

Learning from PACA implementation in South Africa

- By Shawn Cunningham

Introduction

Whilst implementing several different kinds of Participatory Appraisal of Competitive Advantage (PACA) exercises in South Africa in 2003, we have come across a number of critical factors that are key to a successful outcome. During each PACA we have also tested several new ideas and approaches. This paper discusses a number of the issues and new ideas identified.

The following table summarise the PACA's and their areas of focus.

Location	Date	Focus area	PACA fieldwork
Kabokweni Township	Nov 02	Business owners in the township	12 days
Queenstown	March 03	Formal business, investigating several sectors and industries	10 days,
Hazyview	June 03	Tourism sector	6 days,
Ilembe District	Oct 03	Tourism in the district Agriculture in the district	10 days, 1 team per PACA
Lukhanji local municipality	Nov 03	Rural irrigation schemes	8 days,
Ilembe District	Feb 04	Manufacturing sector in the districts	7 days

Initially these processes were implemented directly by Mesopartner and GTZ. Over time a market of South African LED/PACA experts/facilitators¹ was developed that was able to implement these PACA processes with declining support of GTZ / Mesopartner. Over time, we adapted the preparation, fieldwork and follow-up of the PACA process to the South African environment². Mesopartner was always involved in these improvements and often updated the global PACA Body of Knowledge with

¹See also: Gabriele Trah, Private Sector Led Facilitation Services for Local Economic Development, A Market Development Approach to LED, January 2004

² This document supplements the PACA manuals on preparing and implementing a PACA, and is not meant to replace or substitute them. In many cases the experiences mentioned here are already captured in the latest version of these manuals.



these changes. Thus a development partnership between BDS/LED and Mesopartner was essential to ensure that the South African LED facilitators have access to the latest learning and developments in PACA and LED methodology.

One of the GTZ teams key objectives was to introduce PACA interventions that could lead to sustainable LED, and to expand the scale and scope of such PACAs to add up to larger impact. Therefore it was essential to find local service providers to implement PACAs. The BDS/LED Programme used each PACA to give PACA trained South African consultants the opportunity to gain practical experience as co-facilitators. These consultants could then take a more active role as facilitators in the next PACAs.

Brief overview of PACA

PACA differs from traditional LED processes in that it emphasises local action and local actor mobilisation rather than the usual detailed economic study and planning process. Thus a PACA is a rapid survey of local economic opportunities and challenges combined with implementation and action learning.

Local stakeholders learn to work together, build trust in each other and in their own communal activities. Therefore the PACA initially tries to mobilise the local people towards small, easily implementable LED activities. While these small opportunities are being identified, some larger opportunities or bottlenecks that will take formal project management are also identified and should not be ignored. The facilitator should feed these activities that require more formal project management to the municipality or other identified stakeholders like a business association.

Although the main body of PACA activities only lasts a few days (5-10) we believe that a PACA is an ongoing process of local activity that runs over at least a year. During this year certain workshop formats and other LED instruments can be applied to give the local activities more momentum, and to target new interventions.

Preparation Phase

Based on our experience so far, a sector or value chain focus in LED makes the preparation and implementation of a PACA exercise easier and more likely to succeed. It also shortens the time needed to do the fieldwork from about 10 to roughly 6 days.



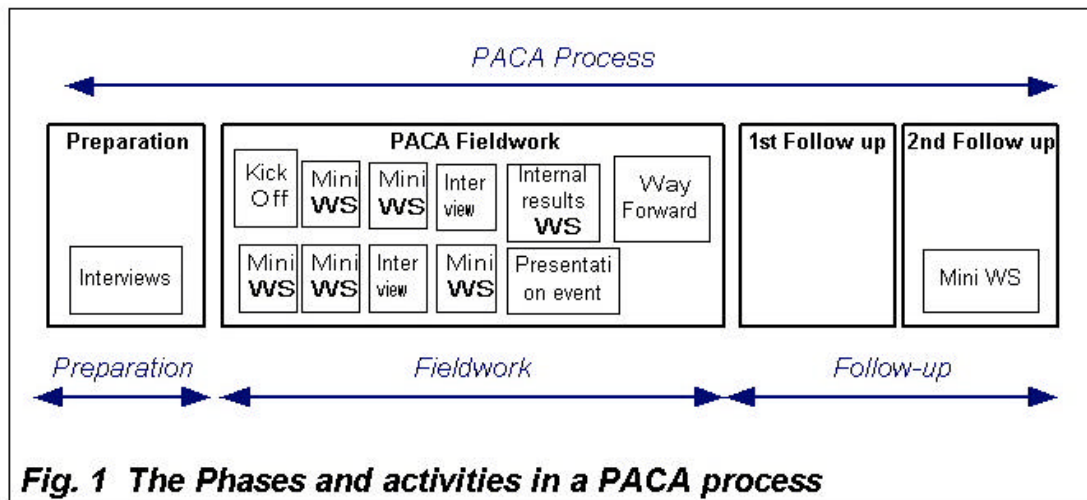
When a PACA focuses on a sector like tourism, agriculture or manufacturing, however, care has to be taken that other players in the value chain that do not consider themselves to be part of the specific sector are not forgotten, for example the local supermarkets, or the local police station in the case of tourism. In order to make the PACA relevant to local stakeholders, local conditions, activities and priorities should be made part of the PACA.

