



# FAIR PROJECT

## FARMER ACCESS TO INNOVATION RESOURCES IN SOUTH AFRICA

### Synthesis of lessons learnt

Action research Phase 1  
2006–2007

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## Acronyms and abbreviations

ARD	Agricultural Research and Development
CEAD	Centre for Environment, Agriculture and Development
DAEA	Department of Agriculture and Environmental Affairs
FAIR	Farmer Access to Innovation Resources
FLG	Farmer Learning Group
FSG	Farmer Support Group
FSR	Farming Systems Research
LISF	Local Innovation Support Fund / Facility
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organisation
NRM	Natural Resource Management
NSC	National Steering Committee
PROLINNOVA	Promoting Local Innovation in ecologically oriented agriculture and NRM
SA	South Africa
SCG	Savings and Credit Group
SOF	Sivusimpilo Okhahlamba Forum
UKZN	University of KwaZulu-Natal
VA	Voluntary Association



## Introduction

Traditionally, international and national research centres have championed the process of innovation development to meet technological needs of smallholder farmers. A shortcoming of this approach has been its failure to transform and bring tangible benefits to the smallholder farmers through technological advancement. PROLINNOVA partners designed a pilot project to test the possibility of availing financial resources for innovation development directly to smallholder farmers. As part of the PROLINNOVA–South Africa (SA) programme, the Farmer Support Group (FSG) – in partnership with SaveAct, a small non-governmental organisation (NGO) specialising in empowering communities to develop savings clubs, and the Department of Agriculture and Environmental Affairs (DAEA) of KwaZulu-Natal Province – have been piloting a Local Innovation Support Fund (LISF) under the Farmer Access to Innovation Resources (FAIR) project since August 2005. This is a review of the experiences with the LISF pilots implemented in South Africa up to May 2008.

### *Rationale for LISF pilots*

The pilot is premised on the need to shift from the situation where international and national research institutions dominate the development of innovations to one where smallholder farmers play an important role in this. The emphasis on local-level development of innovations stems from a recognition that a significant portion of the international and national research institutes has operated in relative isolation from the intended research beneficiaries and that such institutes have generally failed to effectively link local farmers' technological demands to the formal research and development activities. When operating in isolation, research institutes often fail to understand farmers' issues, including their constraints and imperatives, their assets, knowledge, creativity and initiatives. This applies, to a larger part, to deciding on the aspects and activities for which people would like to see technologies developing, e.g., production, storage, marketing or environmental management.

The LISF pilots are based on the belief that effective and efficient problem-solving mechanisms also lie with local actors, rather than being the preserve of scientists. With a recognition of the capacity of local actors, local knowledge and practices become important in providing insights into how household resources and risk management influence technological requirements. If these capacities are better understood and worked with in ways that encourage local development or adaptation, opportunities for social and economic advancement sometimes become apparent.

It is therefore contended that, if funds or support capacities are made available and controlled at a local level, then innovation development may become more demand-driven. This may enable farmers to innovate more quickly and effectively and may encourage support services to act in ways that are directly relevant to farmers' circumstances.

LISF was piloted against the backdrop of the apartheid policies in South Africa, in place until 1994, which undermined the productive and innovative potential of the smallholder farmers. Research and development focused on addressing the needs of the large-scale commercial farming sector. The 'linear approach' was applied, according to which knowledge is supposed to originate from the scientific researcher and flow via extension to the farmers. In many respects, this emphasis on support for mainstream extensive agricultural production continues. There seems to be an absence of a coherent policy framework and programme to provide support for resource-poor farmers in South Africa.

Where attention is given to this sector, it invariably follows a supply-driven path, characterised by grants or subsidised loans, similar to the way aid and development were approached in many African countries during the period after they attained independence, i.e., from the 1960s to the late 1970s. Besides, the research institutions are located very far from the areas where the majority of the smallholder farmers reside. This distance does not make it easy for the researchers to develop relevant technologies for them.

Since 2004, several organisations in South Africa have participated in PROLINNOVA, a group of governmental and non-governmental organisations seeking to promote local farmer innovation and participatory research and development. PROLINNOVA identified the need to give farmers more space for them to take greater ownership of multi-stakeholder research and innovation processes, i.e., identification and implementation with farmer-demanded input from external agents. As a new intervention, to generate support for the PROLINNOVA approach of using the LISF, relevant examples with well-documented experiences around which appropriate policies and programmes can be debated and formulated are required. PROLINNOVA believes that the FAIR project offers opportunities for introducing a new approach which creates scope for enhancing local initiative and innovations as well as the prospect of demand-driven support mechanisms that could prove to be an important resource to farmers in the long term.

FSG, the outreach unit of the Centre for Environment, Agriculture and Development (CEAD) at the University of KwaZulu-Natal (UKZN), uses participatory action research to assist farmers to identify research needs and conduct experiments with the potential to develop innovations that could address their priority problems. FSG integrated its approach of developing innovation with this experiment involving an innovation support fund for smallholder farmers. Coming in the wake of participatory methodologies, the innovation systems approach recognises the strength and central role of farmers in technology generation. Through this pilot, farmers are provided with financial resources to conduct activities that can lead to the development of innovations or, at least, enhanced potential for innovation.

## **General setting**

FSG, SaveAct and DAEA are partners in implementing the LISF pilot, with FSG as coordinator. The LISF is being piloted in the communities of Okhombe, Busingatha and Obonjaneni, which fall within the Amazizi Tribal Authority in the northern Drakensberg Mountains. They form part of the Okhahlamba Local Municipality, which is in turn part of the Uthukela District Municipality of KwaZulu-Natal Province. They are about 50km west of Bergville town. The area enjoys strong links to nearby tarred roads, which provide access for tourists to the nearby Royal Natal National Park and other resort areas of the Drakensberg.

There are approximately 1000 households in Okhombe, 700 in Busingatha and 900 in Obonjaneni. The project target population is therefore approximately 2600 households. The tenure system is a communal one, where traditionally held land is allocated through the tribal chief or his headman. A plot is allocated for the homestead, and fields are also allocated. In the Amazizi area, people have to pay the local headman an annual fee for access to fields.

