



Umnga Farmers Training Group

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ANNEX VI FINAL NARRATIVE REPORT

1. Description:

1.1 Name of beneficiary of grant contract:

Umnga Farmers Training Group

1.2 Name and title of the Contact person:

Mr. Johann Stassen – Project Manager

1.3 Name of partners in the Action:

Sisonke Agricultural Support Centre and Co-operative, Trading Name for Msefo Land Development and Agricultural Co-operative Ltd.

1.4 Title of the Action:

Sisonke Agricultural Support Centre and Co-operative

1.5 Contract number:

B2006-21.031700/FTDF/C2/05

1.6 Start date and end date of the reporting period:

1 January 2010 – 31 September 2012

1.7 Target country(ies) or region(s):

South Africa, Eastern Cape Province, Chris Hani District Municipality, Ntsika Yethu Local Municipality, KwaMzola Administrative Area, Block C, Ncora Irrigation Scheme

1.8 Final beneficiaries &/or target groups (if different) (including numbers of women and men):

Final beneficiaries directly targeted were 847 Individuals as Projects members and head of household of the Ncora Irrigation Scheme, Block C, as selected from the following groups:

- Women groups
- Youth groups
- HIV/Aids affected people
- Unemployed seeking for furthering their Agricultural skills
- Emerging farmers groups

1.9 Country(ies) in which the activities take place (if different from 1.7):

South Africa

2. Assessment of implementation of Action activities

2.1 Executive summary of the Action

The implementation of this action involved a holistic approach of community development in order to achieve the objective of poverty alleviation through strengthening the social capital and networking needed by the disadvantaged communities of the Mzola Administrative Area. These people do live in and around the former Ncora Irrigation Scheme in the Eastern Cape Province. This scheme was a former flagship of the Apartheids regime of South Africa, which felled to pieces for many reasons, after the formulation of the new democratic South Africa, on 27 April 1994.

The logic of this development is based on the economical principles of; Primary production through creating a primary market, Contract production; grouping of commodities to obtain positive economics of scale; Value adding, Branding and marketing.

Through this action the following activities were planned to be achieved within the implementation period:

2.1.1 Orientation and capacity building of 348 beneficiaries.

2.1.2 A land use plan, production plan and individual contract producers

2.1.3 Provide the following infrastructure.

a) Recourse Centre:

- Administrative block, boardroom and ablution facilities.
- Poultry abattoir
- Egg sorting facility.
- Area for the maize mill, equipment to be fitted.
- Area for the potato washing facility, equipment to be fitted.
- Area for the wholesale and retail Cooperative shop, stock to be equipped.
- Shearing shed and wool sorting facility.

b) Production units:

- 9 x 240 layer hen units
- 4 x 500 broiler chicken production units
- 1 x livestock handling facility

2.1.4 Establish crop production units:

- 70 hectares for maize production
- 8 hectares for potatoes

2.1.5 Technical training to be provided to the following:

- All directors and managers of the project (28 individuals)
- Sub-contractors for egg production (27 producers)
- Sub-contractors for broiler production (20 producers)
- Livestock farmers (180 farmers)
- Potato producers (16 producers)
- Maize producers (30 producers)
- Arts and craft artisans (15 artisans)
- Maize milling operators (5 operators)
- Abattoir operators (6 Operators)
- Potato washers and packers (10 operators)
- Truck driver (1 driver)
- General laborers (10 workers)

2.1.6 Supply of production equipment, livestock and inputs:

- Egg production equipment, layer hens and inputs
- Broiler production equipment, broiler chickens and inputs
- Abattoir equipment
- Egg sorter equipment
- Production inputs for maize and potatoes

2.1.7 Production outputs:

- 28,800 kg of chicken meat
- 78,000 dozen of eggs
- 144,000 bags of potatoes
- 200,000 kg maize meal
- 7000 kg wool
- 15,000 kg mutton
- 55,000 kg beef

2.1.8 To achieve a self-driven sustainable project during the implementation period.

2.2 Activities and results

Activity 1: Programme Management and Co-ordination

1.1 Establish and maintain local office

Topics/activities covered

The local Umnga Office was restructured with regard to a new computer system, planning room and offices. All personnel for the project were appointed in place and communication systems were aligned.

An initial local office building on site was procured, but due to the complexity of the existing greater Ncora structure, it was decided to rather postpone the use of the greater Ncora infrastructure as this project is specifically only for the beneficiaries at Block C at KwaMzola Administrative Area. A local office was identified and it was agreed that Umnga will pay a monthly rent to the Msefo land Development and Agricultural Cooperative.

Reason for modification for the planned activity

In establishing local offices and lecture facilities, it was the original plan to make use of the board room and facilities of the former Ncora Irrigation Scheme's head offices. During the first Project Steering Committee that was held on 23 March 2010, it was made clear to all members present that the target area for the implementation of this contract, will only cover the Block C part of the Scheme. Many community members who attended the meeting were from other Ncora districts, representing other Blocks of the Scheme. These members were unhappy that their areas were not covered by this initiative. Umnga and the Directors of Sisonke were advised by a representative from the Department of Agriculture to rather restrict future PSC meetings, site offices, and training venues to be within the border of Block C, the identified target area.

Results of this activity

1. The Umnga Office is well established, equipped and staffed to fulfill the implementation actions of all planned activities under the SURUDEC Grant.
2. A local site office was established within the Mzola area, and was equipped to fit the needs for the implementation of all activities under this contract.

1.2 Programme planning and resource budgeting

Topics/activities covered

The detailed programme implementation plan covered the following topics:

- Orientation of all beneficiaries regarding the extent of what were going to happen, the budget, the implementation plan and whom will benefit from the grant funding.
- The different activities that were going to take place and the logical sequence of implementation that will be followed.
- The use of the Gant Chart and how implementation of the phases will be monitored.
- The content and legal aspects of the contract on implementation with regard to the procurement procedure, payments of moneys, timesheets, traveling logs and payment procedure.
- The own contribution under this contract and the manner to which own contribution will be registered.
- The infrastructure of the resource centre and the main objective that the resource centre will fulfill.
- The different enterprise infrastructure and equipment that will be constructed after a procurement process to some contract producers.
- Procurement process to be followed for the application to become a contract producer.
- Value adding and marketing
- Director's meetings and the reporting procedure.
- The long term vision towards sustainability of the action after Umnga's withdrawal.

Reason for modification for the planned activity

There were no deviations from the original project plan at this stage.

Results of this activity

- All members of the three communities of the target area were well informed regarding the implementation plan, objectives, activities and result of the action.
- The budget, restrictions of the budget is well as the procurement processes under the budget is well known and understood by all beneficiaries.
- The methodology for implementation, phases of the project, exact benefit and production expectations is all well understood, without any unrealistic expectations between the members of the communities.

1.3 Stakeholder Analysis and Baseline Survey

Topics/activities covered

During March / April 2010, after training, a new baseline survey and stakeholder analysis was done by the 18 Directors of the 3 Cooperatives, namely the Msefo land development and Agricultural Cooperative, Famini & Chibini Agricultural Cooperative and the Damane Agricultural Cooperative.

During November 2010, a new effort was put together to do a more wide spread stakeholder analysis that would include the wider Ncora region. For this effort, the GRM International Team Leader and Programme Coordinator of SURUDEC have made available a small budget of ZAR 4000.00. This survey started in January 2011. Due to many challenges, again due to the complexity of the social structures within the greater community and internal politics in the bigger Ncora scenario, this survey was only completed during August 2011. The ZAR 4000 was never claimed by the main beneficiary.

Reason for modification for the planned activity

There were no modification done on this planned activity

Results of this activity

- Data base is available on all information regarding the households within the target area, covering the demographic information, socio economic status, needs and expectations, etc.
- A list of all assets regarding livestock, cropping, machinery and equipment is available.
- Indications with regard to enterprise selection information per individual are available.

