – highlights

### Progress has been made on the following areas:

#### Capacity building for NPOs and leverage Private Sector contributions to CS

- CSSP has commissioned research on the NPO Capacity Building Framework, and this will be finalised during the first quarter of the 2022/23 FY and will lead to the development of an NPO training manual, which is to be piloted in the Makana East-based civil society organisations.
- The Nikela Trust Implementation Strategy session hosted at Kagiso Trust with representatives of NEDLAC Community Constituency, DSD, Department of Small Business, the National School of Government, and the Presidency. This session worked towards the launching of the rounder initiative to support civil society through leveraging private sector contribution. Kagiso Trust has invested R2 million in Nikela Trust, and currently holds the chairpersonship.
- Stakeholder engagement and management: KT engaged and participated in four philanthropy platforms and eight webinars aimed at strengthening CSOs through institutional and financial support. The webinars focused on emerging trends within the philanthropy space, and how the sector is being influenced by, and adapting to the impact of the COVID-19 disruption. They also explored how the NPO sector could be strengthened, and intervention areas supported. These initiatives consolidated the groundwork for CSSP 5-year strategic plan implementation through the NPO Capacity building model & training manual.

#### Key webinars are highlighted below:

- Participated in NEDLAC’s National Skills Conference, exploring how civil society can benefit and support the national skills frameworks via various sector SETAs.
- Methodology (ABCD), Skills Development: COGTA Gauteng PlanAct convened an ABCD Workshop in September 2021 in Watville, Benoni in Ekurhuleni. This enabled Kagiso Trust to develop a relationship with CoGTA and PlanAct to test and understand community participatory methodologies. In addition, we



participated in an ABCD webinar International Conference to further glean experiences from other countries.

### **Sector coordination & collaboration within civil society**

- Non-Profit Organisations (NPO) Act: DSD (NPO Directorate) is responsible for legislation that facilitates the creation of an optimum environment within which civil society organisations in South Africa could operate and carry out their responsibilities. The Non-Profit Organisations (NPO) Act, (71 of 1997) developed during the Reconstruction and Development Plan, replaced the Fundraising Act 107 of 1978. DSD proposed amendments to the Act. These were opposed by civil society as they were deemed to be regressive, and counter to the spirit of participatory democracy. A civil society working group was established to coordinate their response to the amendments. Kagiso Trust is represented by CSSP in the working group which has representation from over 180 organisations. A media campaign on the proposed amendments to the NPO Act has been widely shared by the working group, this included an open letter to the Minister of Social Development outlining the discontent of the sector.
- Philanthropy Sector: NASCEE and IPASA Deep Collaboration for Deep Change Dialogue in June 2021 and IPASA Social Justice Philanthropy Funders Seminar, titled Scaling Impact Through Social Justice Philanthropy. Kagiso Trust participated and contributed to both seminars, focussing on ways to access financial resources for the Social Justice sector. Issues dealt with included, holding the state to account with regard to corruption/state capture and learning about the different philanthropy fund resources available to the sector.
- CSSP hosted the Youth Round Table in April 2022 to explore how youth formations can coordinate their efforts on employment and economic participation.
- Kagiso Trust supported flood victims in KZN in partnership with the KZNCC, contributing R2 million in targeted relief to victims and communities.

### **Agenda-setting dialogues to develop common positions and amplify voice**

- CSSP participated in a Gauteng Provincial Government civil society dialogue with Premier David Makhura, titled 'Defend our Democracy'. The dialogue focused on the provincial government's understanding of the July 2021 'Zuma' uprising and