The Amazizi tribal area was chosen as pilot site because the partners already had established a long-term relationship with local farmers. It was felt that, by introducing the LISF pilot into this area, synergies with other work already in progress would be realised.

South Africa's political and economic history means that conditions *vis-à-vis* the poor and rural livelihoods are quite peculiar and unique compared to other parts of Africa. Unlike in the rest of Africa, some people residing in rural areas in South Africa may not regard themselves as 'farmers' in the first instance. Farming capacity has been, for a range of reasons, depleted. More reliable, fashionable and attractive economic opportunities, mainly in urban areas, have further eroded the significance of farming as a source of livelihood. Most rural poor are engaged in more than one sectoral activity. Engagement in various livelihood strategies is the household norm. This is considered to result from the need to expand and diversify income sources and, in the process, to reduce risks in the event of the failure of any one activity. It is for these reasons that it would be problematic to consider the target group for this initiative to be 'farmers' in the way this term is normally understood in South Africa, i.e. as land users who derive most of their income from agricultural activities. Three broad types of natural resource users can be identified in rural areas:

- 'Farmers' as defined above;
- 'Food producers', such as gardeners on household plots, including urban dwellers; and
- 'Rural producers', i.e. people engaged in productive activities in rural areas but not directly engaged in farming.

Farmers are undoubtedly a segment, but it has been necessary to explore beyond this group, to seek ways of mobilising vulnerable groups into activities that expand their opportunity base and create platforms for sustained action towards greater livelihood security. In many cases, this may take the form of food production, but it may also lead to other activities. The FAIR project took cognisance of this situation and enabled a spectrum of activities within and beyond the agricultural sector, as it recognised all three groups as stakeholders in the LISF pilot. Nevertheless, in this paper, 'farmer' is used in a wide sense to include all three categories of resource users.

Under the unique conditions of South Africa, a broader approach than in other PROLINNOVA Country Programmes was therefore adopted. It was implemented through Farmer Learning Groups, Savings-and-Credit Groups and Farmer Associations in order to take a broader concept of innovation than focusing only on agriculture and natural resource management (NRM). It was anticipated that the three sets of groups would attract different segments of society.

Two Farmer Learning Groups (FLGs) are found in Okhombe and Busingatha. They primarily bring together farmers to collaborate with FSG in undertaking the action-research activities focusing on sustainable agriculture. The action research involves cycles of prioritising farmers' problems, designing experiments to develop solutions to the problems, evaluating the results and designing follow-up experiments. Even though this approach accommodated farmers' problems, it was not sufficiently flexible to take individual farmers' initiatives into the mainstream. The LISF has the additional flexibility that individuals or farmer groups can present proposals for developing innovations.

Compared to the FLGs, the Savings-and-Credit Groups (SCGs) involve a broader spectrum of rural people concerned with livelihood security, micro-enterprise development and life skills. SaveAct encourages them to mobilise financial resources to allow them to innovate in social and institutional spheres, including agriculture and NRM. It helps SCG members organise themselves to identify livelihood strategies, communication and marketing and entrepreneurial skills. SaveAct started working with SCGs in Obonjaneni and is moving into Okhombe and Busingatha.

The Farmer Associations are groups of farmers organised and supported by the Department of Agriculture in Obonjaneni to learn and work on specific agricultural activities designed to enhance maize production, vegetable gardens and irrigation.

## Socio-economic status

South Africa has a 'free market economy' and a highly unequal society. It is ranked as the third most unequal country in the world (May 1998). It has very high unemployment levels and low levels of literacy and human capital, especially in rural areas, and an HIV/AIDS prevalence rate that is said to be amongst the highest in the world. With widespread unemployment, escalating prices of basic food stuffs and pervasive illnesses (many of these being HIV/AIDS-related), small-scale food production is rightfully receiving renewed attention. There are many challenges to smallholder farmers being at the centre stage of agricultural production, including skewed land distribution in favour of large-scale commercial farmers, labour migration to urban areas, land-tenure insecurity, limited access to antiretroviral drugs (ARVs), and many sick and aged people who struggle to work the land.

In the communal areas, many households depend on government social grants such as pensions and child support. Some households receive remittances. Local economic activities mostly reflect the inflows of external support. Cash leaves the area through food purchases. The pilot area has more significant local subsistence through food production than in many other areas of KwaZulu-Natal Province. The soils in the area are generally good, though some have acidity problems due to the high rainfall received. Some produce is sold in local markets. About 90% of all households use their gardens or fields for food production.

A wealth ranking conducted with local residents revealed that the very poor engage in more income-generating activities than do the better-off (Krone 2006). Such activities often involve menial work for other families in the village. Better-off households have access to state pensions or other grants. They also tend to have bigger gardens and cultivate more land through hiring a tractor to plough.

Many residents participate in local savings schemes and clubs, locally called *stokvels*, and burial societies which are a form of funeral insurance. These institutions play an important financial and social-support role. Informal moneylenders are also active in the area, but charge high interest rates and leave people in debt.

## Natural resource base

Land is the major resource base of most activities in the area, such as crop farming and livestock rearing. Headmen allocate land to households for a residential site and for crop fields. The main crops grown are maize and beans. In addition, some land is set aside as grazing areas during summer when crops are growing in the fields. In winter, after harvesting, cattle can be grazed in the field on crop residues. Besides the agricultural activities, the area produces fine thatching grass, which is harvested seasonally and sold to craft producers locally or outside the area. Harvesting of thatching grass and *incema*<sup>1</sup> is extensive. Mats and brooms are made within the villages. The area is endowed with clays suitable for making a range of clay products which can be sold to tourists.

Historically, there were wattle forests that were available for residents to draw on as a source of fuel. These are being removed through a government public-works programme, as wattle is considered an invasive plant. In its absence as a source of fuel wood, households are resorting to the use of cow dung. Households that can afford it buy firewood from the surrounding farms, or even coal from Ladysmith.

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<sup>1</sup> A form of reed grass.

