Policy Recommendations Report

Submitted to the Department of Arts and Culture

MEASURING & VALUING SOUTH AFRICA’S CULTURAL & CREATIVE ECONOMY
South African Cultural Observatory
Policy Recommendations Report

20 March 2018

Submitted to the Department of Arts and Culture:

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ARTS & CULTURE
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Executive Summary

The focus of this Research Report is the policy recommendations emanating from the findings of the Department of Arts and Culture (DAC) Mzansi Golden Economy (MGE) programme evaluation. The methodological approach adopted for the policy review was to conduct a desktop study focusing on the key DAC MGE policies and strategies, guidelines and process documents, followed by a review of implementation and compliance in relation to Reports 1-6 (5 category reports and 1 summative report). The desktop study was supplemented by engagement with DAC officials during a consultative meeting focusing on their knowledgeability of the DAC MGE policies, guidelines and processes as well as challenges in relation to implementation and compliance.

The 4th revised draft of the 1996 White Paper (2017, October) was reviewed in relation to the MGE programme, together with an overview of the MGE Strategy which is included in this revised draft. The establishment of a Cultural Observatory was one of the proposals of the MGE. Given the importance of monitoring and evaluation to this study, a brief overview of the Cultural Observatory is provided. The revised draft White Paper recognises the importance of monitoring and evaluation, aimed at developing a comprehensive information system to support this cultural policy as well as to ensure that there is capacity within both the government sector and the non-government sector to conduct monitoring and evaluation. It was also deemed necessary to reflect on DAC’s (2013) Sector-wide Strategic Planning Guide. Given the importance of the development and maintenance of the DAC Monitoring and Evaluation System/ Framework is underscored, the MGE Guidelines: Criteria, Eligibility, Processes and Systems (2015/2016 – 2016/2017) was also reviewed.

Process documents available on the DAC website were reviewed including Application Form A for the 2016-17 funding cycle, Form One Public Art Programme (2015-16) and National Arts Council of South Africa (NAC) 2014 Flagship Application forms. No screening checklists were made available by DAC, thus it is unclear how the actual process for reviewing is implemented and the extent to which the criteria outlined in the Guidelines are met by respective beneficiaries. Reporting templates that were completed by beneficiaries were reviewed, including the Cultural and Creative Industry Development MGE: Project and Tourism Ventures Report Template (Financial Year 2016 and Financial Year 2016/17) and a Touring Ventures Reporting Template (Financial Year: 2015). The template is a very simple document, with both templates requiring project details to be completed along with several attachments. However, in many cases, as revealed in the Summative Report, this template (Project Factsheet) did not seem to be used by beneficiaries and neither were the researchers able to view it. Letters to beneficiaries and Memorandum of Agreements (MOAs) were also reviewed. In both these documents undertakings by the beneficiary are stipulated including transparent financial management, comprehensive report of audited financial statements, fact sheets on the number of jobs created, the tranches and associated deliverables.

The Policy Review shows that much effort has been placed in ensuring that the policies and guidelines are developed in relation to the MGE programme. The MGE is well articulated in
several DAC strategic policies. Additionally, the programme itself has clear with commendable objectives. The importance of finalising the revised 1996 White Paper is underscored as many of the policy gaps relate to oversight and monitoring and evaluation. The significance of systematic monitoring and evaluation is emphasised given that most policies reviewed highlight this aspect and considerable funding is disbursed to beneficiaries nationally. Monitoring and evaluation permits a continuous assessment of whether stipulated objectives and goals are met. Furthermore, it provides evidence-based information to inform decision-making in relation to specific MGE categories, the administration of the MGE, review of processes and refinement of policies and guidelines.

Challenges in relation to the adjudication process were identified by DAC. Besides gaps in the policies and strategies linked to the MGE programme, key issues related to inconsistencies and non-compliance are evident both internally (DAC officials) and externally (beneficiaries). The lack of complete documentation and inconsistent information resulted in gaps in comparative information to inform the overall assessment.

Reports 1-6 revealed that DAC’s data management systems are extremely poor. Basic information such as the number of beneficiaries per MGE category were not available (or not easily accessible). Moreover, information was not available on an annual basis which is important to permit monitoring and evaluation over time and track changes. There was no evidence of a centralised database management system where all MGE documentation could be accessed from. Officials also seemed to be unaware of where to obtain the information and who was responsible for what information. Evidence of non-compliance such as beneficiaries being funded for more than one project could also be resolved by a comprehensive database management system. Processes and oversight to ensure compliance is also important given that reporting templates have been developed but that often these are not used and when used, the completeness and the quality of the information provided are of concern which undermines the collection of information systematically to ensure improved monitoring and evaluation.

Reports 1-6 also highlighted the over-reliance on MGE funding and concerns relating to sustainability of supported events/ activities. Although current policies refer to sustainability and include limits in terms of the periods when funding support should be provided, no guidelines on support that will be made available to new and emerging organisations to become successful and sustainable are available. Moreover, it is unclear why some events are supported beyond the periods and amounts stipulated. There needs to be clear targets and indicators in relation to individual events supported, MGE categories and MGE as a whole. It is also of concern that final tranches were paid when reporting documents were not submitted and/or templates not adequately completed.