1.4 Financial and administrative management

Topics/activities covered

All financial and administrative processes were put in place after the training workshop to Umnga personnel on 17 February 2010. All financial and administrative policies as prescribed by the SURUDEC / Umnga contract was followed and used for implementation and reporting actions. This includes; Procurement process for all transactions above ZAR 500.00, Financial record keeping on the PASTEL Accounting system, keeping of timesheets for Human Resource expenses, Correct filing and financial reporting according to the bi-monthly reporting system.

Reason for modification for the planned activity

No modification was done on this activity

Results of this activity

The project management team of the Umnga Farmers Training Group as well as that of the Sisonke Cooperative management group was well equipped and skilled regarding the implementation, monitoring, procurement, expenditure and record keeping procedures under the grant contract.

1.5 Programme monitoring and reporting (finance and activities)

Topics/activities covered

The monitoring and assessment of the programme was a continuous process. All PSC actions and Project Site meetings were recorded in minutes. Daily activity sheets are being recoded and are being used as a reporting tool. All financial systems according the project policy were instated by the Financial and Administrative department.

Reason for modification for the planned activity

No modification was done on this activity

Results of this activity

Umnga has successfully submitted financial and activity reports for the following bi-monthly periods:

1. January and February 2010
2. March and April 2010
3. May and June 2010
4. July and August 2010
5. September and October 2010
6. November and December 2010
7. January and February 2011
8. March and April 2011
9. May and June 2011
10. July and August 2011
11. September and October 2011
12. November and December 2011
13. January and February 2012
14. March and April 2012
15. May and June 2012
16. July, August and September 2012

} 9 months extended period in 2012.

1.6 Evaluation

Topics/activities covered

The evaluation of the implementation of the project was a continuous process and was done according to the project Gant Chart and the budget.

The evaluation and monitoring of the cashflow budget was the most important aspect of evaluation, as the project implementation had actually come to a standstill, due to the delay from the EU / SURUDEC Management in the payment of the second tranche.

Although the delay of tranche payments were not identified as one of the risks to negatively influence the project, the delay in the payment of the second tranche payment that was experienced, had the following negative impact on the implementation and especially on the relationship between the parties. Application form the 2nd tranche payment was submitted on 20 April 2011 and payment was eventually received on 1 August 2011. This delay of 3- months was in fact the beginning of the end to achieve all outcomes of the project.

- a) All constructions to the Resource Centre regarding the Maize Mill, Potato sorting and Livestock handling facilities had to be cancelled and put on ice since Friday, 8 July 2011. The builders' contracts had to be cancelled on short notice and the building team withdrew from further employment.
- b) Land preparation for the planting of cash crops had to be done during July 2011, and the identified contractor also had to be cancelled at a cost, not budget for. The successful outcome of the cash crop units was crucial towards the success of the project and formed the core of the own financial contributions.
- c) The poultry abattoir could not be completed in time. The procurement agreement with the suppliers of water filters also had to be cancelled which was a real embarrassment to the beneficiary.
- d) An arrangement was made to take an existing shearing shed over from the Department of Agriculture as from 1 July 2011. All negotiations with the livestock owners had to be postponed which had a very negative reflection and disappointment to the broader Ncora community on their evaluation and perspective on the capacity of both Umnga and the Directors of the Sisonke Cooperative. (Poor and uneducated Community members, do not understand these type of explanations)
- e) The broiler chicken production units ran out of food as from Friday, 15 July 2011, resulting in mortalities and low production. The second tranche payment was received only on 1 August 2011.
- f) Umnga Farmers Group from goodwill and trust that the payments would have been done before 1 July 2011, exhausted own funding to provide in building materials during June 2011. This resulted into bad debts with First National Bank, which had a negative impact towards our own financial credibility and -record.

g) Written application for urgent budget changes was submitted on 25 August 2011, but written approval towards this spending was only received from SURUDEC on 3 April 2012. (7 months later)

Although it was the objective of the European Commission to built prosperous and self-sufficient communities through these type of Grant Funded project, in reality, The Umnga Farmers Group could not bear this type of risk that occurred purely out of poor administration from the side of the EU / SURUDEC /Office of the Premier, resulting and not achieving a sustainable project implementation.

Extension on the implementation of the programme was granted for a further period of 9-months, but this had to be done on own risk and with no additional financial contributions, and as mentioned, could only proceed under the new budget approval as from 3 April 2012.

Reason for modification for the planned activity

The main reason for modification of the evaluation activity came due to the unexpected delay experienced after the second tranche payment funding was desperately needed at a critical production stage of implementation. The whole project had to be re-evaluated and all production activities had to be re-scheduled and re-planned to result in the smallest possible negative impact on the project.

Results of this activity

- The implementation of the budget had to be re-considered and budget changes had to be motivated.
- The implementation of all activities had to be re-scheduled.

1.7. Handover and exit

The handover of the SURUDEC implemented Project, had to be done on 31 December 2011. Due to the difficulties experienced, the beneficiary had to get approval for extension of the project for another period of 9-months.

Activity 2 Institutional Development

2.1. Training Needs Assessment and Asset Mapping

Topics/activities covered

From the training needs and asset mapping activity, done the following training needs were identified and addressed:

- Cooperative Management training to all directors of the three Agricultural Cooperatives.
- Institutional training to all Directors of the three Cooperatives
- Project planning and implementation procedures to be understood by all Directors, within the context of the contract and business plan of the SURUDEC contract.

- 46 Contract producers to be training in a Learnership. National Certificate in Plant Production, NQF 1.
- 60 Contract producers to be trained in a Learnership, National Certificate in Animal Production, NQF 1.
- 27 members in total of the 9 households doing contract production of eggs (3-members per household)
- 16 members in total of the 4 households doing contract production of broiler chicks (4-members per household)
- 5 x maize milling operators
- 6 x abattoir operators
- 10 x potato washers and packers

Reason for modification for the planned activity

- The outcomes of real skills transfer through means of presenting long term Learnership training was found to be much more effective than that of short skills courses.
- The budget did not provide for learnership training and additional funding had to be sourced from the Agri-SETA.
- Learnership training from the Agri-SETA also provided for the payment of monthly stipends to learners, which contributed to the whole poverty elevation process during the implementation of the project.
- After a delay for the training of the livestock farmers and the fact that additional funding for a learnership training of 60 members of the livestock enterprises were not approved, these project members had to be trained under the planned short skills courses provided for in the budget.
- The Directors of Sisonke proposed that the proceeding with the implementation of an Arts and Craft production centre will only benefit a small group of individuals of the community and that the funding should rather be used to contribute to the establishment of a wholesale and retail shop that will benefit the whole of the community.

Results of this activity

- The 18 Directors of the 3- cooperatives were well equipped and trained in institutional development, Cooperative management, book and record keeping as well as the implementation procedures under this programme.
- 45 Crop farmers successfully completed a full learnership on plant Production.
- 27 members taking part in the 9 egg contract production units were fully skilled and were producing eggs according to the expected rate and quality.
- 16 members taking part in the 4 Broiler contract production units were trained and were taking part in production.
- The budget for the supply of equipment to and Arts& Craft factory were re-allocated in the budget to the benefit of the greater community in the supply of necessities and production inputs under the Wholesale and Retail shop.

2.2. Institutional development and capacity building training

Topics/activities covered

The institutional development and capacity building training process was not be seen as a once of activity to be invoiced and paid off. It was also done as an on-going process of day-to-day mentoring and training that was part of the Umnga implementation activity.

An official workshop was offered to all 18 Directors of the three Cooperatives, as from 15 March 2010, until 25 March 2010, for the duration of 10 days. After this workshop, the Directors all had to practically contribute to an assignment whereby they did a social study between all the members inside their respective Co-operative districts, The result was that Umnga has captured this information in a database reflecting all individual farmers, head of household, human resource assets and capabilities within the study and beneficial area.