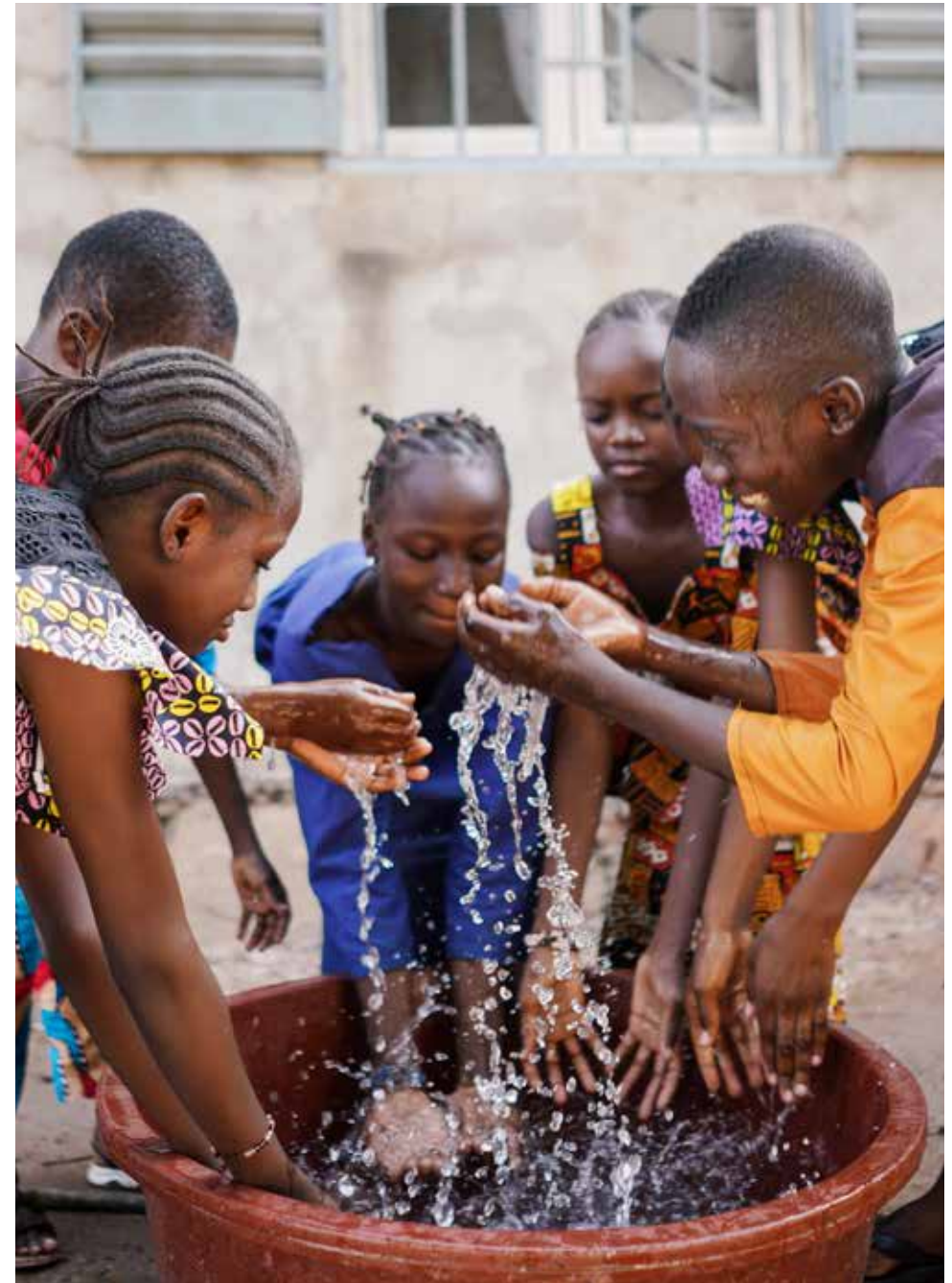
how civil society can contribute to SA's development and deal with the threat to our constitutional democracy.