## ***Institutional features***

Public-sector presence in the area is not significant. The area falls under a headman and ultimately the chief of the Amazizi Tribe. Many households participate in social clubs, *stokvels* (savings clubs) and burial societies. There are also other structures such as the Okhombe Development Committee, sewing clubs, tourism task team, craft committees and gardens committee. Okhombe Development Trust was established as a vehicle for securing funds for NRM projects. It has two representatives from all the various project-focused committees. Project partners from outside of the area act as advisors to the Trust. The trust is still bedevilled with challenges within its leadership. However, the other villages do not have such an institution.

Several NGOs, e.g., World Vision and Bergwatch and parastatals such as Ezemvelo KwaZulu-Natal Wildlife and the Council for Scientific and Industrial Research, work in the area along with the DAEA.

## ***Stock farming***

Quite a number of people in the area have cattle, some with up to 20 head. Livestock is a form of 'banking', and asset management is generally understood to be an important feature of local society.

The findings of a review undertaken by Duncan Hay of CEAD (see summary in Annex 1) are incorporated in this section.

## **The LISF experience**

### ***Planning process***

It was generally agreed that conducting a feasibility study to assess and give insights into the area was important and would be a reference point, before project implementation commenced. The feasibility assessment assisted to understand the context of the area. Implementation needed to be contextualised and developed to take the legal, socio-technical, institutional and cultural realities of the learning site into account. The feasibility study, which was conducted in early 2006, recommended implementation of the FAIR project in Amazizi and yielded guidelines for implementation of the project. It determined that it was feasible to establish an LISF, but was cautious regarding the ability of the local communities to manage such a fund.

Findings of the study were presented to the PROLINNOVA-SA National Steering Committee (NSC) on 17 March 2006. The meeting recommended the formation of two teams for the smooth implementation of the project:

- i. the Partners Committee, which comprises management-level representatives from the participating organisations, including the FAIR-SA coordinator: FSG, SaveAct and DAEA, (Extension and Farming Systems Research (FSR) Unit); and
- ii. the Implementation Team, which comprises the field-level staff of the participating organisations.

The two committees met for the second time in 7 June 2006 to discuss progress. Tasks assigned to the two committees were reviewed during this meeting. The two meetings consolidated and clarified the thoughts, concepts and strategies contained in the feasibility study, and led to the following major decisions:



- i. FLGs, SCGs, Farmer Associations (for maize, gardening etc.) as well as individual farmers could access the innovation support funds.
- ii. The idea of a Farmers' Forum that could stimulate innovativeness would be promoted. The forum could serve as an access point for the LISF and a learning forum for the whole process. As part of the activities of the forum, innovation markets would be conducted so that farmers could showcase their innovations and learn from one another.
- iii. The name 'Local Innovation Support Fund' would be changed to 'Local Innovation Support Facility', in a bid to de-emphasise funding as a major input of the project.
- iv. Sustainability of the funding could be improved if there is a financial backer, e.g., the government. The project team needed to design a strategy for phasing out donor funds and phasing in government funds over a 2–3 year period.
- v. A Screening Committee, comprising three community members and representatives of organisations in the Partners Committee, would be formed to adjudicate on proposals submitted for funding through the LISF.
- vi. Until the time the trust was established and became functional, the money should be kept within the FSG account and disbursement made by FSG in accordance to the recommendations of the Screening Committee. It was recommended that the first instalment to the target groups would be released by October 2006 to individual or group applicants.
- vii. A local multi-party trust would be established to manage the LISF. The trust would be supported by a Screening Committee, whose main task would be screening and recommending project proposals to the trust for approval. The trust was to be established over the first 6–12 months of the project and attract funds from the government and other sources.
- viii. The project would conduct a baseline survey to understand the local situation and to benchmark project impacts.

The potential of achieving development of innovations depends, *inter alia*, on how the LISF is communicated and on the existence of sufficient capacity and motivation at the local level to utilise the facility. Key to this was the need for farmers to differentiate the LISF from grants for project implementation. Traditionally, farmers are exposed to funding for implementation of development projects.

### **Piloting process**

A team composed of FSG, the DAEA–FSR Unit and SaveAct was set up to pilot the LISF in conjunction with farmers. The main function of the partnership is to assist farmers to screen the proposals and to recommend those deserving to be funded. The idea was that people in the three communities of Busingatha, Okhombe and Obonjaneni would come up with project proposals for funding. The FLGs, SCGs, Farmer Associations and individual innovators residing in these villages would be eligible to access the funds, provided they met the criteria (see Box 1). Criteria for assessing the applications were developed in 2006 by the Screening Committee and then shared with the farmer groups for further refinement. A new refinement was the broadening of the definitions of the areas that would be supported through the project. For example, natural resource use incorporates farming and the harvesting of thatch grass, use of firewood for energy and use of medicinal plants. Institutional innovations include ways of getting produce to the markets and the various creative ways in which community members support each other to cope with shocks such as illness or death. An introductory note to the application was modified to make these refinements explicit.

The invitation for proposals and the application form for innovation support both have accompanying information to guide the applicants on the areas in which support will be provided, e.g., crop production, livestock improvement, vegetable production, craft

production, harvesting natural resources, marketing, financial management and institutional development. The invitation also specifies the need for originality, willingness to contribute to costs, willingness to share knowledge, etc.

Individual applicants who are not members of the FLGs, SCGs or Farmer Associations are also eligible to apply for funds and participate in the local innovation forum.

Funding is awarded on the basis of an open bid and those applicants that meet the set criteria are allocated resources. However, the Partners Committee decided to have a balance between proposals funded from groups and individuals, men and women, technical and non-technical and the like. For example, 70% of funds were available to support technical innovations and 30% for non-technical innovations.

An own contribution of at least 25% from the local applicant was included as an important principle in the process of proposal screening. The contribution could be in the form of material, money or time spent for experimentation and communication.