The Institutional development course focused on the following content:

1. Introduction to Business Management
 - How should I manage my business?
 - * Objectives of the business
 - * Plan to achieve your objectives
 - * Implement plans that have been drawn up
 - * Control activities according to plan(s)
 - * The fields of decision making
 - * The external environment
2. Institutional Arrangements
 - * Introduction - Setting up a business
 - * The sole proprietorship
 - * The partnership
 - * The company
 - * The close corporation
 - * The business trust
 - * The co-operative
 - * Characteristics of co-operatives
 - * Co-operative principals
 - * Comparison between co-operatives and companies
 - * Buying and selling
 - * Mark ups and pricing
 - * Co-operatives in production
3. Running a Co-operative
4. Co-operative record keeping systems
5. Financial/Admin Record Keeping Systems for co-operatives
6. The Receiver of Revenue
7. The auditors
8. You and your bank
9. How to run a directors/shareholders meeting
10. Learn about committees

Reason for modification for the planned activity

No modification was done on this activity

Results of this activity

- All members of the Sisonke Board were well equipped and skilled to participate in to the implementation of the project.

2.3. Business development – Sisonke Centralized Services Cooperative***Topics/activities covered***

The business development activity for the Sisonke Centralized Services Cooperative focused on the following aspects:

1. Business management training
2. Financial management training
3. Design and implementation of an administrative procedure
 - a. Good received voucher
 - b. Grading system for produce delivered.
 - c. Produce code and valuing system
 - d. Credit note too producer
 - e. Invoice system on behalf of the producer
 - f. Recording of the contract producer loan administration
 - g. Order vouchers from contract producers
 - h. Branding and marketing system
 - i. Delivery notes and invoices for production inputs delivered to contract producer
 - j. Order vouchers for cash purchases from input suppliers
 - k. Value adding system and stock register
 - l. Point of sale
 - m. Banking and recording of cash income
 - n. Debtors control
 - o. Creditors Control
 - p. Financial statements via PASTEL Accounting

The system is driven through a computerized point of sale programme and capturing of financial date on PASTEL accounting. An internet setup between the Umnga Financial Department and the Sisonke Administration is controlling all activities. The Sisonke enterprise budget and cash flow control was managed by Umnga.

4. Appointment of a staff component to manage all administrative and physical actions was done as follows:
 - a. General Centre manager
 - b. Financial Manager
 - c. Administration and Finance Clerk
 - d. Operations supervisor
 - e. 2 x Egg sorters
 - f. 6 x Abattoir operators

5. Quality control and management of the whole system is monitored and evaluated by Umnga.

Reason for modification for the planned activity

No modification was done to this planned activity.

Results of this activity

A well structured system for business implementation is in place for the operation and management of the Sisonke Centralized Services Cooperative

2.4. Business Development for out- grower Cooperatives

Topics/activities covered

The following action steps were taken and implemented regarding the business development for the out-grower Cooperatives:

- a) Training of contract producers on the working and logic behind the system
- b) Production loan contracts and undertakings to participate in the contract production of eggs and broiler chicks were signed.
- c) Infrastructure and equipment were quantified and valued in a production loan system.
- d) Daily production record sheets are being monitored
- e) Individual contract producer's delivery note books were issued.
- f) The grading and value adding system together with the quantifying of products delivered system were implemented.
- g) Daily monitoring of technical production issues are being done.
- h) Technical training on Egg and Broiler Production was done.

Reason for modification for the planned activity

No modification was done to this planned activity

Results of this activity

- All participants are well skilled and equipped to participate as outgrower producers.
- Loan contracts and budgets are in place.
- Participants through signature agree to the terms and conditions, infrastructure and equipment received and loan repayment terms and conditions.
- Contract production is going according to plan.
- All produce is received according to a systematic grading and valuation system, understandable to all parties
- The administration procedure is simple, and practical implementable.
- Records of all production and value adding are available to monitor the whole system.

2.5. Capacity building and institutional mentoring

Topics/activities covered

The mentoring of the capacity building and institutional training programme was done on a daily basis through the following means:

- Umnga has placed a full time technical manager on site to monitor the implementation of the production units by means of technical advice and monitoring of daily production sheets.
- Trained personnel from Sisonke Coop see to the correct administrative procedure in receiving produce and are also being double checked by the contract producer him/her-self to monitor the correct grading, valuing and registration of products delivered.

Reason for modification for the planned activity

No modification was done to this planned activity

Results of this activity

- The contract production of the first commodities, eggs and broiler chickens are being done systematically and according to a set standard rate.
- A self-controlling / panelizing system ensure that contract producers follow the procedures and participate to the delivery of products in time.
- A full time technical manager sees to the continuous capacity building and mentoring of daily activities.

Activity 3 Centralised Cooperative Services

3.1. Establishment of a management unit

Topics/activities covered

- a) According to the planned organogram for a management unit for the Centralised Cooperative service, the follow staff has been appointed.
 1. General Centre Manager
 2. Financial manager
 3. Administrative / Financial Clerk
 4. Centre Supervisor
 5. Egg packing clerk 1.
 6. Egg packing clerk 2
 7. Abattoir Operators x 6
- b) This management unit was equipped with an administrative policy and working procedure to be followed.

Reason for modification for the planned activity

No modification was done to this planned activity

Results of this activity

- Well structured management unit is in place.
- All staff members do have signed contracts of appointment
- All staff members are part of the organogram and do have specific job description to fulfill their duties /tasks.
- Communication systems are in place for internal communication as well as communication with Umnga as controlling agent.
- The management structure are accepted and supported by the greater Cooperative and member structure.

3.2. Business planning centralised services***Topics/activities covered***

The technical implementation and management understanding of the business plan for the Sisonke Resource Centre was well covered through the centralised service business plan and structure. It was necessary however to take the implementation of this very slow and step by step for the understanding and diffusion process to take place.

The management team members were suddenly taken out of their normal day to day way of living and being appointed in a job description with responsibilities and tasks to fulfill against certain production indicators. This was certainly not an easy task!

The business planning of the centralised services covered the following:

- Design of an organogram with a management and staff component to fulfill the technical and administrative management of the Centre.
- Job descriptions for each post and position on the Resource Centre
- Administrative procedures regarding:
 - o Personnel management and a code of conduct
 - o The handling of stock in and out.
 - o Grading and value adding of products
 - o Stock register and stock control
 - o Financial recording of all administrative doings
 - o Meetings regarding reporting and communication procedures
 - o Standard working procedure regarding management operations within the Centre.

Reason for modification for the planned activity

No modification was done to this planned activity

Results of this activity

A well structured Management Structure for the Centralised Sisonke Agricultural Support centre and Cooperative is in place and all members of the management unit do have a structure and standing operation procedure to follow.

3.3. Business planning out-grower cooperatives

Topics/activities covered

There were 3 outgrower cooperatives to accommodate during the implementation of the project. It must be understood that due to the very small margins within the production process, the small scale of operation, and the greater picture regarding the need between hundreds of prospective beneficiaries, the business plan for the out-grower co-operatives were very difficult to negotiate and implement.

The following management structures were put in place for each co-operative:

- The management component for each co-operative is based on a Board of 6 Directors, that fulfill the following portfolios'
 - o Chairperson
 - o Treasurer
 - o Secretary
 - o 3 additional Directors
- Each Co-operative do have its own bank account and operates separately of the centralised resource centre.
- Each Co-operative is responsible for the production management of its members and do receive a commission of 3% on the total value of products delivered to the resource centre.
- Each Co-operative have been allocated some production units as follows:
 - o Msefo land development and Agricultural Co-operative. (This is the main legal entity and also the primary co-operative that trades as the Sisonke Support centre.)
 - 1 x Broiler production unit
 - 3 x Egg production units
 - Livestock members:
 - Mutton and wool production
 - Beef production
 - o Famini & Chibini Agricultural Co-operative.
 - 1 x Broiler production unit
 - 3 x Egg production units
 - Livestock members:
 - Mutton and wool production
 - Beef production

- Damane Agricultural Co-operative.
 - 2 x Broiler production unit
 - 3 x Egg production units
 - Livestock members:
 - Mutton and wool production
 - Beef production

Reason for modification for the planned activity

No modification was done to this planned activity

Results of this activity

- A structure and basis for Primary Co-operative participation was established.
- The management component of each co-operative do have an understanding as to where the fit into the production chain.
- The value of products as well as the expected commission structures is well understood.
- All members of the management structures are contribution to the project.