- Catalysing community-led responses: CSSP convened a successful webinar in June 2021 where it shared findings from the Community Resilience Survey. The learnings and insights of community-level resilience and participation in the face of the COVID-19 pandemic were shared with stakeholders.
- CSSP convened an Anti-Corruption Dialogue in June 2022 to reflect on the state of corruption, Zondo Commission report, and exploration of what civil society needs to do to address corruption in South Africa. An action plan was agreed upon and will further be presented to the civil society consultative conference in November 2022.
- CSSP is engaging with Global Philanthropy Foundations (GPF) in order to strengthen KT's philanthropic engagement at a global level. Areas covered include: the Pan-African Programme on COVID-19 Vaccination equity and Economic Recovery plan. Engagement with the Global Alliance of Foundations (GAF) represents an important opportunity and space for coordination, learning and sharing as well as improving engagement with global institutions such as World Bank/IMF, W.H.O, United Nations as well as regional and continental inter-governmental organisations such as AU CDC.

### **The Year Ahead**

- CSSP INTERVENTION LOGIC: It is recognised that a healthy democracy is the product of many factors, a critical one being a dynamic civil society capable of mobilising people and citizens to contribute positively to social change. SA pre-1994 had strong, highly organised NGO/CBO and civil society sectors. In its initial period, Kagiso Trust played a pivotal role in supporting, fostering, and nurturing the sector. The current CSSP approach is based on reviving this pivotal role, supported by the refined Kagiso Trust Leverage Fund.
- The CSSP plan recognises and builds on the unique history, brand identity, positionality, social and political capital that Kagiso Trust has built over its decades of existence.

- These qualities and attributes will be fostered and maintained via: Trustees as custodians of the organisation, Executive Management as the stewards and leaders and Staff who role-model and implement our values and programmes.
- COVID-19 has exposed the systemic weaknesses we have inherited from our Apartheid past, namely the triple problem of unemployment, poverty, and inequality. These burdens have their roots in our history but have been exacerbated by societal and governance failures since 1994. Corruption within state and private sector, political instability and violence, slow pace of service delivery of basic needs, economic contraction, demobilisation of Civil Society and Non-state Actors, etc. have all contributed to the challenges we face as a society today.
- Flowing from CSSP Research (Typology & Community Resilience) a call to action for Civil Society was issued and widely supported by stakeholders in the sector.
- Building on this call to action, the roadmap includes value-adding knowledge products which inform and link to the various dialogue spaces.
- CSSP is undertaking deep studies on Developmental Civil Society, New Paradigms for State-Civil Society Relations and Proposals for a New Developmental Social Compact, Review of NPO Policy and Act. The outcomes of these studies will set the groundwork for the CS Consultative Conference and result in a plan of action.
- CSSP will also continue to facilitate dialogue with government and state institutions, private sector as well form strategic alliances.
- CSSP will accelerate Capacity Development for the NPO sector.
- CSSP will be convening a Civil Society Consultative Conference in November 2022, titled: #Civil Society Unmuted: Building common ground For an agenda for Social change. The conference seeks to find a united way forward for civil society through:
  - (a) a response to the immediate challenges facing the nation
  - (b) better institutionalising civil society and its voice as part of the urgent tasks of strengthening democracy and working more decisively towards eradicating poverty and inequality.



# SOCIO-ECONOMIC DEVELOPMENT





## BACKGROUND

Kagiso Trust's SED (Socio-Economic Development) pillar, focuses on social enterprise and entrepreneurship as being the critical transformation drivers in a South African context. The stated goal of the KT SED pillar is to: Transform the agriculture and property sectors across the value chain and increase the number of black entrepreneurs in the market economy.

The period under review focussed on implementing and optimising resources to scale the Socio-Economic Development (SED) programme's operational plan. The Socio-Economic Development focuses on these strategic objectives in delivering the programme:

- To strengthen sector coordination, collaboration, and policy
- Expand institutional partnerships to scale the programme
- Financial sustainability to scale the programme
- Creating financially sustainable SMEs
- To foster increased black entrepreneurship & participation in the economy
- To foster value chain integration
- To foster increased black entrepreneurship & participation in the economy

## Partnerships

### Embassy of Netherlands

The Netherlands is a global leader in the field of innovative agricultural solutions and food security. There is a focus on intensive, but sustainable farming, achieving great efficiency with socially responsible practices.