Another important local stakeholder that cannot just be ignored is the Local Municipality. Local governments often have access to other government resources and departments that are extremely useful in a PACA. Furthermore, political support from the Mayor and councillors can strongly support the PACA. Getting their “visible” and active support before a PACA is therefore essential.

In the preparation phase the local government and local stakeholders should be “prepared” for their roles before, during and after a PACA. Local government must understand their role in the enabling environment and must be ready to take their hands off certain activities and increase their support in other areas. In many cases in South Africa local governments are becoming frustrated by the lack of growth and development in the private sector. Many realise that direct support to individual businesses is not effective nor an appropriate role for them to play. When local government actively participates in a PACA they have the opportunity to refocus their services to where it matters most, and to understand and improve their critical role in creating a favourable economic environment for business to operate in.

Preparation Process:

1. Identify target groups
2. Identify key role-players
3. Generate interest / manage expectations
4. Draft program that includes workshop themes
5. Logistics
6. Briefings and press releases



Step 1: Identify the target groups (sector / value chains) that will be the main focus

We found that preparing a PACA around a certain “theme” or hypothesis is a lot easier and more effective than a very broad approach of trying to involve everyone. I prefer the approach that focuses specific target groups, for example manufacturing or the local tourism sector.

Again, it’s important to not forget the other important stakeholders around the target group that support or are closely linked with this target group, but that do not always directly relate to this sector. Thus a broader view on a certain value chain is preferred over a too narrowly viewed sectoral focus. If it is impossible to decide which target groups to focus on then the PACA should be planned around certain problems or opportunities e.g. mobilising the local manufacturing sector. It is possible, though, to focus on more than one target group at a time in a single PACA. Inevitably, certain interests or proposals raised in workshops do not make it to the final list of activities to be implemented (due to prioritisation and due to the PACA filtering criteria). Greater effort upfront to identify the priority focus areas will reduce this risk.

Whom not to forget in tourism focused PACA:

- Police, health and security services
- Local retailers, wholesalers and shop owners
- Local estate agents and other service providers,
- Taxi services, craft markets
- Various government levels and agencies



Step2: Identify the key stakeholders that should be involved in the PACA

This step must be done in consultation with the local host organisation or champion because the success of the PACA hinges on the participation of committed people that have an interest in the growth and development of their locality. It is useful to get more than one viewpoint of who the important stakeholders (related to the theme of the PACA) are. Local governments view on the important stakeholders will often differ from the leading business people, and this will probably differ from the local NGO's.

The relationships between the various role-players can be depicted in a simple sector map. Looking at value chains also forces one to think a bit wider than just the primary players within a sector or sub sector (Refer to step 1). Sometimes during this step you will already identify local stakeholders that are not communicating with each other that you know should be, or you find stakeholders working with a limited number of other stakeholders. You are also likely to find several stakeholders trying to solve the same problem in different ways. These kinds of stakeholders are the ideal participants in PACA's, as they will definitely benefit from the networking that stimulated in a PACA exercise.

Step 3: Meet with some of the key actors in the local economy and secure their support / buy in and manage expectations.

It is critical to meet key people like a local bank manager or the chairperson of a business association before the PACA fieldwork. This often leads to the identification of additional key participants and could also generate ideas for formats / themes of the mini-workshops. These meetings should be used to also manage expectations and establish support for the PACA.