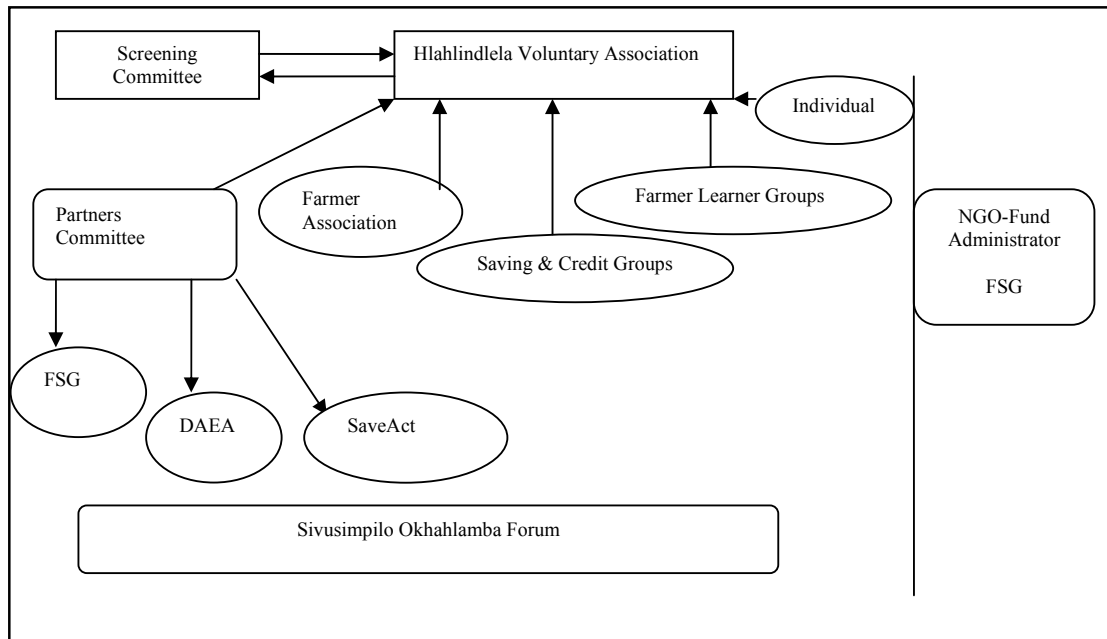
## Description of the LISF

In order for the LISF to be operational, an institutional framework had to be set up with clear functions, roles and responsibilities. Even more important was to ensure that the processes would be clear and executed effectively by the structures in place. The institutional framework for FAIR-SA is presented in Figure 1. It consists of three tiers to ensure accountability during the pilot. The framework allows participation of a broad spectrum of stakeholders, including the farmers. The Partners Committee, the Implementation Team, the Screening Committee, the Voluntary Association and the Farmers' Forum were formed. The Voluntary Association was formed as a precursor to the trust, and is described below.

While it was determined in the feasibility study that a trust needed to be established to implement the project, it was also realised that the trust would only be formed when the partners had acquired sufficient understanding of how to make the LISF functional. Therefore, the FAIR Partners Committee has an oversight role in the project and gives support to the farmers. Its functions include overall coordination, strategic direction, resource mobilisation and technical backstopping, i.e. assisting prospective applicants in synthesising their ideas, giving feedback to applicants and following up on the activities carried out by the applicants.

### Box 1: Criteria used when assessing proposals

- Prior record of experience with food, agriculture and NRM
- Technically, economically and institutionally feasible
- Preferably some demonstration of prior innovation by the applicant
- Idea is replicable amongst the poor and vulnerable
- Value addition achievable through LISF support, i.e., production, marketing, technically
- The applicant must be willing to adhere to a specified work plan
- Proposed activities are environmentally sustainable
- Willingness to share results with others.



**Figure 1: Institutional setting in FAIR**

Linked to the FAIR Partners Committee is the Screening Committee, which invites proposals for funding and adjudicates on the selection of projects to be funded. The Partners Committee saw fit that beneficiaries should take part in the assessment of applications, in order to enhance local capacity, not only in innovation, but also in strategic areas of the project. Inclusion of community representatives in the selection process would broaden the leadership base of the LISF pilot and empower individuals who would provide support to the rest of community members in developing proposals on innovation development. Each of the three participating communities selected one representative by consensus. Therefore, the Screening Committee comprises three community members, one from each of the three wards in Amazizi, and an additional four representatives of the partner organisations.

FSG took custody of the financial resources until the end of 2007. The Voluntary Association (VA) was formed in late 2007 to manage the funds. The establishment of a trust is a cumbersome process in South Africa and more legally binding to the trustees. The Partners Committee decided to have an interim measure of a VA, as the members in the VA needed to develop trust in each other and they also had to be capacitated to run the LISF before the formation of the trust. The VA executive consists of nine members, representing the three communities. Members of the partner organisations are co-opted as *ex-officio* members of the VA, to render support to it.

To capacitate the VA executive members to manage the LISF, its members participated in a workshop aimed at developing the following:

- Understanding of their roles within and as an association,
- A constitution to guide the operations of the VA, and
- A work plan.

The VA was then launched publicly in the pilot area so that everyone was aware of its existence and purpose.

The VA opened a bank account at the end of November 2007. The Partners Committee allocated ZAR 20,000 (ca 2080 Euro) 'seed money' to the VA for it to control, manage and disburse as part of the LISF for implementation of experiments for innovation

development. The funds were to be replenished as they were used. However, the FSG could not disburse the funds immediately after the VA opened its bank account, since the FAIR project ran out of funds for 2007. Financial resources were disbursed to the VA in January 2008. The VA relied on the recommendations of the Screening Committee to ensure that each proposal met the set criteria. The Partners Committee gave final endorsement of the activities to be funded.



Multi-stakeholder LISF Screening Committee assessing Applications

To strengthen the ability of the VA to manage the LISF, the FAIR-SA coordinator uses the experience gained so far in the running of the project to develop simple operational guidelines. These will be finalised in consultation with the Partners Committee.

### Local contribution to LISF

To limit possible misuse of the LISF, successful applicants have to contribute towards the total budget of their experiment, with the level of contribution depending on the nature of the proposal. A 25% contribution is expected towards tangible inputs<sup>2</sup>, and a 10% contribution towards intangibles. Some partners viewed this as a possible barrier to farmers' participation in the project, since many of them lack the financial resources even for their own sustenance, let alone for investing in innovation development. This condition has, however, not been relaxed, as it provides some assurance that the beneficiaries are committed to their activities. In many projects in South Africa, such a principal would be a major stumbling block, but it appears to be working in FAIR. However, this requirement may also explain why, thus far, the demand for resources has been low.