In light of this, the Netherlands was selected as a potential knowledge sharing and leveraging partner. The SED team has subsequently met with the Embassy of Netherlands' Agricultural Advisor to discuss the SED agriculture programme. As a result of this meeting, the SED team has been introduced to NEAD, an initiative working with small-scale or emerging farmers in Limpopo. It is hoped that this strategic relationship will enable future access to knowledge, technology and opportunities for beneficiaries of the KT Agricultural development programme.



## Policy Influence

### The Fresh Produce Market Inquiry

The Competition Commission is conducting a market inquiry into the South African Fresh Produce Market (the "Fresh Produce Market Inquiry"). The Commission has reason to believe that there may exist market features which impede, distort or restrict competitiveness of the South African Fresh Produce Food Market. KT has submitted a request to contribute to the inquiry when it takes the form of a submission.

### Small, Micro, Medium Enterprise and Cooperatives Funding Policy

Government has identified small, medium, and micro-enterprises (SMMEs) and cooperatives as potential catalysts of inclusive growth and local economic development. Kagiso Trust has made a commentary submission to the Small Micro Medium Enterprise and Cooperatives Funding Policy issued by the Department of Small Business.

### Agriculture and Agro-processing master plan (AAMP)

The Department of Agriculture initiated the drafting of the Agriculture and Agro-processing Master Plan in June 2020. Its development involved various sector stakeholder negotiations and consensus building, which resulted in the co-creation of a balanced social compact by government, business, labour, and civil society organisations in the agriculture and Agro-processing sectors. Its overall drafting was coordinated by the Ministry, facilitated by Prof. Mzukisi Qobo and the National Agricultural Marketing Council (NAMC), Bureau for Food and Agricultural Policy (BFAP), and the Centre for Competition, Regulation and Economic Development (CCRED).

In an effort to establish KT's alignment and engagement on the AAMP, the organisation initiated a preliminary interaction with Prof. Mzukisi Qobo, and he has referred the organisation to NAMC.

Additionally, KT plans to host a roundtable discussion with critical stakeholders in in the 2022/2023 financial year to achieve alignment, promote cooperation, influence common understanding as well as pave the way for the development sector's adoption of the AAMP. The intent is to integrate the AAMP into KT's "scaling up" implementation plans of the Socio-Economic Development Pillar.

# AGRICULTURE



**SED's agricultural strategic goal is borne out of the insight that the contribution of black farmers in the sector is currently insignificant, and this is due in part to lack of access to funding, market opportunities and technical support.**

The Tyala Impact Fund (Pty) Ltd ('Tyala') was established as an instrument through which the Trust can facilitate the development of informal black farmers into commercialisation. The long-term goal is to grow and establish Tyala as the fund of choice for black farmers, providing them with wholistic support on their journey to becoming Agripreneurs.

**SED, through Tyala aims to:**

- Become a black Agri-intermediary (promoting Agri entrepreneurship) which is aimed at the commercialisation of black small/emerging/growing farmers.
- Create transformation in the agriculture sector.
- Support sustainable job creation.
- Contribute to food security, inclusive food systems and equitable ownership.

## Tyala Investment Portfolio

Tyala Impact Fund uses a model approach that segments beneficiaries into semi-commercial and small-scale farmers. This approach was deliberate to ensure tailor-made solutions for each beneficiary segment. To achieve this, collaboration is key in harnessing the SED approach.

