



SA LED Network Newsletter

SA LED Network

2nd Issue 2009

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How does the Global Crisis affect Development?

The global financial and economic crisis is a hot topic these days. It has become clear that the world is confronted with the worst financial and economic crisis since the Great Depression. How does the global crisis affect the prospect of Developing countries? This question was raised during the *United Nations Conference on the World Financial and Economic Crisis and its Impact on Development* on the 24th to 26th of June in New York. Representatives from almost 150 UN Member Countries as well as 200 representatives of civil society organizations met to discuss the implications of the world economic downturn.

The aim was to identify emergency and long term responses to mitigate the impact of the crisis, especially on vulnerable populations and to initiate a much needed dialogue on the transformation of the international financial architecture, taking into account the needs and concerns of all Members States.

One outcome was the positioning of the UN as role player in targeting and addressing the issues raised by the global crisis: It is the purpose of the UN "to achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character" and "to be a center for harmonizing the actions of nations in the attainment of these common ends". The delegates stated that developing countries which did not cause the crisis are nonetheless severely affected by it: Typically by an increase in the number of poor and vulnerable, (particularly women and children), an increase of unemployment, a reduction in access to education and health services, growing budget deficits, dwindling levels of foreign direct investment, sharply reduced revenues from tourism, increased infant and maternal mortality and a reduced ability to maintain social safety nets.

Given these circumstances, it becomes obvious that development in those countries faces serious challenges. Recent achievements of the Millennium Development Goals (MDG) are threatened by declining economic growth rates. The UN indicates that the world gross product will fall by 2.6 per cent in 2009, the first such a decline since the Second World War.

South African Context

What does this mean for South Africa? The African Economic Outlook (AEO), an online report of the OECD Development Center which was presented on 16th of June in New York summarizes the situation: "After several years of robust economic growth of around 5 per cent, growth dropped to 3.1 per cent in 2008. Economic activity was adversely affected by severe energy shortages and slowing domestic consumption." "In 2009 growth expected to weaken further to 1.1 per cent while inflation should be curbed as the oil and food price increases of the first half of 2008 are reversed." It is anticipated to rebound to 3.5 per cent in 2010, however, thanks to the stimulus expected from the soccer World Cup.

South Africa's banking system was not directly affected by the international financial crisis, its economy has suffered in other ways especially from falling demand for its mineral exports. The prudent macroeconomic policies of the last decade have provided room for more expansionary monetary and fiscal responses to the slow down and for continued increases in public investment in infrastructure and social services. However the recent slow-down is amplifying SA's development challenges. Infrastructure has suffered from 20 years of under-investment and lack of competition. In addition, unemployment, lack of skills and poverty remain dire problems.

The African continent's ranking on the Global Competitiveness Index was little changed from last year but the positive change that was

happening has stalled" stated Jennifer Blanke, senior economist at the World Economic Forum on Africa that took place in Cape Town on the 10th of June.

South Africa's ranking is the second highest within the African Countries but one has to take into account that South Africa has to position itself in an increasingly global economic context (especially in the manufacturing sector).

At his opening address at the Forum, SA's President Jacob Zuma stated the steps that government has planned to cope with the crisis: "A core element...is the expansion of a public works program that will provide job opportunities to around 4 million people over the next five years." According to Zuma there will be an investment of R787 billion in infrastructure. "We are also looking at training layoffs, finding alternatives to retrenchment and the provision of financing facilities for industries in distress." He also called for a comprehensive reform of the governance of the global financial system.

It remains to be seen how the government initiatives will cope with the situation in addition to the other challenges that the country is facing. It also remains to be seen what the effects of the downturn will be in the short and long term. However under difficult circumstances South Africa seems to navigate through that crisis in a more favorable position than many other countries.