Applications often included costly technical support by personnel from the participating institutions, e.g., FSG. In some cases, the Screening Committee would recommend that an applicant be provided with such support to strengthen a proposal. Including the cost of this support would have significantly increased the budget requirements of the proposals and, in turn, the value of the 25% contribution which the farmers would need to make. Therefore, the Partners' Committee decided that the cost of the technical support would not be included in the applicant's budget so that the applicant only pays the 25% pertaining to the direct project costs.

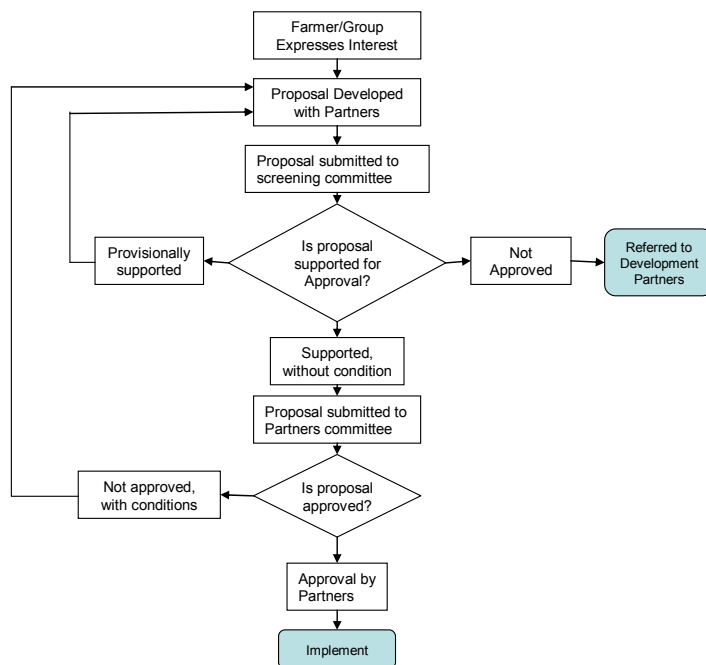
Forty-nine proposals were submitted up to March 2008. However, using the set criteria, 90% of the applications submitted were rejected; only seven of the 49 submissions were approved. Even the applications that were approved had inadequate information and had

<sup>2</sup> Tangibles include inputs such as fertilizer, and intangibles include cross-visits.

to be completed with the assistance of the personnel from the participating institutions. The experiments approved comprised both individual and group applicants. The beneficiaries amongst the individual and group applications were equally divided in terms of gender (see Annex 2).

The rejected applications that did not propose to undertake experimentation but requested support for development inputs, e.g., pumps, fences, were to be shared with relevant stakeholders who would support them, but this did not happen in practice.

Applicants completed and submitted proposals through community representatives who were members of the Screening Committee. Applications were also collected by different members of the project partner organisations. They were then assessed by the Screening Committee before being submitted to the Partners Committee for final review and approval for payment. Figure 2 shows the selection process. The average time of processing the application, i.e., from receipt of application to approval, was about 37 days. In most cases, intensive support was provided by personnel from the participating institutions to help farmers develop a particular innovative idea into a proposal.



Proposal Approval Process in FAIR

**Figure 2: Process from application to implementation**

### Farmers' Forum

At the beginning of 2007, Sivusimpilo Okhahlamba Forum (SOF) was formed. The idea of a forum was developed by service providers working in the area and was shared widely in the communities. Any farmer from the pilot sites can participate in the forum. There was buy-in from farmers and local interest groups who saw this as an opportunity to share their learning and experiences. There was particular interest in sharing good practices and innovations as developed by farmers from the respective communities. The forum was also envisaged by SOF members as a possible avenue for the creation of options in land-use management.

In a workshop held with farmers from the respective areas, a vision and plan of action were developed. Forum sessions are held monthly, with the hosting of the meeting rotating between the three communities. Forum leaders, selected from each of the participating communities, organise and jointly facilitate the monthly sessions. The topics for the sessions were, to start with, drawn from the following areas: soil fertility, marketing, institutional strengthening of LISFs, experimentation, water conservation and fundraising. Leaders would invite relevant stakeholders to address particular issues around the identified area. They also tried to convince other stakeholders to participate in or support the forum. As a result of these efforts, the forum has drawn the attention of the Okhahlamba Local Municipality to engage with it. The ultimate aim is to have the municipality support initiatives from the forum.

### **Innovation markets**

Innovation markets were developed as a way of making people aware of their own capacity to learn and innovate. Two market days were held: the first in October 2006 at the inception of the project, and the second in mid-2007. The sessions were also planned so as to create awareness of FAIR (including the Participatory Innovation Development approach which is central to the process), stimulate innovativeness and increase the momentum for submissions of proposals to the LISF. The purpose of the first session of the innovation market was for the service providers to introduce the concept of innovation and to define innovations. The meeting looked at what farmers were already doing through their innovativeness. The session also served as a launching platform for FAIR. At the first innovation market, seven farmers presented their innovations to the participants to reinforce the understanding of the concept by using local examples. The second innovation market looked at examples of activities that had been supported through the LISF.



**A farmer showing some medicinal plants at an Innovation Market**

Government and non-government institutions were invited to the innovation markets. The following institutions were represented:

- KwaZulu-Natal DAEA, represented by both the District Extension Services (Bergville Office) and the FSR Unit
- SaveAct
- World Vision
- Institute of Natural Resources.

The FAIR partners and other members of the PROLINNOVA-SA team in KwaZulu-Natal arranged the first innovation market and provided support to farmers who came to it. This market was attended by approximately 20 people from various support organisations and about 65 community members from Okhombe, Busingatha, Potshini and Obonjaneni. Potshini is a neighbouring community working with FSG but was not part of the LISF project. Therefore, its farmers could not access LISF funds.

## Disbursements

Up to March 2008, the total amount granted for experimentation was just over ZAR 48,750. Table 1 presents the actual direct expenditure on different initiatives.