Investment			Total Amount	Tyala Investments	Un-locked Funds				
Current	Approved	Settled	Rm	Rm	Rm	Province	Crop	Employment	Hectares
		FFE	R25,5	R7,5	R18,3	KZN	Maize	226	2003
BPI			R14,3	R6,9	R7,4	NW	Lucerne	93	660
Sebenzang-amandla			R1,5	R1,5		KZN	Potatoes	134	110
Groendal			R22	R3,	R19	EC	Fruits	192	157
FFE			R40	R10,	R30	KZN	Maize	224	2251
SPAR			R10,7	R4,8	R5,9	Limpopo	Cash Crops	181	78
			<b>R114</b>	<b>R33,7</b>	<b>R80,6</b>			<b>1050</b>	<b>5259</b>



## Tyala Impact Fund

### Funding

SED's Strategy is to use the Tyala Impact Fund as leverage to access and influence traditional financing models of existing institutions such as banks and intermediary financiers.

Our approach to blended funding is a hybrid solution that allows for low-cost finance, de-risked co-funding structures, and guaranteed offtakes for farmers.

### Technical Support

Tyala Impact Fund's agriculture solution is integrated with business support to ensure that the beneficiaries are not only trained in the latest farming techniques but are also mentored and given relevant business skills. Tyala's strategy for leveraging and collaborating with already established entities that possess the industry expertise was deliberate to ensure that not only are funds extended to the beneficiaries, but this is matched with upskilling programmes that ensure the long-term sustainability of beneficiary businesses.

Tyala partnerships spans across industry experts and contributors, the likes of AFGRI Agri Services, Potatoes SA, Spar Enterprise Development Programme and Tiger Brands' Dipuno Fund. These institutions signed an MOU with Tyala, which ensures support is provided to each beneficiary.

### Market Access

Tyala has established relationships with AFGRI Agri Services, Potatoes SA, Tiger Brands and SPAR. These institutions have access to networks that include suppliers and technical partners which will help ensure the long-term sustainability of emerging farmers.

## FOR FARMERS EAST (PTY) LTD (FFE)

### Company Profile

FFE is a farming enterprise situated in Kwa-Zulu-Natal, funded by Tyala and other co-funders. The company was incorporated in 2019 and had its first production during the 2019/2020 summer production season. FFE is a conglomerate of 33 farmers who benefit by working together cooperatively.

### Development Impact

#### Funding

During the 2019/20 summer production season, FFE approached Tyala to finance the cultivation of yellow maize on 1 600 hectares of arable land in the region. To facilitate this funding, Tyala collaborated with FNB to unlock funds that would not otherwise have been given to FFE. This was achieved by de-risking and reducing the cost of finance for the total funds required.

Conditional to FFE repaying all Tyala loans in the 2020/21 summer season, Tyala refinanced FFE for the second time for production loan of R10m and unlocked R30m of funds from FNB/ABSA in December 2020. Tyala's involvement in the FFE transaction unlocked a total of R38.8 million of funds.

Farm Details	2020	2021
<b>Farmer:</b>	<b>For Farmers East</b>	<b>For Farmers East</b>
<b>Form</b>	Aggregator	Aggregator
<b>Number of Farmers</b>	33	33
<b>Crop</b>	Yellow Maize	Yellow Maize
<b>Location</b>	Rural Area-KZN	Rural Area-KZN
<b>Loan Type</b>	Production Input	Production Input
<b>Term</b>	1 year	1 year
<b>Loan Amount</b>	R7 500 000 (Settled)	R10 000 000
<b>Repayment Start Date</b>	01 August 2020	31 September 2021



#### Sustainable Job Creation

FFE was able to create 226 jobs for the 2019/2020 summer season and 224 for 2020/21 summer production with an average wage of R150 per day for seasonal workers.

Type of employment	2019/20	2020/21
<b>Permanent</b>	34	42
<b>Seasonal</b>	192	182
<b>Total</b>	<b>226</b>	<b>224</b>

#### Sustainable Farm Production

The total arable land size within FFE is 5 000 hectares. There are currently 10 active farming entities within FFE, and these have collectively cultivated a total of 4 600 hectares during the 2019/20 summer production season. As a collective, they managed to produce 24 700 tons of yellow maize, 4900 tons of white maize, and 4 700 tons of sorghum on the 4 600 hectares. FFE cultivated 5 000 hectares of grains during the 2020/21 summer production season.