Links:

UN Conference on Global Crisis:
<http://www.un.org/ga/econcrisissummit/>

African Economic Outlook
<http://www.africaneconomicoutlook.org/en/>

Africa Competitiveness Report 09
<http://www.weforum.org/documents/AFCR09/index.html>

President J. Zuma's speech at WEF
<http://www.info.gov.za/speeches/2009/09061018031001.htm>

NEWS FROM THE SA LED NETWORK

Outgoing Executive Committee says good bye



From left to right:
Annelien Cunningham, Dominic Mitchell, Fiona Martin,
Colin Mitchell, Kgomosto Mathews, Tim Hadingham,
Zini Godden

It was a memorable moment for the SA LED Networks founders: On the 2nd of April the outgoing executive committee met the newly elected members of the new executive committee at the GTZ offices in Hatfield Gardens, Pretoria. What was planned as an administrative meeting fast became an interesting journey to the very beginnings of the Network. Colin Mitchell briefed the new ExCo members on how it all began: As a result of a conference where people with a dedication towards LED met and decided to take the topic one step further. The first big

step was obtaining www.led.co.za domain name. From there the network has grown from a small group of consultants to an established network with a great variety of public and private sector LED-professionals. **We would like to thank the outgoing Executive Committee:** Dominic Mitchell, Shawn Cunningham, Zini Godden, Kgomosto Mathews and Fiona Martin for their enthusiasm and their outstanding work that they've put into the building of the SA LED Network over the years!!!

Welcome to the new team!

The new ExCo members were welcomed by Dominic Mitchell who is also a member of the new ExCo. Stuart Bartlett (Industrial Development Corporation, IDC), Mayur Maganlal (SALGA) and Dominic Mitchell (Real Consulting) make up the new ExCo which is responsible for the strategic direction of the SA LED Network.

Welcome to the team!

From left to right: Christi-
ane Limberg, Mayur Ma-
ganlal, Mark Staiger,
Dominic Mitchell, Stuart
Bartlett, Dawn Malotane-
Lindsey



Dr. Jörg Meyer-Stamer

Obituary

It is with regret and sadness, that we have to announce the death of our colleague and friend **Dr. Jörg Meyer-Stamer**. Jörg was the co-funder of German local economic development consulting company Mesopartner. His life was a dedication towards creating concepts making local economic development work. He developed methods as the Participatory Appraisal of Competitive Advantage (PACA) and shared his vast

experience in many countries as South Africa, Brazil, South Korea, Taiwan and Paraguay. He was the author of numerous monographs and publications in academic journals and the Co-host of the famous Local Economic Development Podcast. .

We say thank you for all the effort, dedicated work and the good cooperation. Our thoughts are with his family and friends. If you wish to extend and record your con-

dolences you have the opportunity to do so by visiting the website of Mesopartner:

<http://www.mesopartner.com/nc/dr-joerg-meyer-stamer/condolences/>



NEWS FROM THE PROVINCES KZN: The Culture of Savings

A new wave of microfinance is sweeping through Africa! Fin-Mark Trust, the Learning, Monitoring and Research Facility (LMRF) and the SA Local Economic Development Network co-hosted a seminar on community-based financial services for the poor on the 23rd of March in Durban. SaveAct and VSL & Associates shared their experiences of this approach. So what is it in a nutshell? It is about savings: Community members are able to save and borrow varying amounts of money depending on their needs. It is a mechanism that provides for predictable future expenses, and

mitigates shocks and stresses faced by participating households. It is an appropriate tool that helps the poor to manage their cash flows. The seminar was well attended by organisations involved in pro-poor financial services, financial institutions, KZN Department of Economic Development, research institutions and NGOs.

The programme was directed by the CEO of the South African Savings Institute (SASI), Mmakgoshi Phetla-Lekhethe who highlighted the alarming levels of indebtedness of

South African households in her opening address.

If you want more information please click here: <http://www.lmrf.org.za/drupal/>

or here <http://www.finmark.org.za/index.aspx>



Gauteng: Sustainable Livelihoods Seminar

On Thursday, 26 March 2009, [Khanya-aicdd](http://www.khanya-aicdd.org) hosted the 2nd Seminar in the series in Johannesburg which analysed the Sustainable Livelihoods Approach and its links to Community-driven Development. The event was attended by over 40 people from the region covering Lesotho, Malawi, Mozambique, South Africa, Tanzania and Zimbabwe and was held at the Garden Place in Johannesburg, South

Africa. One of the central and distinctive features of the Sustainable Livelihoods Approach is that it aims to put people at the centre of development and Community-driven Development (CDD) is a practical means of doing this, but evidence of improved development outcomes is sparse. Whilst CDD promises much, in some cases such processes can lead to elite capture and erosion of

strategic institutional capacity.