**Table 1: Expenditures on activities approved for support through the LISF**

Name of applicant	Location	Support required	Funding received
1. Amazizi Coop Limited (a cooperative producing and marketing craft work)	Obonjaneni	Self-managing & marketing Domestication of craft grasses	R6,950 R16,335
2. Qaqumqondo SCG	Obonjaneni	Turning group savings into businesses	R5,097
3. Siyacwaninga FLG	Busingatha	Water conservation	R10,600
4. Lindiwe Magugu (an individual resource user)	Obonjaneni	Chicken sunflower feed	R9,770.
<b>TOTAL FUNDING</b>			<b>R48,756</b>

As already pointed out, considerable additional expenditure has been incurred but has not been costed into the activity. In future, attention will be given to recording also these costs, which are the contributions made by the partner organisations to facilitating the pilot.



**Part of a group of chickens in a breeding experiment**

## M&E and analysis

A logical question in such piloting efforts is: what impact do these efforts have? In this case, one would want to know the impact of the funds disbursed to date. For example, the SCG that undertook a cross-visit financed through the LISF has, as a consequence, started a number of business ventures with the savings it had accumulated, rather than following the traditional practice of simply sharing the savings at intervals during the year. In most cases, however, it is still too early to see tangible impacts. It is noteworthy, however, that the concept of an innovation market as a 'market of ideas' has taken root amongst farmers, was viewed with enthusiasm by both farmers and the partner institutions and has contributed to stimulating applications and creating awareness of the project. Farmers have since demanded more innovation markets; this suggests that they have seen the benefit of interacting and learning from each other's ideas.

Most intended beneficiaries and members of local institutions generally observed that, despite the fact that applications submitted were considered unsuitable using the criteria for assessing them, they understood the purpose of the pilot project.

The community members participating in the Screening Committee indicated that they understood the objectives and procedures in the project and had managed to give feedback to the applicants whose proposals were rejected. At the same time, their participation in the project developed their capabilities to assess applications. They were aware of the importance of producing good proposals. The high percentage of applications that were turned down (94%) showed that there was a weakness in the ability of farmers to present coherent proposals, even with assistance from partner institutions. Therefore, it was recommended by an external reviewer that perhaps oral presentation could be more effective for most applicants than writing and they could be more explicit (see Annex 1).

Farmers have to be guided to understand the difference between development projects and research projects. Further support is required so that they can develop a proposal and submit it for funding. The stakeholders in the project have to continuously encourage the farmers in this regard.

A major challenge in the project has been the limited funds available for implementation. It is clear that the project proposal underestimated the amount of support that the farmers would require to participate effectively in the pilot, and for partners to operate effectively. The original idea had been that the piloting of LISFs would be piggy-backed on other projects so as to absorb the support costs. However, this resulted, in some cases, in *ad hoc* support, communication breakdowns and confusion amongst the intended beneficiaries and the implementers.

In future, it would be necessary that a balance is achieved between the budget and what can be delivered. In particular, sufficient contingency funds should be retained to cover hidden costs such as specialist technical support for certain innovations. Experience has shown that considerable support is required in developing ideas into proposals. Technical support is also required in cases where innovations go beyond the understanding of the partners and the farmers.

The stakeholders function well when there is interest within the people representing the different organisations. They should be willing to engage continuously on project issues. Government personnel are often too inundated with other work to be able to participate effectively in the partnership. To this end, there is need for some engagement with the policymaking levels in government to make them realise the purpose and value of the



pilot. Otherwise, the original intention to gain government support to the LISF beyond the piloting phase will not be feasible.

## ***Impact on how agricultural research and development is done in South Africa***

Project partners engage in various strategies to ensure that the lessons emanating from the PROLINNOVA activities, including the LISF piloting, are taken forward. For example, FSG teaches participatory methods at UKZN. The experiences of the LISF piloting are incorporated into the curriculum at both undergraduate and graduate levels. This could, in the long run, influence the manner in which agricultural research and development (ARD) will eventually be conducted in South Africa. In addition, the LISF partners presented the progress and highlights of the LISF piloting to the provincial members and NSC of PROLINNOVA-SA. The presentations and the accompanying dialogue led to a better understanding of how ARD could be implemented to include the inputs of the farmers. The NSC provided strategic direction and useful ways of up-scaling and institutionalising the promotion of local innovation in South Africa. Some of the points that were noted during meetings at provincial and national levels include:

- The LISF had a useful role making different stakeholders understand the role of ARD and Participatory Innovation Development in the development discourse.
- There was a need to improve financial management capacity at the local level. Previous experience in the same area showed that such institutions, e.g., the Okhombe Trust and Mnweni Trust local institutions which had already been established, could be a source of conflict rather than a vehicle for development. This was the case with the Okhombe Trust, where some trustees demanded funds willy-nilly, resulting in local conflicts and failure to implement development initiatives.
- The stimulation of the local learning process (including funding of activities that led to innovation) brings prospects to improve livelihoods.

PROLINNOVA-SA convened a meeting in March 2008 in Pietermaritzburg to redefine the scope and the context for the LISF. The participants in the meeting were the NSC, FAIR partners (SaveAct, FSG and DAEA). The consensus was that the LISF should support innovations with economic and social benefit, paying particular attention to those that benefit the public through sharing.

At the community level, people are beginning to understand that they do not have to live on handouts. The notion of discovering is catching up. They are also beginning to have confidence in themselves. This is especially being achieved through building the capacity of the local people in leadership of the LISF structures. The enthusiasm of farmers in participating in various activities organised through the project and beyond is gaining momentum.

Overall, the project has shown the following:

- People in South Africa and in the project site are accustomed to 'handouts'. This culture could have contributed to the submission of applications that do not meet the set criteria for farmer-led research. Therefore, considerable reorientation was required for the LISF to be understood across the communities. This culture was anticipated at the feasibility stage and the feasibility report recommended urgent mobilisation around a more self-reliant development path to create an environment conducive for the operation of an LISF. There is commitment to this path, but it has for various reasons been gradual in introduction.
- There is a need for funds and capacity for facilitation and other operating costs in order to put an LISF programme in place.