## BAPHUDUCHWANA PRODUCTION INCUBATOR (PTY) LTD (BPI)

### Company Profile

BPI was incorporated in 2014, with the initial objective of establishing an agricultural production incubator in Taung for black owned farms. BPI aims to operate as an aggregator to benefit from economies of scale.

### Development Impact

#### Funding

BPI approached Tyala in an application for production funding to cultivate Lucerne. Tyala, along with Anglo American Zenzele, successfully co-funded the cultivation. Tyala unlocked an interest-free loan from Zenzele for R7m, with Tyala funding R7.3m for a total funding of R14.3m.

2021	
Farmer:	BPI
Form	Aggregator
Crop	Lucerne
Number of Farmers	93
Location	Rural Area – North-West
Loan Type	Production Input
Term	1 year
Loan Amount	R7 043 708

#### Sustainable Job Creation

BPI was able to create 99 jobs for the 2019/2020 summer season and 93 for 2020/21 summer production with an average salary of R1750 per month for permanent workers.

#### Sustainable Farm Production

The company initially started on 80 hectares, with 4 shareholders in 2018 and today has 94 shareholders/farmers, collectively cultivating 1 005 hectares of irrigated land.

## SPAR MOPANI RURAL HUB

### Company Profile

The Mopani Rural Hub is a SPAR Group Enterprise Development Programme. The SPAR Mopani Rural Hub initiative provides financial and non-financial support to small emerging farmers. The initiative also enables farmers to acquire local and global GAP certificates.

The SPAR Mopani Rural Hub focuses on small-scale farmers who operate on farmland between 0,5 to 50 ha in the Limpopo province with funding requirements ranging from R250k to R1.5m. Identified beneficiaries are taken through a development programme focused on funding, technical support, and guaranteed off-take (market access) for all grades of the crops.

### Development Impact

#### Funding (Infrastructure Funding)

Tyala has invested R3,4m in this project.

#### Job Creation

The farmers on the programme employ 326 community members (composition of permanent and temporary employees).

Type of employment	2021/22
Permanent	85
Seasonal	96
<b>Total</b>	<b>181</b>

#### Skills Transfer

SPAR ESDP has also put a skills transfer programme, which includes formal food safety training and implementation, financial and non-financial business skills.

The farmers are certified in local G.A.P programme for full global G.A.P. accreditation.

#### Market Access

SPAR Rural Hub procures the entire yield from the farmers and distributes from packhouses to different off-takers.

In this collaboration, Tyala managed to tap into SPAR's already existing systems that allows the providing of:

- Production loans
- Long/medium term capital infrastructure
- Unlocking grant funding from FNB for technical support costs (training costs) for each farmer according to their differing business needs.

2021 SPAR Mopani Rural Hub						
Farmer:	All Farmers	Leyda Farming Projects	Maamadulo Farming	MNM Mabuza & Sons	Sam Mokgadi Farming	Maswele Farming
Form	Aggregator					
Crop	Cash Crops	Cash Crops	Cash Crops	Cash Crops	Cash Crops	Cash Crops
Location	Rural Limpopo	Rural Limpopo	Rural Limpopo	Rural Limpopo	Rural Limpopo	Rural Limpopo
Hectares		15ha	5ha	10ha	35ha	50ha
Loan Type	Production Input	Production Input		Production Input	Production Input	Production Input
Term	1 year	1 year		1 year	1 year	1 year
Loan Amount	R1 380 300	R215 039		R93 813	R365 746	R536 056
Loan Type	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan	Infrastructure Loan
Term	6 years	6 years	6 years	6 years	6 years	6 years
Loan Amount	R3 400 000	R550 000	R500 000	R300 000	R650 000	R1 400 000

## SEBENZANGAMANDLA (PTY) LTD

### Company Profile

Sebenzangamandla (Pty) Ltd is an agricultural business with operations in Mooi River. It commenced its operations in 2018, on a 79-ha land portion leased from the Gugulethu Trust. The land was not in use until the community grouped themselves and formed the Sebenzangamandla (Pty) Ltd.