For more information visit: <http://www.khanya-aicdd.org/events/event.2009-01-16.4813362368/>



Gauteng: Local Red Tape Reduction Training

Three days of intensive training on how to reduce local red tape took place at Farm Inn Hotel, Pretoria from the 26th to 28th of May 2006. The SA LED Network in cooperation with GTZ, dplg, The dti, and SALGA organized the training that was facilitated by Shawn Cunningham (mesopartner) & Zini Godden (MXA). The 21 participants learned how to analyze red tape structures and worked out solutions with various

methods. "The "vegetable garden" was an eye opener" one of the participants said. "It highlighted very well the interrelations between the different stakeholders involved in red tape within a municipality." Extensive networking was done during a dinner at the evening of the 27th over cosy fire and nice food. Even the fact that Manchester United was playing Barcelona, the group stayed together (watching the game) and discussing red tape in their eve-

ryday work! Due to the high demand the SA LED Network will organize another training on Local Red Tape Reduction in November 2009. Keep an eye on the SA LED Network websites for event dates!

If you wish to conduct a training on Local Red Tape Reduction in your municipality please let us know and we can arrange! Please contact Christiane at: Contact@led.co.za Tel.: 012-423 5925

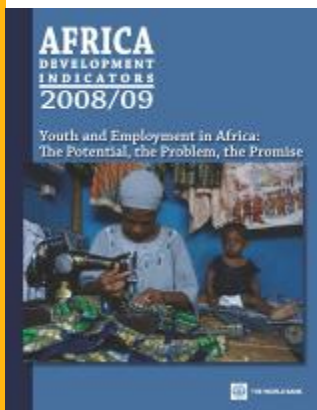


Intensive group work but also networking and information exchange were part of the training



LATEST PUBLICATIONS

Africa Development Indicators 2008/09



Africa Development Indicators 2008/09 (ADI) provides a very detailed collection of data on Africa available in one volume. It puts together data from different sources, making it an essential tool for policy makers, researchers, and other people interested in Africa. This year's ADI addresses the issue of youth employment. The report shows that success in addressing youth employment will not be achieved and sustained through fragmented and isolated interventions. Instead it finds that an over-

arching guideline for addressing the youth employment challenge is the need for an integrated strategy for rural development, growth and job creation—which covers the demand and the supply sides of the labor market and takes into account the youth mobility from rural to urban areas—combined with targeted interventions to help young people overcome disadvantages in entering and remaining in the labor market.

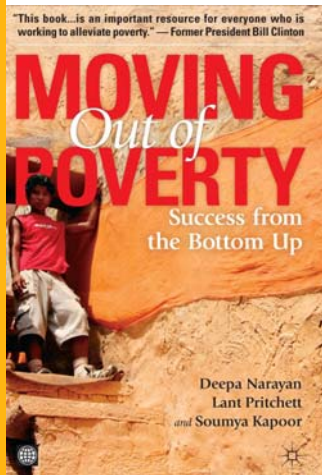
This edition includes the

Africa Development Indicators 2008/09 Single User CD-ROM and opening articles from leading economists reporting and analyzing key African economic and development issues.

For more information/and or order the book please click here:

http://publications.worldbank.org/e-commerce/catalog/product?item_id=8929239

Moving out of Poverty - A bottom up approach



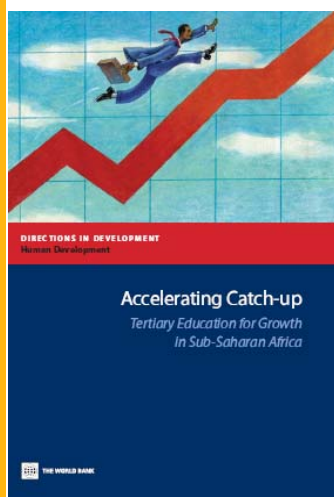
Why and how do some people move out of poverty—and stay out—while others remain trapped? Most books on growth and poverty reduction are dominated by the perspectives of policy makers and academic experts. In contrast, *Moving Out of Poverty: Success from the Bottom Up* presents the experiences of poor people who have made it out of poverty. The book's findings draw from the *Moving Out of Poverty* research conducted in communities in 15 countries in Africa, East Asia, Latin