- The term 'innovation' generates debate in its translation into the local language. The successful implementation of this initiative requires a precise definition of what 'innovation' means. In the pilot project, stakeholders at the local level did not clearly articulate such a definition and this had a bearing on the conceptual and operational elements of the project. One such problem arose when deciding what innovations to fund, as it was also necessary to agree on whether the idea being presented was based on or could result in an innovation. As a way forward, all parties need to agree on a definition for an innovation.
- Considerable investment was put into creating an understanding of the aims, objectives and the *modus operandi* of the project. To this end, an introductory statement was included to accompany the proposal application forms. This was meant to improve farmers understanding of the LISF as well as of the types of activities that could be supported.
- The issue of 'own contribution' is challenging, given the poverty levels of the communities. On this basis, it was decided by the FAIR Partners Group to use the fund for providing technical support, but without penalising the farmers to pay own contribution toward the costs of such support. One lesson is that the experimentation has to be kept to a basic level so that farmers can proceed through trial and error, rather than having elaborate comparisons between treatments. This would minimise the need to source for technical expertise, which is time-consuming.
- Most costs of setting up experiments are hidden, especially the facilitation costs. There is a need to ascertain the true cost of supporting the innovation process, even when the facilitation is covered by another programme/project. This will reveal the actual time spent in the project and allow better planning in future with regards to capacity, budget and timeframe to complete such work.
- Setting up a viable institutional framework that can run an LISF, including managing and sourcing financial resources, is a key strategy for ensuring sustainability of the LISF.
- Broad participation of the farmers in all project activities, including representation on the Screening Committee, Voluntary Association and Farmers' Forum, are the hallmarks for sustainability.
- FAIR-SA will need to develop a strategy for smallholder farmers to gain access to research stations, e.g., through visits.

### **Strategy and plan for sustainability and scaling-up**

The partners in the project continue to try to engage with government, in an effort to make them to see value in supporting LISFs. The FAIR team has already begun to interact with the DAEA District Head in Bergville about strengthening the engagement of district extensionists in innovation activities. There has recently been a commitment from the Department to participate in the SOF. Such efforts are also being undertaken at the provincial and national levels through the PROLINNOVA-SA structures.

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## Annex 1: Summary of the Review of the FAIR Pilot Project SA

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17 March 2008

### **Preliminary outcomes**

**Finding:** Project participants have generally been pleased with the outcomes, particularly those whose innovations had been approved.

**Recommendation:** These examples can be used to promote the project.

### **Monitoring and evaluation**

**Finding:** The M&E section of the project report is illustrative of the problem with most M&E reports. They tell you everything but at the same time they tell you very little of substance.

**Recommendation:** M&E should focus less on process and bureaucratic indicators and more on substantive outcome/product indicators i.e. less emphasis on how many projects have been approved but more on what the projects have accomplished – what intellectual growth do we see in the participants, what other ideas or new innovations has the project spawned, is there broader take-up of the innovation etc?

### **Reputational risk**

**Finding:** I suggest that had FSG and partners attempted to implement this pilot project in an area where they had not previously developed very positive relationships and high levels of trust, the perceived results would have been far more negative. Implicit in this is that in this pilot project the implementers were trading on reputation rather than on its delivery.

**Recommendation:** FSG needs to ensure that it balances high risk and low risk projects in its area of operation, and the potential risk of projects with high levels of experimentation relative to delivery needs to be carefully assessed.

### **General project operations**

**Finding:** Certain project partners alluded to the late start of the project, changes within FSG negatively affecting the project, reticence and apathy amongst implementers, and that partners continued operating in silos. This appeared to reflect early stages of the project.

**Recommendation:** It does leave one with a certain sense of concern that, from an operational perspective, conditions were not optimal.

## **Relationships amongst partners**

**Finding:** While it is apparent that there is little to no relationship between the implementing partners and the DAEA, it is apparent that the relationship between FSG and SaveAct has strengthened.

**Recommendation:** The potential to link research and outreach in the integrated systems of agricultural development and financial investments/savings has tremendous potential. Focus on improving the relationship between FSG and SaveAct further.

## **Acronyms**

**Finding:** The over-zealous use of acronyms in all the project documentation was not particularly useful, e.g. FAIR, ISA, FLG. (ISA is an acronym for an FSG project called Intensive Smallholder Agriculture.)

**Recommendation:** Restrict the use of acronyms and, where possible, use locally relevant names to describe an initiative, an institution or an activity.

## **Overall conclusion:**

The major reason for the project deficiencies/problems/issues was the perceived low level of operational funding. The implementing agents were clearly juggling their time, their focus and their budgets between this and a number of other projects. This, I suggest, led to a lack of focus, limited innovative thinking around process and a lack of attention to operational detail.

Whatever the major reasons, there is need to do things differently going forward. One very positive aspect of this pilot project was the concept of the innovation market – sessions where people get together, share new ideas, explore ways of testing these ideas to establish whether they are innovative or not and, when tested, work out ways of mainstreaming these innovations. These are the classic ‘think-tanks’ used in all business sectors. Well facilitated, they are at the very centre of knowledge generation. These need to be incorporated as an explicit element in Participatory Innovation Development.

A second very positive aspect of the pilot project is that it has been a ‘difficult birth’. The hard lessons have been learnt early and there are no illusions going forward.

Beyond that one can grow it to a size where it is possible to have:

- Detailed research focusing on the relationship between development theory and innovation
- Dedicated individuals responsible for implementation and facilitation
- Sufficient budget to effectively identify, test and implement a range of innovations.

Given the availability of funds, the second option is clearly more favourable.