If possible, involve local players in the PACA team that can provide local knowledge, relationships and access to local networks. A second benefit relates to the sustainability after the event. Their active participation allows transfers of knowledge from the PACA team to the local stakeholders. This builds local capacity and credibility, and it is useful to have basic local PACA facilitation abilities especially for the follow-up phase. As far as the composition of the PACA team is concerned, it is important to get local team members that are known

The ideal PACA team:
1 or 2 external PACA facilitators
At least 1 person from local government
If possible 1 person from the private sector
A few more part-time local participants

and respected by the local stakeholders to participate in the team.

Step 4: Draft a program for the PACA activities

The PACA activities for information gathering and participation are extremely efficient, and necessarily very intense. Many activities need to happen in a very short time. Very often there are some surprises, like new sources of information being discovered during the fieldwork. It is therefore necessary to prepare a flexible program that allows for changes.

The team leader should be careful in planning the various mini-workshops in such a way that the workshop themes involve different people and to avoid that the same people are participating over and over again. A local person should check the program in order to verify how many overlaps in themes and participants exist.

Step 5: Logistical arrangements

Usually this part of the arrangements is left to the local champion or host organisation. In our experience weak administrative abilities of the local champions or bureaucracy in the host organisation can spoil or cripple even the best local initiatives!

In this step the Mesopartner document “how to prepare for a PACA” becomes an essential guide that outlines many of the administrative arrangements that need to be made before the PACA.

Outsourcing logistics

In a recent PACA in Ilembe District in the Kwa-zulu Natal province in South Africa, the local champion decided to contract a local logistics person that had to arrange all the meetings, appointments, venues, press releases etc. This worked really well and the well-organised events had a very positive impact on the overall PACA.

Step 6: Briefings and press releases

We were repeatedly amused at how the local press can take a prepared press release or information received during a briefing, and then turn it into a news article that has little to do with the PACA or LED.

The press release is essential to prepare local businesses for the PACA, and to inform the local people that something important is happening. Often these press releases are also used as a tool to motivate and excite the local population. One has to be, however, careful about the expectations raised.

It may make sense to start a media campaign at least 4 weeks in advance in order to build local awareness. If business associations and other kinds of organisation are involved then they should also distribute accurate information to their members.

Fieldwork phase

During the PACA, vast volumes of information are gathered from workshops and interviews. Often people work in parallel, therefore it is crucial that the information is shared and organised systematically to prepare for analysis later.

The main objectives of workshops are to gather information, to build relationships and facilitate learning. But more is possible. Mini-workshops that are very positive and that generate many ideas should end in a mini “way forward-session” where specific immediate actions are identified and then immediately earmarked for implementation by the participants in the workshop. This gives the whole PACA more momentum, but also takes some pressure of the way forward workshop at the end of the PACA exercise. An “immediate action” is a simple activity that does not require any project management and could be as simple as arranging a meeting, where different stakeholders can exchange information or organising a networking event, where an invited guest gives a presentation on a topic of interest to the participants (see figure 2).

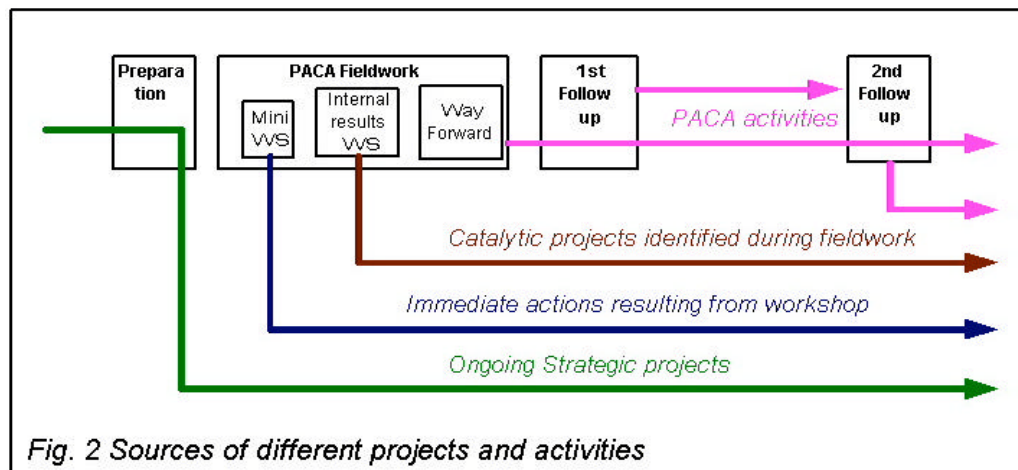
Questions asked to launch activities:

- Does this proposal make sense to the participants?
- Is the name of this proposal appropriate?
- What would a proposal like this entail?
- What are the obstacles and risks that can be expected?
- What can be done to overcome these?
- Who should do it and when?