America, and South Asia. The authors synthesize the results of qualitative and quantitative research based on discussions with over 60,000 people in rural areas. They offer bottom-up perspectives on the processes and local institutions that play key roles in escapes from poverty.

The study finds that there are no differences in the initiatives taken by the poor, the rich, and the upwardly mobile. What, then, explains the difference in outcomes? The authors demonstrate how—in

the face of deep social inequalities that block access to economic opportunities and local democracies—individual initiative and empowerment by themselves are often not enough to escape poverty. This book will be of interest to all concerned with equity in an increasingly unequal world. Form more information click http://publications.worldbank.org/e-commerce/catalog/product?item_id=8612855

Accelerating Catch-up— Tertiary Education in SSA



African countries have gone far in achieving high levels of literacy and raising primary enrolments, and they are increasingly seeking to improve learning outcomes as well. The recent World Bank publication "Accelerating Catch-up, Tertiary Education for Growth in Sub-Saharan Africa" however highlights the need for secondary and post-secondary education: "It is now necessary to move quickly to acquire the higher order of skills and expertise that will allow African

Countries to add value to existing economic activities and enter new industries and services. The publication spells out the case for more knowledge-intensive growth, which demands increasing attention to tertiary education. Despite rising enrolment in tertiary level institutions, the numbers of students graduating are pitifully small. And despite reform efforts, the quality remains well below par. However, change for the better is in the air and improved economic prospects provide

Both the resources and the opportunity to forge ahead. The need for urgency, the pathways to skills-based development, and the policies that African countries can marshal in order to generate tertiary-level skills are all given their due in this book.

To download a copy please click here:

http://siteresources.worldbank.org/INTAFRREGTOPEDUCATION/Resources/e-book_ACU.pdf (1 MB)



UPCOMING TRAININGS & EVENTS

Implement, Monitor and Evaluate LED Programs 3rd to 7th of August 2009, 195 Umhlanga Rocks Drive, Durban North, KwaZulu-Natal

The workshop looks at how to conduct credible LED planning taking into account stakeholder participation, the IDP, and the link between the national LED framework's four thrusts and day-to-day management of the LED process. The purpose of monitoring and evaluation in LED is presented including the use of LED targets and objectives. Accredited MXA Training: 30 credits, module 3, For more information contact Mbali Mnogoma on mbali@mx.co.za or Astrid Marthinsen on astrid@mx.co.za Tel: 031- 56 34 335 Fax: 031- 56 34 334

Managing Sustainable Livelihoods for the Poor: Understanding and applying the sustainable Livelihoods Approach 31st of August to 3rd of September 2009, Johannesburg

Khanya-aicdd and the University of the Free State's Center for Development Support (CDS) will be hosting a 4 days accredited training course on how the Sustainable Livelihoods Approach (SLA) can be used to achieve impact in improving people's livelihoods. The course is targeted at practitioners, consultants and advisers from development agencies, and government departments who want to understand the Sustainable Livelihoods Approach (SLA) and how to apply it in their work.

For more information click here: <http://www.khanya-aicdd.org/siteworkspace/files/sla-course-noticeaugust-09.pdf> or contact +27 11 6425011 Applications close: 14 August 2009

Facilitation and Coaching in a LED context 7th to 11th of September 2009, 195 Umhlanga Rocks Drive, Durban North, KwaZulu-Natal

The workshop aims to equip participants with the communication and coaching skills to facilitate successful participatory development initiatives. Both the facilitation and coaching skills are discussed specifically in an environment of Local Economic Development, yet anyone working, or interested in the field of development could benefit from the training.