3.4 (a) Enterprise development and management – abattoir

Topics/activities covered

The management and operation of the abattoir is an internal function of the Sisonke Resource Centre. The following is relevant:

- The General Manger is the overhead responsible person for all activities of the abattoir operations and maintenance.
- The Centre Supervisor is responsible for the implementation and following of all procedures regarding:
 - Personnel matters
 - Attendance registers
 - Punctuality and time management
 - Occupational Health and Safety matters
 - Hygienic standards and abattoir operating procedures
 - Slaughtering process
 - Quality control
 - Packing
 - Maintenance of the cold chain
 - Stock taking and control
 - Dispense of stock
 - Administrative procedure.

Reason for modification for the planned activity

No modification was done to this planned activity

Results of this activity

A well structured policy and operation procedure for the abattoir is in place with a staff component that operates within the discipline and supervision of a standing working procedure.

3.4 (b) Enterprise development and management – maize milling

Topics/activities covered

Due to certain budget constraints, an application for an external loan was submitted to the Industrial Development Corporation (IDC) for a loan to supplement the implementation of the maize mill. The logic behind this was to expand the milling operation in order to have grain handling and storing facilities, transport, upgraded milling equipment to produce a super maize meal product, etc.

The application was supported by a comprehensive business plan that was also made available to SURUDEK staff. This application was also submitted to the Land Bank as well as the Eastern Cape Rural Development Corporation. Sadly we have to report that although all parties have indicated their interests, the project was not successful to raise any further funding for the completion of the maize mill activities.

Reason for modification for the planned activity

During the business planning activity the following became a reality:

- The ESCOM quotation for the supply of electricity is the sum of ZAR R 300,000.00. The total SURUDEK budget for electricity supply is only ZAR 45,000.00. It became clear that additional funding through means of an additional loan or grant is compulsory.
- The activity budget did provide for the planning of a transport component.
- After procurement of the milling equipment it was found that the existing budget of ZAR 300,000.00, will not provide for additional equipment to the mill, such as packing material, maize handling and storing, wetting bins, screeners, etc., that is compulsory for manufacturing a super product to the market.

Results of this activity

- A detailed business plan that includes the management structure and detailed budget together with cashflow projections is available for the milling enterprise.
- The IDC was responding positively to the application regarding the information requests to this stage.
- Provision was made for electricity supply to the total Centre.
- Provision was made for the supply of sufficient vehicles for transporting all commodities of the Centre.
- Provision was made for running capital to the milling enterprise.
- Provision was made to assist the community with the own contribution of ZAR 1,266,299.00 to the infrastructure and transport budget in total.

The project was visited by the provincial manager, Mr. Mazwi, of the Industrial Development Corporation of SA (IDC) on 14 June 2011. The outcome of the meeting was that Umnga should present a more detailed market research and marketing plan, as well as to increase the capacity of the Mill to the value of an additional R 1,5 Million.

Although the beneficiary did comply with all requests from the IDC, until closure of this report, there was no further outcome.

3.4 (c) Enterprise development and management – wholesales

Topics/activities covered

- A 150 square meter shopping area was constructed as part of the construction of the resource centre infrastructure, in the place of the Arts and Craft Centre.

Reason for modification for the planned activity

Modification to the original planning was done as follows:

- The originally planned Arts & Crafts area will fall away to make place for the sales area.
- The originally planned sheep shearing and wool sorting shed has been constructed by the Department of Agriculture in cooperation with Umnga Farmers on another identified site, still part of Block C.

This modification was reasoned by the following motivation:

- During the initial business planning and income budgeting, the directors of Sisonke decided that more emphasis must be given to a shopping area for the supply of agricultural production inputs to the members of Block C. The viability of an originally planned Arts and Crafts manufacturing area did not prove to fit in with the agricultural production side of the resource centre and will also not benefit the larger community of Block C, but only a few individuals. For this reason, the space planned to the extent of 75 square meters for an arts and craft factory, will now become part of the shop outlet.
- The original infrastructure was planned to accommodate a shearing shed and wool sorting facility to the extent of 150 square meters. Soon after the construction phase for the Sisonke resource centre started, it became known that the Department of Agriculture in the Chris Hani District, also approved the construction of a shearing shed for block C, approximately 1 km away from the Sisonke Resource centre.

Results of this activity

The result is that a 225 square meter shopping area was made available for the supply of household and production inputs to the wider Ncora Community. The shearing shed area was moved away from the resource centre with the benefit of a more healthy and higher hygienic standard on the poultry abattoir and maize mill.

3.4 (d) Enterprise development and management – wool sorting

Topics/activities covered

- A new shearing shed infrastructure together with all equipment was negotiated to be constructed together with the Department of Agriculture.

Reason for modification for the planned activity

- The original infrastructure was planned to accommodate a sheering shed and wool sorting facility to the extent of 150 square meters. Soon after the construction phase for the Sisonke resource centre started, it became know that the Department of Agriculture in the Chris Hani District, also approved the construction of a shearing shed for block C, approximately 1 km away from the Sisonke Resource centre. Umnga negotiated a deal with the Department on order to combine funds to improve the infrastructure planned by the Department as follows:
 - o Adding of a dip tank for sheep
 - o Adding of kraals for handling and auctioning of sheep
 - o Capacity building to the livestock members on technical training in livestock production, sheep shearing and wool sorting.
 - o Marketing of meat and wool products.

Results of this activity

The result is that a modern sheering and wool sorting infrastructure is constructed with a combined funding and action between Umnga and the Department of Agriculture.

3.4 (e) Enterprise development and management – sales pens

Topics/activities covered

As reported above under the sheep shearing and wool sorting activities, the construction of the handling facility and sales pen were done by the Department of Agriculture.

Reason for modification for the planned activity

As motivated under Activity 3.4(d) above.

Results of this activity

Combine infrastructure for livestock handling and sales pens for auctioneering was made available as according to the original plan.

3.4 (f) Enterprise development and management – egg packing

Topics/activities covered

- Infrastructure have been completed
- Egg sorting machinery have been installed
- Egg packing material is available
- Branding and labeling of packing material is displayed
- Egg grading and packing is in full operation

Reason for modification for the planned activity

No modification was done to this activity.

Results of this activity

A fully operational egg grading, packing and marketing enterprise is completed.

3.4 (g) Enterprise development and management – cold storage***Topics/activities covered***

- A reconditioned second hand cold storage facility was obtained that could fit in with the budget. It was completely installed and operational since the end of May, 2011.

Reason for modification for the planned activity

No modification was done to this activity.

Results of this activity

The freezer room and cold storage facility for the use by the abattoir is fully operational.

3.4 (h) Enterprise development and management – potato pack house***Topics/activities covered***

- The potato pack sorting and pack house unit was cancelled and the budget re-allocated as motivated in par. 4 below.

Reason for modification for the planned activity

This is due to the cancellation of potato production. Please refer to par. 4 below.

Results of this activity

- This production unit was cancelled form the list of activities and budget.

3.4 (i) Enterprise development and management – arts and craft

Topics/activities covered

This activity has been cancelled as according to the motivation done above, under paragraph 3.4(c) and 3.4(d).

Reason for modification for the planned activity

Please refer to the motivation in paragraphs 3.4(c) and 3.4(d) as above.

Results of this activity

The budget and infrastructure space was relocated to the wholesale and retail area.

3.4 (j) Enterprise development and management – transport***Topics/activities covered***

This activity was planned as part of the activity budget, activity number 3.4. j. As part of the Human Resource budget, Umnga was providing an additional driver and vehicle to the Sisonke project to fulfill the marketing function at this stage.

Reason for modification for the planned activity

There are no modifications for this activity.

Results of this activity

Umnga was making Transport available to the Sisonke project and was taking further precautions as to apply for additional funding to supply own transport in future.

3.5. Marketing***Topics/activities covered***

- Through a local competition a logo, brand name and slogan were designed for the marketing of all products as follows:



Kuyasa Products

The Power of Choice!