## Annex 2: Details of proposals approved for LISF funding

Gender – Individual / Group	Average age	Type of experiment/learning event
Technology development/experimentation		
1. Female – Individual	44	<p><b>Sunflower chicken feed:</b> Lindiwe Magugu expressed an interest in conducting an experiment on using sunflower feed in poultry production. Initially, the proposal was conditionally approved, after the Screening Committee and the Partners Committee made an initial assessment of her idea and recommended that it be further developed. FSG assisted Lindiwe in developing a concrete proposal with a sound budget and in identifying a relevant institution to provide technical support. The objective of the experiment was to determine the effect on weight gain in chickens of feeding sunflower mixed with yellow maize compared to the conventional feed.</p> <p>FSG and DAEA–FSR helped the farmer design the experiment, using a sunflower chicken feed formulation provided by the UKZN Department of Poultry Science as a guide in assisting her to come up with feed formulations to test. The support team further worked with her in developing a system for recording the experimental data, e.g., bird weight and feed consumption. Results from this experiment are expected in July 2008.</p>
2. Male – Individual	76	<p><b>Chicken breeding:</b> An application was submitted by one farmer and was approved in principle. Since then, the innovator has been supported in further developing the idea and in clarifying activities, support required and costing. The application was recently re-submitted and shared with the Hlahlindlela Voluntary Association. It is now fully approved and is being implemented.</p>
3. Mixed – Group	33	<p><b>Domestication of grass species for crafts:</b> The Amazizi Coop Limited expressed an interest in undertaking an experiment on domesticating grass species used for making craft products. The three stakeholders, i.e., the cooperative members, FSG and the UKZN Department of Grassland Science collaborated in activities where appropriate and ensured that individual roles are carried out as agreed. Key activities are:</p> <ol style="list-style-type: none"> <li>1. The cooperative identified the craft grass species to be collected. All three stakeholders participated in harvesting the grass. A scientist from Grassland Science propagated the grass species. All parties participated during planting on the cooperative’s premises.</li> <li>2. FSG assisted in identifying the technical service</li> </ol>

Gender – Individual / Group	Average age	Type of experiment/learning event
		<p>provider from Grassland Science, and assisted the cooperative in applying for permission to collect the grass from the protected area. The Ezemvelo Wildlife that manages the conservation area granted the permission. FSG continues to monitor and document the experiment. The cooperative members monitor grass growth.</p>
4. Male – Group	49	<p><b>Winter cattle supplementary feed:</b> The Thubalethelihle Farmer Learning Group made a cross-visit to neighbouring farmers at Zwelisha and Dukuza villages, where a number of fodder species have been planted as demonstration plots by UKZN Grassland Science. This motivated the members to seek ways to provide supplementary feed for animals, particularly in winter. The group developed and submitted an application which was approved initially only in principle, because it required clarification of activities, support, proper budgets and experimental design. FSG assisted the group in refining the proposal. The group intended to screen different species for survival and biomass production under Okhombe conditions. It had identified a fenced garden with adequate water supply for the experiment. The application was assessed by the Screening Committee, which made recommendations to the Hlahlindlela Voluntary Association. The association approved and processed the transfer of the funds to the Thubalethelihle FLG. The ploughed land was planted in April 2008.</p>
Cross-/learning visits approved and undertaken		
5. Mixed – Group	38	<p><b>Learning about alternative ways of conserving water (water-harvesting techniques):-</b> Siyacwaninga Group from Busingatha community expressed interest in exploring some practical ways of harvesting water by looking at techniques and seeing which ones could be adapted and improved to fit their own situation. In June 2007, they made a learning visit on water conservation to Rainman Landcare Foundation in Peacevale. The group is preparing to lodge an application for an underground water-harvesting tank, being assisted by the support team. A specialist has been identified (from UKZN Hydrology Department) to provide technical expertise and advice to the process.</p>
6. Mixed – Group	33	<p><b>Looking at possible ways of managing craft business:</b> The group undertook a cross-visit to Inina Craft Agency in Eshowe (Northern KwaZulu-Natal). The purposes of the learning event were to explore possible ways of managing craft business, to learn about processes and systems applied in business management, to share marketing mechanisms in place and to become exposed to other forms of craft products. FSG facilitated identification of the relevant institution to be visited.</p>

Gender – Individual / Group	Average age	Type of experiment/learning event
		<p>Inina was selected because it is similar to the Amazizi Cooperative but has advanced in business practice. The cooperative nominated members who were to go on the cross-visit. The hosting institution facilitated the discussion and the two had effective interaction. Subsequent to the cross-visit, stronger networks and partnerships have been developed. Marketing possibilities have been strengthened and increased. A direct consequence of the cross-visit is the setting up of linkages with the Provincial Department of Economic Development that hosts craft exhibitions and provides support in craft industry at large. However, the cooperative expressed a great need of expanding their partnership with other government departments, the local municipalities and the private sector. The cooperative premises are on a tourist route, hence the coop decided to explore possibilities of re-branding their business by visiting nearby resorts and exploring business opportunities.</p>
7. Female – Group	46	<p><b>Developing savings and credit clubs into businesses:</b></p> <p>The Qaqumqondo Group was formed with the intention of advancing from a savings club to a business entity. With logistical assistance from the SaveAct support team, the Qaqumqondo Group identified a group in Hopewell near Pietermaritzburg. SaveAct had shared its experiences with communities in the pilot sites through the SOF and during the innovation markets. Through ideas from the cross-visit, members of the SCGs have started using their group savings in new ways. Some members received some capital advances from the group for starting their own business venture, i.e. rearing indigenous chickens, which enjoy a good market in the community. Other members have invested in purchasing seeds and other agricultural inputs. Cross pollination in programmes is emerging, as the FLGs and Farmer Association from Okhombe Community are participating in savings and credit initiatives. They are currently being trained by SaveAct with the assistance of the Qaqumqondo Savings and Credit members.</p>



### Annex 3: Detailed M&E indicators for the LISF pilots

Criteria/ Performance area	Possible indicators	M&E tools/ methods	Results to date March 2008
1. Adequate awareness among farmers and support agencies on LISF opportunities and access mechanisms	Number of applications received per round of calls for proposals	Applications captured in the register	59 applications received
	Percentage of applications which passed first screening on LISF criteria	Applications captured in the register	6% of applications were assessed and clearly met the criteria in the first round and were approved
	Percentage of reviewed proposals meeting selection criteria	Applications captured in the register	14% of proposals assessed met the selection criteria, however, required further development and identification of specialist for support and proper budgeting
2. Effective mechanisms to process applications	Number of proposals processed after screening and finally approved	Applications captured in the register.	Six proposals approved after screening
	Time period between receipt of application, screening, processing and communicating final results of selection process	Applications captured in the register.	Three weeks
	Time taken to improve proposals (remedial)	Applications captured in the register.	Three months
3. Effective disbursement mechanisms	Number of approved vs. number of disbursed grants	Register Feedback on grantees' satisfaction through internal evaluation Financial reports/accounts	Seven have been approved so far, but grants have been disbursed for only five proposals

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