### Funding

2021	
Farmer:	Sebenzangamandla Pty Ltd
Form	Non-Aggregator
Crop	Potato
Location	Rural-KZN
Hectares	79ha
Expected/Actual Revenue	R3 911 909
Loan Type	Production Input
Term	1 Year
Loan Amount	R856 000 (disbursed)

The business is envisaging expanding the current scale of the potato enterprise which is currently at 18ha to 30ha.

### Sustainable Job Creation

The operation employs 134 community members, with a view to expand this to 170.

### Skills Transfer

Potato SA has established a skills transfer programme for the directors via mentorship with a local Potato SA member, covering aspects such as technical advice, marketing of produce, financial management, human resource management and farming production.

## RIXON INVESTMENTS ('GROENDAL')

### Company Profile

Groendal is a pome and stone fruit enterprise situated in the Langkloof (Eastern Cape), which is 50% owned by a Workers Trust (60 employees of Groendal).

### Workers Trust Ownership

50% Groendal farm is owned as a BEE transformational workers trust which consist currently of 60 members.

### Funding

Tyala and FNB collaborated in this transaction. Tyala's participation in the Rixon Investments transaction unlocked R19 million from FNB, which also provided a capital moratorium to assist Groendal to recover from the drought and match increased production cashflows.

2021	Details
Farmer:	Groendal Workers Trust
Form	Workers Trust
Crop	Pears/Apples/Stone Fruit
Location	Rural-Easter cape
Hectares	380ha
Expected/Actual Revenue	R33 906 428
Loan Type	Term Loan
Term	10 Years
Loan Amount	R3 000 000

### Sustainable Job Creation

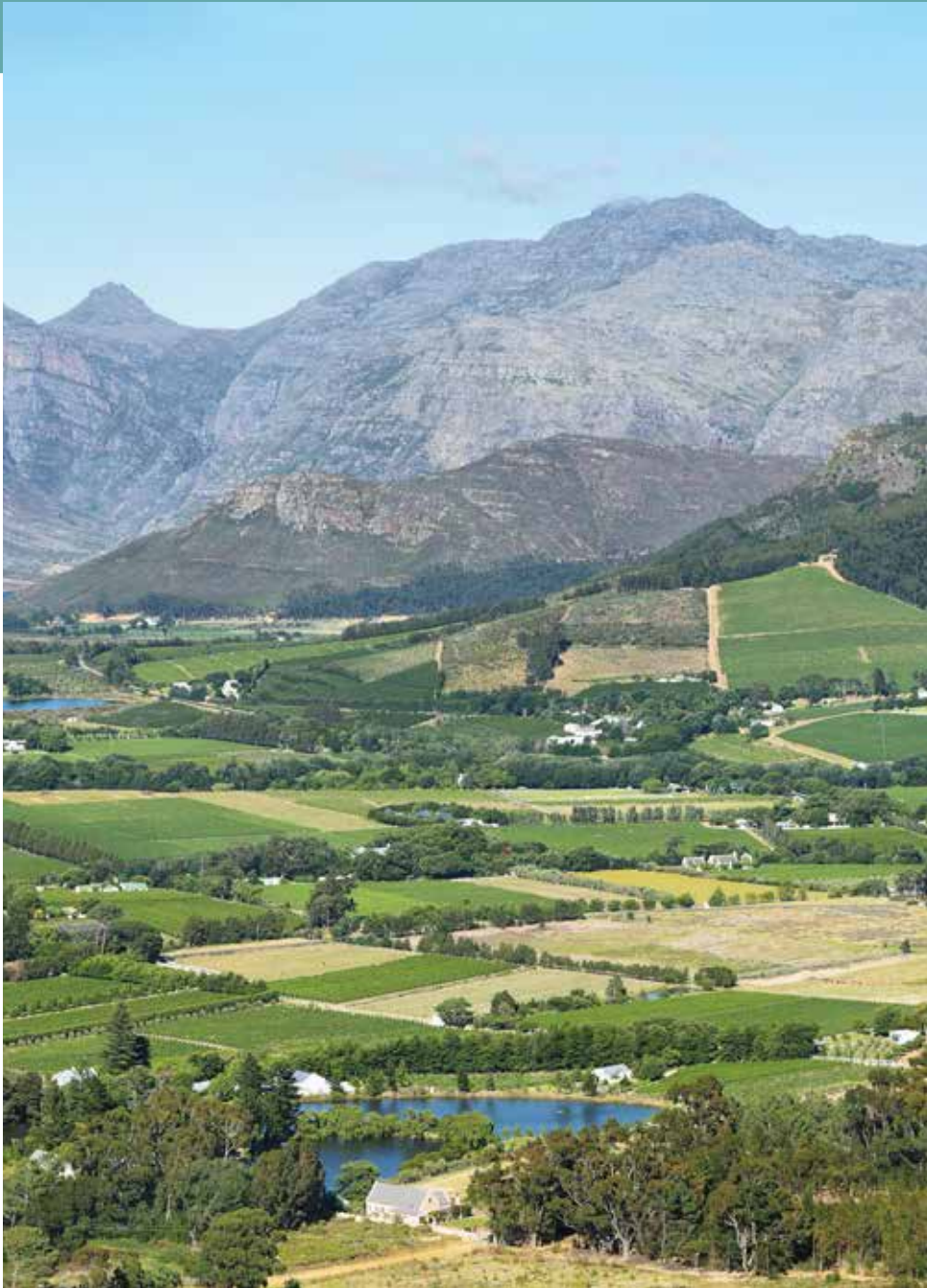
Groendal employs a large seasonal labour force for harvesting and packaging.