Sisonke Agricultural support Centre and Cooperative
Trading name of the
Msefo Land development and Agricultural Cooperative
P.O. Box 100
Ncora

- Umnga was assisting on a full time basis in the marketing of eggs and chicken meat.
- Bar codes for the selling of all products were successfully registered at the SA Numbering Association.

Reason for modification for the planned activity

There are no modifications for this activity.

Results of this activity

- All products are marketed under an own brand name.
- Markets have been found at the following localities:
 - o Local shops and retail suppliers.
 - o SPAR Outlets at Ncgobo, Cala and Cofimvaba.
 - o Mr. A. Botha, a commercial egg farmer from Elliot was buying all access eggs from the Cooperative.

3.6. Internal financial management and administration

Topics/activities covered

- Planning and design of an internal financial management and administration procedure was done that included the following:
 - o Good received vouchers
 - o Grading system for produce delivered.
 - o Produce code and valuing system
 - o Credit note too producer
 - o Invoice system on behalf of the producer
 - o Recording of the contract producer loan administration
 - o Order vouchers from contract producers
 - o Branding and marketing system
 - o Delivery notes and invoices for production inputs delivered to contract producer

- Order vouchers for cash purchases from input suppliers
- Value adding system and stock register
- Point of sale
- Banking and recording of cash income
- Debtors control
- Creditors Control
- Financial statements via PASTEL Accounting

Reason for modification for the planned activity

There are no modifications for this activity

Results of this activity

A full functional financial management system is implemented.

3.7. Outgrower enterprise development and support (training)

Topics/activities covered

The following training was done to the various enterprises:

- a) Broiler production
 - Broiler Production training
 - Basic Bookkeeping
 - Record keeping
- b) Egg production
 - Egg Production
 - Basic Bookkeeping
 - Record keeping
- c) Crop production

Successful additional funding from the AgriSETA had the following results:

- Completion of a Learnership in Plant Production, NQF Level 1, 10 learners. Duration: 9 August 2010 till 25 March 2011.
- Completion of a second Learnership in Plant Production, NQF Level 1, 35 learners. Duration: 1 February 2011 till 27 July 2011.
- d) Livestock production (Sheep and cattle)

An application was made to the AgriSETA for the training of 60 livestock farmers in Livestock production, NQF 1, but was not successful at the date of this report. Umnga are planning to present a 20 day skills course in livestock production to the 60 farmers already procured, during August 2011, before the start of the shearing season.

Reason for modification for the planned activity

There were no modifications for this activity

Results of this activity

- All contract producers under the egg and broiler chick production enterprises are fully skilled and are successfully participating to the contract production.
- By the beginning of the planting season, September 2011, all 45 members of the crop production enterprise will be fully skilled to participate in the production of maize and potatoes.

3.8. Outgrower financial services***Topics/activities covered***

- Technical Training of book and record keeping was done.
- Delivery Vouchers were supplied and are completed on a daily basis.
- Production records are recorded on a daily basis
- Goods received Vouchers are issued to outgrowers on a daily basis.
- Loan financing are being recorded and daily calculated
- Filing systems are available for each outgrower
- Financial records regarding monthly statements are provided to outgrowers.

Reason for modification for the planned activity

There are no modifications for this activity

Results of this activity

The broiler and Egg contract producers are fully equipped and are getting full financial support and reports on a monthly basis regarding production figures achieved, sales and income.

3.9. Resource centre***Topics/activities covered***

- The abattoir is completed and operational.
- The Egg sorting facility is completed and operational
- The administration and board room section is completed and operational.
- The area to install the maize mill is completed, but not commissioned with the increased electricity demand.
- The Wholesale and retail area is completed.

Reason for modification for the planned activity

Modification was done only on the cancellation of the Arts and Crafts Centre as well as the moving of the wool shearing shed and stock handling facility.

Please refer to the motivation in paragraphs 3.4(c) and 3.4(d) as above.

Results of this activity

The development of the Resource Centre Infrastructure was completed.

Activity 4 Enterprise Development**4.1 Broiler production units*****Topics/activities covered***

- Full Infrastructure of 4 Broiler houses were completed and handed over according to budget and timeframes.
- All production equipment was supplied within the budget and timeframe.
- The first batch of feed and livestock was supplied and production was started.

Reason for modification for the planned activity

There are no modifications for this activity

Results of this activity

Four fully operational production units are running within the budget provided.

4.2. Egg production units***Topics/activities covered***

- Full Infrastructure of 9 Layer houses were completed and handed over according to budget and timeframes.
- All production equipment was supplied within the budget and timeframe.
- The first batch of feed and livestock was supplied and production was started.

Reason for modification for the planned activity

There are no modifications for this activity

Results of this activity

Nine fully operational production units are running within the budget provided.

4.3. Maize production units***Topics/activities covered***

The production of maize was cancelled due to unforeseen internal politics and issues as described hereunder.

Reason for modification for the planned activity

- The Directors of Sisonke could not secure well fenced land for production as the land were already secured for their massive food production scheme under the Department of Agriculture, during the 2010 - 2011 season.
- The land procured for production were not ploughed for at least 17 years and for this reason we could not in time during the 2011 season provided for the killing of grasses through spraying burning and soil preparation, due to the initial Nitrogen negative effect of organic material decomposing during the growing season.
- The leaking of water from the broken irrigation scheme is having a very negative effect on the soils of the whole of the Ncora irrigation scheme. This is mostly due to anaerobic conditions due to flooding, leaching of clay, minerals and plant nutrition's. This negative effect was not available and only discovered until after detailed planning and surveys were done on the land.

Results of this activity

The planting of maize was cancelled and taken out of the project outcomes and budget.

4.4. Potato production units

Topics/activities covered

The production of potatoes was cancelled due to unforeseen internal politics and issues as described hereunder.

Reason for modification for the planned activity

- The Directors of Sisonke could not secure well fenced land for production as the land were already secured for their massive food production scheme under the Department of Agriculture, during the 2010 - 2011 season.
- The land procured for production were not ploughed for at least 17 years and for this reason we could not in time during the 2011 season provided for the killing of grasses through spraying burning and soil preparation, due to the initial Nitrogen negative effect of organic material decomposing during the growing season.
- The leaking of water from the broken irrigation scheme is having a very negative effect on the soils of the whole of the Ncora irrigation scheme. This is mostly due to anaerobic conditions due to flooding, leaching of clay, minerals and plant nutrition's. This negative effect was not available and only discovered until after detailed planning and surveys were done on the land.

Results of this activity

The planting of potatoes was cancelled and taken out of the project outcomes and budget.

4.5 (a) Sheep (Mutton production)

Topics/activities covered

- The production of sheep is one of the identified local assets that is already an ongoing production enterprise that only needs capacity building through training and the provision of better breeding material from the Sisonke project.
- 30 Sheep farmers have been identified to participate to the capacity building programme.

Reason for modification for the planned activity

There are no modifications to this activity, besides the improved infrastructure with the assistance from the Department of Agriculture.

Results of this activity

- 30 Sheep farmers were procured and are ready to participate in the training, wool sorting and breeding programme.

4.5 (b) Wool sorting (Training)

- The production of wool is one of the identified local assets that is already an ongoing production enterprise that only needs capacity building through training and the provision of better breeding material from the Sisonke project.
- 30 Wool farmers have been identified to participate to the capacity building programme.

Reason for modification for the planned activity

There are no modifications to this activity, besides the improved infrastructure with the assistance from the Department of Agriculture.

Results of this activity

- 30 Wool farmers were procured and are ready to participate in the wool breeding and sorting programme.

4.6 Beef / sheep sales pens

- The production of beef is one of the identified local assets that is already an ongoing production enterprise that only needs capacity building through training and the provision of better breeding material from the Sisonke project.
- 30 Beef farmers have been identified to participate to the capacity building programme.

Reason for modification for the planned activity

There are no modifications to this activity, besides the improved infrastructure with the assistance from the Department of Agriculture.

Results of this activity

- 30 Beef farmers were procured and are ready to participate in the breeding programme.