Accredited MXA Training: 24 credits (module 4) For more information contact Mbali Mnogoma on mbali@mx.co.za or Astrid Marthinsen on astrid@mx.co.za Tel: 031- 56 34 335 Fax: 031- 56 34 334

Regulatory Impact Analysis (RIA) 19th to 23rd of October 2009, Bruges, Belgium

The College of Europe and Jacobs & Associates Europe invites to participate in a 5- Day Regulatory Impact Analysis (RIA) Training Course on the principles, procedures, and methods of RIA. The course is designed for policy officials and executives who use RIA to improve policy results. The course will benefit any official using RIA in environmental, social and economic fields as well as stakeholders such as business associations, NGOs and consultants who want to understand better how to use RIA constructively. The course is open for subscription worldwide and is presented in the historic city of Bruges, Belgium. A discount is offered for early registration.

Click here for more information and registration: <http://www.coleurop.be/content/development/prof/RIA08/RIA6-autumn/RIA6RegistrationForm.aspx>

Implementing the Public Finance Management Act PFMA Various dates, in all provinces,

The programme aims at bringing awareness and understanding of the key statutory requirements and obligations of financial and non-financial personnel with respect to the Public Finance Management Act. It looks at the PFMA as it relates to specific individuals. Program outline will be that at the end of the programme the participants will know; The PFMA, goals, implementation and implications, how the PFMA affect the specific individual, individual roles and responsibilities as per the PFMA, individual risk assessment, individual compliance check, an assessment of organisational or divisional compliance

For more information, dates and places call:

Eddie Nhimura, Marketing Executive Peakford Management Consultants, Tel. 011 403 7411
Fax: 086 662 9913 or write an email to: Peakford Management Consultants: info@peakford.co.za

LED PROJECT OF THE MONTH

eEscape Route—Developing tourism in the Amalathi Area

A quick interview with CHANDRE MAMMES, Manager of the eEscape Route

Name of your project:

eEscape Route

Where is the project located?

Stutterheim area

What is it about?

Developing tourism in the Amahlathi area through LED.

Who is involved?

Various partners and stakeholders that are on board with us, namely:

- Amahlathi Municipality
- Forest Way
- Stutterheim Stationary Engine Museum
- Mgwali Cultural Village
- Sakhisizwe Consulting Services

You are currently actively involved with:

- Amabele Spatial Development Plans • Jikaleza Wild Coast Route
- Tourism Buffalo City • Ndlambe Tourism in Port Alfred
- Hogsback Tourism • GTZ • Aspire
- South African Tourism
- Amatole District Municipality • Department of Water and Forestry Affairs
- WESSA • Department of Transport • Friends of Wetlands
- Bird Life South Africa • Open Africa • Tourism Enterprise Partnership
- Stutterheim High School • Rehab

When did it start?

March 2008



eEscape Route Manager Chandre Mammes with Litha, a little girl from Mgwali Cultural Village



A big part of LED is training...



Bev Bauer and her trainees



Hillside horse handlers trained by Ginger Driver

You got funding from...

Thina Sinako, (a provincial LED support programme in the Eastern Cape), provided funding for upliftment for skills training for tourism based projects from their Local Competitiveness Fund. We were awarded the amount of R4, 5 million.

Your biggest challenge was...

and still is, getting permission from the Department of Water Affairs and Forestry

Your most positive experience in the process was...

That we realized that we can do it, no matter what it took get it right.

To get a project going it is essential to...

include everyone so that it has a strong community base. Also, keeping everyone informed and motivated.

This person helped you a lot...

There are too many people to mention, but the community of Stutterheim and their enthusiasm for the new tourist route in our area has helped us get where we are today.

What you'd do differently next time...

Try and get more people involved from different areas in the Amahlathi and leave money over in a "kitty" to help them with different projects that they might have.

You are very proud of...

We are one of the most successful LED projects in the Eastern Cape!

You want other people to know about our project !

They get more information at www.escaperoute.co.za

Your Personal Details

Name: Chandre Mammes

Position in the project: Manager

Email address: chandre@escaperoute.co.za

Thank you for this interview Chandre!