Follow-up phase

Having identified a range of LED activities, now what? For sustainability, locals, within the reality of their resource constraints, must implement these activities. This step leading to practical implementation is the key decider of whether these activities ever get done or not.

In the way forward workshop (at the end of the PACA fieldwork) the proposals generated by the PACA team are presented to the local stakeholders. Tasks and responsibilities are then assigned to individuals and groups, and milestones identified using the questions in the text box on the right.



About a month after the completion of the PACA the first follow-up workshop takes place. During this workshop the facilitator meets with the people responsible for each activity/proposal for an update. Next milestones and additional resources are identified. The main task for the facilitator is to keep the momentum going. This may also include assistance or advise on how to access finance or on appropriate organizational structures.

Another important role for facilitators is to link local initiatives to ongoing strategic projects (e.g. regional or national initiatives) and funds where appropriate (Fig 2). He or she may also discuss new activities or proposals with stakeholders. Some of them may already have come up during the PACA fieldwork but did not meet all the criteria to be put on a priority list (e.g. more complex proposals that require more experienced LED activists and more time, see list of criteria below).

Motivating champions:

In Ilembe district the municipal manager hosted a “champions breakfast” at an upmarket restaurant to recognise the efforts of the champions. This small gesture had a highly motivating effect on the +- 20 champions involved.

Progress should be publicised and new resources and people should be marshalled to participate in the ongoing process. It may be necessary to host new mini-workshops at some point in this follow-up process that will identify further

opportunities etc. This will basically then restart parts of the PACA process and will turn the PACA into a continuous process that constantly grows in reach and scope.

Activities and projects

Projects selected for implementation during a PACA exercise should adhere to the following criteria:

- Activities must be implemented in a short time (3-6 months)
- Activities must be implemented with local resources
- Activities must be highly visible

The proposals come from a number of sources:

- Participants of a workshop or an interview can explicitly identify them
- The PACA team in order to exploit an opportunity or overcome a bottleneck can identify specific proposals
- It could be an already existing initiative that will get additional support and momentum by being included in the PACA follow-up

Local volunteers (champions in the South African terminology) who are not paid for their contribution most often implement these activities. Sometimes the activities have commercial value for them, which help putting the task high on their priorities. In all other cases the facilitator must ensure that the tasks are simple enough so that they do not take too much of the champions time. In most cases these activities do not require formal project management, although all these activities will be formally managed at the follow-up workshops.

It is important to continuously motivate the local champions, as they often give up hope if they face obstacles or resistance when they implement their activities. Before the PACA, the typical paradigm of business individual is the span of control is limited to their businesses. They do not realise or confidently consider local government and other key stakeholders as levers for them to use or resources for them to draw on.

From our experience we realised that some key activities that would have a catalytic effect on the local economy are often discarded due to the PACA criteria mentioned above. These catalytic projects usually require more co-ordination, more resources and time and more project management than the typical PACA activities. An example would be an urban design project of a town undertaken by the municipality as a result of a PACA that identified the town's appearance as a major obstacle for tourism.

These catalytic or strategic projects can be used to reinforce all other LED initiatives and in most cases, strong synergies between these more formal projects and the informal PACA activities can be fostered (Fig 2).

Criteria for catalytic projects:

- Catalytic in nature (must unlock or boost the activities of as many stakeholders as possible)
- Must be highly visible

Conclusion

We see the PACA methodology as an essential component of our activities in South Africa, and continue to build the capacity of both the private sector and the public sector to engage in local economic development activities.

We have applied the PACA methodology in various settings, and continue to learn from these experiences. We are planning several PACA's with various role-players like development banks, provincial development agencies and others in the near future, and will continuously try new approaches and enhancements that make the PACA methodology more robust in the South African environment.

The learning and improvements made to the methodology are in most cases done in collaboration with Mesopartner (the developer of the methodology) who have proven very willing to accept and integrate our recommendations into the methodology, These changes are also shared with several other GTZ programmes and the private sector in South Africa.

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