2.3 Activities that have not taken place

Although it was the objective of the Umnga Farmers Training Group, as agent to SURUDEC for the implementation of the Sisonke Agricultural Support Centre and Cooperative, to fulfill all obligations and activities as planned in the original business plan for application of funding, there were certain issues beyond our control that we were not be able to implement during the implementation period. (*With reference to par. 1.6, Evaluation on page 8 above*)

All these difficulties were discussed and consulted with the SURUDEC management team and at the end written approval was given on application form these changes.

Arts and Craft project

During the initial project planning stages that were guided from the needs analysis, household survey and social study within the target area during 2005/2006, the need for an Arts & Craft Centre were identified. This was also made a part of the original business plan and application for funding to SURUDEC. The objectives of this activity was planned to be the following:

- To make available within the infrastructure of the resource centre some space for the manufacturing of traditional Art & Craft Furniture through the supply of machinery, training and equipment to enable 15 members as beneficiaries of the community to earn a sustainable living form the products.

- The budget made available for this is ZAR 40,000.00 for machinery and ZAR 10,000.00 for equipment.
- The projected outcome was to manufacture furniture to the value of ZAR 25,000.00.

During the business planning and capacity building workshop stages, it was decided that this activity will not be a viable option for the following reasons:

- The competition in the furniture and traditional Arts & Crafts industry, the distance from a market, the local demand and the small ratio regarding the economies of scale will not make this a viable option.
- 15 Members will have benefit to a total production value of ZAR 25,000.00, over the implementation period of 24 months which will not even cover a basic salary to each member.
- The space of 75 square meters to be made viable in the resource centre can be utilised much more cost effective if it is made part of the Wholesale and Retail Shopping area.
- The amount of ZAR 50,000.00 can rather be spend in a more effective way, as to contribute to production inputs on some of the commodities.

It was thus decided not to proceed with the implementation of an Arts & Craft centre and permission from SURUDEC was obtained to cancel this activity. Approval was also given for a new budget spending, as according to the application and motivation that was submitted and approved by 3 April 2012.

Maize mill

The delay in the implementation of the maize mill and milling equipment was due to the following reasons:

- The supply of electricity (200 KVA Transformer and cable to the Centre) can be done by ESCOM, but at a quoted cost of ZAR 300,000.00. This cost is way beyond our budget.
- During the initial planning in 2006, electricity was still supplied to the Ncora Head office and according to the research done would not have been a problem to this extent!
- It was decided to apply for additional funding for the maize mill and also to make provision for upgraded equipment and maize storage silo's with this same effort. In the mean time a generator was supplied by Umnga not to delay the activities of the abattoir and egg sorting facility. A new generator was also procured within the budget of the resource centre and will be kept on standby purposed for the freezer room in future.
- No further funding could be achieved within the implementation period, and the budget and project was closed premature to the spending.
- The Development of the Irrigation Schemes of the Eastern Cape Province was allocated to be the responsibility of the newly formed Department of Rural Development and Agrarian Reforms. The National Minister, Hon. Minister

Nkwinti, of this new Department also visited the Sisonke project and required a copy of the Business Plan for possible funding by this new Department. This business plan also resulted in no further outcome.

Planting of maize and potatoes

The income from the planting of maize and Potatoes was planned to be a crucial part of the own contribution from the members of the Sisonke Project. This action was delayed not to be done during the first production season for the reasons as motivated in detail under paragraph 4.3 on page 25 and cannot be motivated more.

Cancellation of these production units was part of the approval of a new budget plan approved on 3 April 2012.

Potato sorting and packing

The cancellation of the potato production units goes hand in hand with the motivation provided in also cancelling the maize production, as motivated above,

2.4 Assessment of the results of the Action.

General administration results:

The results of all the administration actions action during initial and extended period of implementation were evaluated against the background of the following expectations:

- a) The starting dated of the project was scheduled for 1 January 2010.
- b) The workshop and training to Umnga personnel was only done on 17 February 2010 by SURUDEEC officials.
- c) The first tranche payment was only received on 18 February 2010.
- d) The second tranche payment had to be received before 30 June 2011. The application for the second tranche payment was submitted on 30 April 2011 and according to the correspondence, the narrative report was approved on 26 June 2011. The second tranche was only received on 1 August 2011, and had a very negative effect on the implementation of the programme.
- e) An application for urgent budget changes was submitted on 31 August 2011. Permission to proceed with the implementation of the budget changes letter was only received on 3 April 2012, backdated for implementation as from 1 January 2012.

It could be argued that an extension on the implementation of the programme was approved, but this was done at the sole risk of the beneficiaries with no compensation for delays outside the control of the beneficiary.

The further assessment of the results on the outcome of all activities is further described in detail under paragraph 2.5 below:

2.5 What has been the outcome on both the final beneficiaries &/or target group.

Outcome 1: An orientated, capacitated and informed group of beneficiaries, well informed on the objectives and proposed activities of implementation of this complete action.

The following total of individuals directly benefited from the induction programme provided:

- 6 x Directors of the Sisonke Agricultural Support centre and Co-operative
- 1 x General manager
- 1 x Financial manager
- 2 x Administrative clerks
- 6 x Directors of the Damane Agricultural Co-operative
- 6 x Directors of the Famini Agricultural Co-operative
- 6 x Directors of the Chibini Agricultural Co-operative
- 27 x subcontractors as egg producers
- 20 x subcontractors as broiler producers
- 90 x sheep farmers
- 90 x cattle farmers
- 16 x potato producers
- 30 x maize producers
- 15 x Arts and craft entrepreneurs
- 5 x maize milling operators
- 6 x Abattoir operators
- 10 x Potato washers and packers
- 1 x Truck driver
- 10 x General labourers

The total of direct beneficiaries under this output was 348 people. These people were also after a selection process, part of a two-week induction, capacity building programme. The result after this process was that of a general understanding of the project concept, all expectations was realistically cleared and understood. All beneficiaries got to know exactly where they did fit into the system, also as to why their role is important and what important link they are in the production chain.

These individuals and especially the directors of the three Co-operatives were tasked to transfer the correct message as an overflow function to the broader community to understand the interaction from their side in the production function.

Output 2: A land use plan, production plan and signed contracts with contract producers:

The direct output under this category of the action plan is a well-structured scientific production plan to the main co-operative (Sisonke Co-op) that will act as main coordinator, value adder and marketer. The direct output includes:

- 1:10000 Aerial photographs of the production area (Block C, Ncora) indicating soils types, crop selection, water availability, dry-land, irrigation lands, access roads, etc.
- 1: 50000 maps of the district of Block C for future planning purposes.
- Production contracts with 27 producers for egg production.
- Production contracts with 20 producers for broiler production

Output 3: A constructed support centre and other infrastructure:

A 750 square meter support centre, providing the following infrastructure:

- 75 m2 poultry abattoir
- 75 m2 Egg sorting and ablution facility
- 150 m2 Administration area
- 150 m2 Maize milling area to be equipped
- 450 m2 Wholesale and retail area

Output 4: Completed infrastructure for various enterprise productions:

The following infrastructure to be completed:

- 9 x 240 layers, egg production units.
- 4 x 1000 broiler chicken production units, complete with brooder and storeroom.
- 1 x livestock handling facility, sheering shed and auctioneering kraals.

Output 5: Production equipment:

The following equipment and machinery is available in the infrastructure in order to start production:

- Egg production equipment.
- Broiler production equipment
- Abattoir equipment
- Egg sorter and equipment

Output 6: A skilled beneficiary group of producers in production:

The output of this part of the action plan is the following skilled beneficiaries is place:

- 27 x farmers trained in broiler production and management skills
- 20 x farmers trained in egg production and management skills
- 90 x farmers trained in sheep production (sheep shearing and wool sorting) and management skills
- 90 x cattle farmers trained in beef production and management skills
- 45 x farmers trained in commercial crop and vegetable production and management skills
- 24 Directors trained in Operation of Co-operatives, Directorship and business management.
- 4 x clerks trained in Administration procedures, shop keeping, bookkeeping, financial management, stock control and general business management.
- 10 x general assistants trained as general assistants.