Type of Employment	2020/21	2021/22
Permanent	60	82
Seasonal	104	110
<b>Total</b>	<b>164</b>	<b>192</b>

### Market Access

There exists a marketing agreement with Dutoit Agri (part of the well know Du Toit Family Group. Fruit not suited for packing (local markets and exports) is sold to vendors and to Granor Passi for processing.





**The South African listed-property sector is worth about R500bn (including investments in overseas markets). Despite its size, participation by black individuals and enterprises in the property sector is still considered insignificant.**

SED identified lack of skills as one of the major impediments for black SMEs to access opportunities in the sector. To address this, KT developed the property development strategy. The Trust, in collaboration with Motseng Investment Holdings ('Motseng') and the South African Supplier Diversity Council ('SASDC') have identified the commercial property sector as a suitable platform to support entrepreneurs servicing the property sector.

## PROPreneurX – The Property Entrepreneur Accelerator

The PROPreneurX – The Property Entrepreneur Accelerator is a skills development programme conceptualised by Kagiso Trust and its property partners. The aim of PROPreneurX was to upskill property entrepreneurs through an intensive 6-month course, covering a range of topics. PROPreneurX was launched in November 2019. The second cohort was welcomed into the programme in November 2020.

The 2021/22 financial year saw KT taking a new strategic direction with the programme, which was initiated by appointing a new service provider, namely Atharii, to assist the organisation with redeveloping the property strategy. SED assessing the impact of the first and second PROPreneurX intakes and validating the proof of concept for the new property solution.

### Highlights

BITOPHUTHI from the first cohort intake was approached by the KT Human Resources in their need to make changes in the office setting and BITOPHUTHI managed to secure the contract and deliver to the organisation as tasked.



## CONTACT US:

+27 11 566 1900

+27 11 566 1934

info@kagiso.co.za

27 Scott Street

Waverley

Johannesburg

2000

PO Box 1878

Johannesburg

South Africa

2000

[www.kagiso.co.za](http://www.kagiso.co.za)



**KAGISO**  
TRUST  
Overcoming poverty