A grant total of **220** members of the community skilled and competent to actively participate and contribute labour to the various production units.

Output 7: Production of agricultural produce, value added and sold:

The following production outputs were achieved:

Egg Production

Producer	Period	Period	Period	Mortality		
Name	March - May 2011	June - December 2011	Jan – August 2012	%	mortality rate Expected norm	Variance
N.P. Nyxabazi	73%	72%	73%	22	8%	-14
N.N. Mbesi	57%	59%	61%	20	8%	-12
S. Damane	55%	63%	63%	25	8%	-17
X.B. Cula	87%	94%	93%	15	8%	-7
S.N. Siko	90%	99%	98%	4	8%	4
E.N. Mautse	86%	98%	98%	12	8%	-4
N.N. Moni	86%	88%	89%	13	8%	-5
T. Bhakisa	77%	89%	89%	14	8%	-6
M.N. Memani	81%	92%	92%	16	8%	-8
AVERAGE	77%	84%	84%	15.7	8%	-6.78

The expected rate of production as according to the original planning was 83%. During the first 93 days, an average of 77% was achieved and this was improved up to 84% during the next production period.

The mortality rate was double of what we expected, but mostly occurred during the first 93 days of production. This can thus not be blamed on diseases or a poorly managed vaccination programme, as all chickens would have died due to this by now.

The sales of eggs have sustained the supply of feed, packing material, transport cost of the vehicle and some wages/ producers payment.

Broiler Production

Producer	Batch 1 received	Total Sold	% Sold	Mortalities	Total still unpaid
Tyutyu	450	200	44	117	133
Mbambi	450	244	54	144	62
Msefo	450	223	50	157	70
Titi	450	185	41	131	134
Totals	1 800	852	47	549	399
Average Mortalities:				30.50%	

Producer	Batch 2 received	Total Sold	% Sold	Mortalities	Total still unpaid
Tyutyu	666	284	43	63	319
Mbambi	667	260	39	93	314
Msefo	667	298	45	96	273
Titi					
Totals	2 000	842	42	252	906
Average Mortalities:				12.60%	

The mortality rates improved drastically, and the following reasons for poor production were reported by the broiler producers:

1. Although it is part of the key responsibilities of the Operational manager to inspect the broiler units every Tuesday and Thursday, it has never happened.
2. Management did not assist with the provision of sawdust as it was arranged.
3. Heavy snowfall and extreme cold conditions caused a lot of mortalities.
4. The operational manager took some chickens without issuing a proper voucher to the producers.
5. Most live chickens were sold on credit and the cash still have to be collected on pensioners' days.

Output 8: An evaluation report of the complete action:

A monthly evaluation report approved by the project Steering committee included the following statistics and measurements.

- SC and Directors meetings
- Management meetings
- Training outcomes and achievements
- Budget spending per budget line and cash flow projections for the completing of the project.
- Production achievements per enterprise
- Value adding achievements per product
- Marketing information and expectations/projections.
- Challenges experienced with solutions to problems
- General overview of the project.

The evaluation reports will also have the value of providing parameters and indicators of measurement of the various outcomes of all enterprises of the action.

2.6 List all materials (and no. of copies) produced during the action.

No material for any commercial exploration or publishing was produced during the implementation period.

The following material were specially designed for information and training purposes only, and were duplicated as part of training material supplied to the beneficiaries as trainees:

- Institutional training programme for Directors and project managers of the Sisonke resource Centre and Agricultural Cooperative.
- A guide to broiler production
- A guide to Egg Production
- A guide to sheep and wool production
- A guide to beef production

A Comprehensive Business Plan was developed to obtain funding for the maize mill unit, and copies were submitted to:

- The Management of the Sisonke Project
- The Industrial development Corporation of South Africa (IDC)
- The Landbank (East London branch)
- The Eastern cape Development Corporation (ECDC)
- The office of SURUDEC / Ruliv in East London.

An updated Stakeholder Analysis and Baseline Survey was done and supplied to the SURUDEC Offices.

2.7 List all contracts above 10,000€ awarded for implementation of the action, since the last interim report if any or during the reporting period, give for each contract the amount, the award procedure followed and the name of the contractor.

Amount	Procedure followed	Name of Contractor
ZAR 118,760.64	Tender procurement, 3 tenders, evaluation.	EPOL Feeds
ZAR 118,760.64	Tender procurement, 3 tenders, evaluation.	EPOL Feeds
ZAR 122,974.08	Tender procurement, 3 tenders, evaluation.	EPOL Feeds
ZAR 139,080.00	Tender procurement, 3 tenders, evaluation.	Monti-Feeds

2.8 Describe if the Action will continue after the support from the European Community has ended. Are there any follow up activities envisaged? What will ensure the sustainability of the Action?

The Action will definitely not continue after the support from the European Community. There were just too many obstacles during the implementation period, especially with regard to the complexity and internal political situation at the broader Ncora Irrigation Scheme.

No further follow-up activities are envisaged.

The Internal Political situation, land claim and land ownership issues ensure that no sustainability will be achieved in this area.

2.9 Explain how the Action has mainstreamed cross-cutting issues such as promotion of human rights, gender equality, democracy, good governance, children's rights and indigenous peoples, environmental sustainability and combating HIV/AIDS (If there is a strong prevalence in the target country/region).

During the Induction and Institutional training phase, the participating members and parties were made aware of the mainstreamed cross-cutting issues, and that the implementation of the project have to provide a concern for gender equality, democracy, promotion of human rights and environmental issues.

All training that were done, had a strong component that focused on HIV/AIDS awareness and prevention.

The selection and nomination of project managers, contract producers and general staff members was a function of the Sisonke Directors, and was not done by the implementation agent.

2.10 How and by whom have the activities been monitored /evaluated? Please summarize the results of the feedback received, including from the beneficiaries.

All activities were solely monitored by the implementing agent, against the planned indicators as set in the logical framework activities.

The outcome of the monitoring and evaluation report was captured in a system introduced by SURUDEC, known as the PMS system. According to our view, this was a very good system of monitoring, although it had technical problems.

The PMS system was later replaced by an Excel report that was used as the activities monitoring guideline until completion. These reports were submitted on a 2-monthly basis and captured by SURUDEC staff.

The monitoring of real production outcomes of contract producers were also monitored by the implementing agent, until the end of the first implantation period, being 31 December 2011. The outcome of this monitoring action was in fact not very positively welcomed by some of the contract producers, who was found not be honest about production. This has led to the implementing agent that recommended action against those producers by management, but unfortunately the Sisonke Management and Directors never instated any further proposed corrective monitoring actions against the contract producers.

On 19 January 2012, Umnga Farmers Group gave notice to a meeting between all Cooperative Directors, managers and contract producers to urgently bring to their attention and to discuss the following results of the activity monitor report:

1. The cash money on all sales was still not banked and petty cash for diesel was still taken from the cash sales. The double banking between the Post office and First National Bank had to stop immediately and the Manager must bank all cash at FNB. Money for petty cash must be manager by the Manager and petty cash must be drawn from the bank, and not from cash sales.
2. The transport are being misused for other purposes, at the cost of the project, e.g. :
 - On Monday, 16 January 2012, the transport was not available for sales but was used to transport water for the private building operations of the MD.
 - The transport was being used on weekends with an average traveling of 70 km's per weekend.
 - There was no doubt that the logbook does not correspond with the cash diesel vouchers.

3. Over December 2011, some animals were hosted in the Wholesale Retail store shed with a devastating loss on the poultry feeds to the value of ZAR 122 000.00! Who was going to pay for these losses? The rats were also destroying the feed and nobody seemed to care!!!
4. Some abattoir equipment was stolen from the office where they were safe kept, where are the security that are being paid to secure the site?
5. A well experienced manager was appointed during 2011 to run the management operations, but he complained that the MD was overruling his efforts and decisions on the handling of cash, petty cash and banking of money. For this reason the cash does not balance with the cash sales invoices.
7. The manager had no control over the transport over weekends. This must stop! On weekends the keys for the transport must be kept by the manager!!!
8. No producers must be paid in cash. Internet banking and internet services are available on site and the control of the money must go through the bank!

The outcome of this meeting was merely devastating!

- Contract producers that were exposed of stealing produce became aggressive, and did not allow any managers close to the production units. They also approached an attorney to act against the management team.
- The Managing Director of the Cooperative exploded against Umnga Farmers Group for exposing him in a very bad light against the community and other directors.

The management team from SURUDEC was requested to assist Umnga Farmers Group with a conflict resolution. This was again done on a special meeting during April 2012 whereby Umnga farmers Group and the Management team agreed to complete the implementation of the newly approved budget.

2.11 What has your organisation/partner learned from the action and how has this learning been utilised and disseminated?

2.11.1 During the initial planning and preparation period to deliver a bankable business plan to the European Commission, prior to the approval of the project, there were no references at all with regard to the following issues:

- Land ownership and the demarcation of Ncora Block C land the Communities of Kwa Mzola, Damane and Famini & Cibini. The reality later became a huge obstacle, even after letters of land-use and support to development was produced by the community leaders and the Department of Agriculture.
- The role of the Local Municipality and the support from them was never considered a problem, until a local councilor started to boycott the project for personal gain at the Municipality. Suddenly all doors was closed towards further funding, even after several meetings and consultations together with SURUDEC management.
- The initial Stakeholder Analysis and Baseline Survey never indicated any problems with regard to the previous success rate and records of the project managers. As the internal political situation unfolded, members from the community only started to come forward with accusations as to the past reference of mismanagement of similar projects by the same project leaders.

It became clear that community members during the pre-assessment and survey period tend not to disclose a truthful picture of internal affairs, with the expectations and fear that that it can lead to the project funding not being approved. Although not being literate to the sense of the situation, the community is clever enough to “provide in the correct answers” and to sketch a “romantic” picture of being “harmonised in poverty.”

2.11.2 The “European miss-concept” with regard to “Africans being disadvantaged and resource poor.”

Taken on face value, any European that visits the so called disadvantaged rural areas in Africa, in this instance the former Ncora irrigation Scheme that was made out to be a prior “Flagship Project” for the former “Apartheids Regime”, already do have the concept of disadvantaged refugees, “combined in harmony” through struggling from hunger, unemployment, lack of resources, lack of opportunities, low levels of educations, etc., etc.

Whilst living between and interacting on many levels with the local communities and leaders, the first impressions became the following reality:

- The rural African people do live in a very rich culture that is not based on European values of money and luxuries. It is rather based on cultural values, the role and respect for ancestors and richness in social interaction. These attitudes and values do not fit into some European project concepts such as; “time is money”, productivity, modern management rules, etc.
- Rural African people further value the time for social interaction, social functions such as the importance of church, funerals, weddings, etc. Time spend during these activities are more valuable than the complete changing of lifestyle to participate in high sufficient production activities, record keeping and production management.
- Rural Africans to live in a natural environment of natural beauty, calmness, comfortable houses where no taxes and cost is applicable. The current South African Social Grant network system effectively contributes to neat and modern clothing and staple food that is equally shared between household members. There is thus no “need” for more artificial luxuries and extra money to be achieved through hard work, change of lifestyle, productivity, etc.

The lesson learned is whether the inspirations to uplift and develop the disadvantaged and poor is more that of the “Developing Agency” than that of the beneficiary identified? The African Community have learned these lessons over many years, especially during the former South African Regime’s “handout” policy in the former homelands. They will play along as there is extra and free monies coming, thereafter it is the end...

3. Partners and other Co-operation

3.1 Assessment of relationship between the formal partners of this Action

The relationship between the Project members and the beneficiary, directors and community of the Block C under the Sisonke Agriculture Support Centre and Co-operative was very healthy during the first period of implementation, being January 2010 until December 2011.

As reported hereunder in par. 3.4.c, the relationship was under pressure due to budget constraints and the lack of being able to raise outside capital as own contribution.

Besides this problem, the relationship can be described as respectful towards one another, but definitely with a lack of trust and confidence to both sides.

3.2 Is the partnership to continue?

No

3.3 Assessment of the relationship between our organization and State authorities in the Action countries

The Department of Agriculture was the most important State Authority in the implementation of this agricultural based action. The Department of Agriculture on Provincial level has responded to the invitation to become part of the Project Steering Committee and attended some of the meetings.

The Department of Agriculture, Chris Hani District al contacted Umnga regarding cooperation in the completion of the sheering shed and auction pens through combining funds.

During January 2011 we became aware of the fact that a new Department known as the Department of Rural Development and Agrarian Reforms has taken over the responsibilities of development of the irrigation schemes in the Eastern Cape. Umnga immoderately obtained a meeting with the National Minister and his Directorate to discuss the Sisonke Project. This meeting took place on 12 March 2011 and a follow-up presentation was done on 12 April 2011.

Against the given background, we can assess the relationship between Umnga, Sisonke and the Eastern Cape Government as very positive and cooperative.

3.4 Description of your relationship with any other organizations involved in implementing the Action

a. Associate(s) (if any)

Not Applicable

b. Sub-contractor(s) (if any)

Not Applicable

c. Final Beneficiaries and Target groups

Throughout the implementation period, the relationship between Umnga Farmers Group and the leading team of the final beneficiaries were always sound and respectful. Towards the extended period of implantation (January – September 2012), this relationship was under extreme pressure to the extent that SURUDEEC officials intervened to resolve the problems. These difficulties were purely bases on financial constraints and expectations from both sides that could not be fulfilled due to additional budget shortcomings.

The project management was put under exceptional and unfair pressure from contract producers that were disciplined for not following standing procedures. It also became clear that some producers were stealing and selling eggs and chickens outside the production contract. After final completion, it was very clear that management team are exhausted from pressure from inside, and that the trust relationship were not very good. This even related to the contract producers to appoint an attorney to act against the management team. This was a very unfair practice, and Umnga Farmers Group had to assist the Management team to defend the obligations made against them.

Besides all problems, the relationship with the Management team was very respectful.

d. Other third parties involved (including other donors, other government agencies or local government units, NGO's, etc)

The AgriSETA funded and strengthened own contribution to the amount of ZAR 810,000.00, as well as a contribution of ZAR 337,500.00 as stipends that was paid in cash to all learners.

3.5 Where applicable, outline any links and synergies you have developed with other actions:

Although all applications for additional funding and partnerships were unsuccessful during the implementation period, the following links and synergies have developed:

An application was submitted to the Industrial development Corporation (IDC), The Land Bank and the Eastern Cape Development Corporation for the following:

- A loan to the value of R 5 784 270.00 for the upgrading of the maize mill and electricity supply.
- A grant of R 800,000.00 as part of the own contribution.

The project was visited several times by high officials from the IDC, making promises and creating huge expectation, but however with no further results.

3.6 If your organization has received previous EC grants in view of strengthening the same target group, in how far has this Action been able to build upon/complement the previous one(s)? (List all previous relevant EC grants)

Not Applicable

3.7 How do you evaluate co-operation with the services of the Contracting Authority?

Besides the problems experienced in the payment of the second tranche claim, the Contracting Authority by all means was always very supportive, understood the complexity of the project, was part of all meeting and discussions, and did their best to resolve conflict between the parties.

4. Visibility

How is the visibility of the EU contribution being ensured in the Action?

The Logo of SURUDEC and the EU were prominently displayed on all correspondence and presentations. During all meetings and workshops the contribution from the EU was mentioned.

Clear and visible signboards were supplied and erected by the Contracting Agency at strategic points to indicate direction and location of the project.

The European Commission may wish to publicize the results of Actions. Do you have any objection to this report being published on Europe Aid Co-operation Office website? If so, please state your objections here.

We have no Objections

Name of the contact person for the Action: *Johann Stassen*

Signature:



Location: *Ugie, Eastern Cape*

Date report due: *31 December 2012*

Date report sent: *15 December 2012*