Several recommendations are suggested which include policy changes, framework for data management systems and capacity development. The major challenge regarding monitoring and evaluation of the MGE programme appears to be oversight and systematic implementation of monitoring and evaluation thus the draft revised White Paper should be adopted as soon as possible. The indicator framework was developed and tested by SACO in 2016/17 for events/ activities, however, specific MGE categories and the overall MGE
programme needs to be implemented. There is also the need to reconsider the current MGE categorisation. A suggestion proposed during the consultative meeting with DAC officials is to use amounts of DAC funding received to categorise and evaluate events/activities as opposed to the current system according to specific arts and cultural event/activities’ categories. A systematic approach to the development of a framework for knowledge and data management is recommended. The suggested refinement of the DAC Guidelines and Forms should also be implemented. The role of SACO in relation to the implementation of the proposed online data management needs to be defined. Furthermore, coordination structures with DAC may need to be revisited for more effective implementation and compliance. The implementation of an online database management system needs to be supported by training and capacity development both in terms of DAC officials and MGE beneficiaries.

1 Introduction
The South African Department of Arts and Culture (DAC) embarked on a strategy to reposition the arts, culture and heritage sector as key players in government’s programme of action for social cohesion, creation of sustainable jobs and ensuring social and economic development (DAC, 2015/2016 – 2016/17). The Mzansi Golden Economy (MGE) began in 2011 and is in response to DAC’s (2011) assertion that the biggest challenge facing South Africa is unemployment and the arts, culture and heritage sector is well positioned to contribute to addressing this challenge as this ‘new gold’ has the potential to increase economic growth and create jobs in South Africa. In the context of contributing to economic growth, job creation and developing sustainable livelihoods, the MGE aims to unlock both the demand-side and supply-side constraints within the South African cultural economy and promote market development for the arts sector as well as other related sectors such as tourism (DAC, 2011). The MGE also aims to enhance nation building and social cohesion for the country (Kha Ri Ambe, 2012). The purpose of the MGE is to make strategic investments to optimise the economic benefit of the Arts in South Africa. By improving investment in key areas of the creative economy, it is anticipated that job creation and productivity will be enhanced and the sector’s global competitiveness will be increased (DAC, 2015/2016 – 2016/17).

Kamilla-SA Sport and Tourism Consultancy was commissioned to conduct an evaluation of the sub-categories of cultural events that received funding as part of the MGE programme, for the last three years (2014/15 to 2016/2017) which include:

- Provincial and National Flagships
- Festivals and Events
- Touring Ventures
- Public Arts
- Miscellaneous

Additionally, the evaluation critically examines the original objectives of MGE within the policy context for public funding of arts, culture and heritage in South Africa, and makes
recommendations to improve the outcomes of the MGE programme and broader policy implications to address the national imperatives outlined.

Within the above context and purpose of the evaluation, the main deliverables are:

- Five reports on each of the MGE funding categories outlined above
- A summative report of the five MGE categories
- Policy recommendations emanating from the findings

The focus of this Research Report is the policy recommendations emanating from the findings.

2 Methodology
In order to conduct the DAC MGE policy review, information was derived from two main sources:

- Desktop study
- Workshop with DAC officials

Additionally, a consultative meeting was held with DAC officials on the 23 February 2018. Comments from officials are integrated into the discussion where relevant.

The methodological approach adopted for the policy review was to conduct a desktop study of the key DAC MGE policies, guidelines and process documents, followed by a review of implementation and compliance in relation to Reports 1-6 (5 category reports and 1 summative report). The desktop study was supplemented by engagement with DAC officials during a consultative meeting (23 February 2018) focusing on their knowledgeability of the DAC MGE policies, guidelines and processes as well as challenges in relation to implementation and compliance.

The following policies and strategies were included in the review:

- 4th draft of the DAC 1996 White Paper (2017, October) (it should be noted that the 3rd draft – February 2017 - is publicly available on the DAC website, however the 4th draft was accessed directly from DAC and hence included in the review)
- An overview of the MGE (2011) which is included as part of the revised draft White Paper
- Sectorwide strategic planning guide (2013, April)
- Technical indicator description framework (2013, November)
- Revised indicator description for the APP of 2016-17 (2017, June)
- A framework for the monitoring and evaluation of publically funded arts, culture and heritage (SACO, 2016)

The following guidelines and processes were included in the review:

- Announcement for MGE 2016-17 Open Call for Proposals
- Application form for the 2016-17 funding cycle
- Form One Public Art Programme (2015-16)
As indicated earlier, the desktop study is supplemented by engagements with DAC officials during a consultative meeting held on the 23 February 2018. In addition to discussing the main findings of the Summative Report, the main issues under discussion were:

- Knowledgeability of policies, guidelines and processes
- Perceptions of extent to which implementation is taking place and level of compliance
- Challenges relating to implementation and compliance
- Recommendations in relation to:
  - Policy and guideline changes
  - Process changes
  - Training and capacity development (both beneficiaries of DAC MGE funding and DAC officials)

3 Overview of key policies and strategies, guidelines and process documents

3.1 Policies and Strategies

In terms of policy, the following White Papers are listed on the DAC website:

- White Paper on Arts, Culture and Heritage (1996, 4 June)
- Draft: Revised White Paper on Arts, Culture and Heritage (2015, 17 Mar)
- 2nd Draft: Revised White Paper on Arts, Culture and Heritage (2016, 14 Nov)
- 3rd Draft: Revised White Paper on Arts, Culture and Heritage (2017, 1 Jun)

While the 4th draft of the initial DAC 1996 White Paper (2017, October) is not currently publicly available, it was accessed directly from DAC and was used for the purposes of reviewing the current policy landscape in relation to the MGE. This draft underscores that the impact and success of this revised White Paper will be measured by the extent to which the sector contributes to the effective implementation of institutional governance and management, as well as to the effective delivery of arts, culture and heritage services to all the people of South Africa within a coherent framework of national development (DAC, 2017 October). It sets out a path to address current and emerging challenges facing South African society; acknowledging that harnessing the arts, culture and heritage for creative expression, education and training, job creation and the eradication of poverty, is an integral aspect of this transformational process (DAC, 2017 October). The key tenet of the White Paper is to establish an integrated national dispensation of arts, culture and heritage. It further emphasises the inter-relationship between the primary artistic disciplines and practices of the visual arts, craft and design; the performing arts of theatre, music and dance and creative writing as distinct and related practices of artistry, with multiple properties including their intrinsic, social, educational and economic values and capacities (DAC, 2017 October). Specific reference is made to the MGE in the preamble:
Mindful, further, that the arts, culture and heritage sector forms part of the bigger goals of government programmes including those such as the National Development Plan and the MGE.

DAC (2017 October: 3)

In tracing the historical background to the 1996 White Paper, it is noted that the development of the Cultural Industries Strategy (CIGS) was recommended and later integrated into the MGE programme (DAC, 2017 October: 12).

The strategic importance of the arts, culture and heritage sector for social, economic and cultural development is underscored by this policy. Furthermore, the integration of the sector into national social and economic policies is imperative. The alignment of this sector to important national policies and programmes to enhance the effectiveness of the sector, the integration of arts, culture and heritage policies into macro national, provincial, local and regional economic and social development plans and strategies is imperative (DAC, 2017 October: 13). Thus, the National Development Plan (NDP), the Nation-Building and Social Cohesion Strategy, and African Knowledge Systems are of importance.

The draft White Paper recognises that the concept of the creative economy has emerged as a way of highlighting:

…the role of creativity as a force in contemporary economic life, embodying the proposition that economic and cultural development are not separate or unrelated phenomena, but part of a larger process of sustainable development in which both economic and cultural growth can occur hand in hand.


From a policy perspective, the 2011 MGE Strategy was one of several previous government-led strategies to develop the sector. The following overview of the MGE Strategy is included in the revised draft White Paper (DAC, 2017 October). The MGE Strategy was developed within close relation to the New Growth Path (NGP) and the Industrial Policy Action Plan (IPAP) 2, with a greater focus on the objectives based on repositioning the arts, culture and heritage sector as an economic growth sector, as well as introducing programmes that would facilitate large-scale employment. The aim is to ensure that the government can provide the responsibility to transmit and present the South African culture and heritage for social and economic development, by exploring and identifying the economic value and opportunity inherent in the cultural and creative industries.

The strategic approach set out by the MGE facilitates a combination of the goals set forward by the NGP and the IPAP 2. The various proposals specified by the MGE are:

- Education and skills development for both basic education and higher education. The National Academy for Cultural and Creative Industries of South Africa (NACISA) was proposed by the MGE;
• A sourcing enterprise (virtual and physical) to enhance access to activities, products and services offered by the arts, culture and heritage sector;
• Develop ‘more than you can imagine’ cultural precincts in all the provinces;
• National and international touring at six planned festivals and events expanding to 26 events per annum and securing international platforms for programming of cultural productions and exhibitions;
• Establish information precincts at cultural precincts, libraries and elsewhere;
• Develop or enhance heritage sites such as Constitution Hill, Samora Machel Memorial, Freedom Park, etc.;
• Establish an Art Bank as a funded commercial venture and to procure art works for all public buildings;
• Public art programme as expanded public works and community works programme to focus on Heritage Legacy projects, storytelling and beautification through art in communities, showcasing of artistic talent and skills development as well as large-scale public art programme in cities; and
• The establishment of a cultural observatory.

Given the importance of monitoring and evaluation to this study, it is important to note the aim of the Cultural Observatory which was established in 2015 as outlined in the MGE section of the DAC (n.d.a) website:

…to provide support to the arts, heritage and cultural sector and creative economy by becoming a holistic repository, collector and develop of knowledge, information and evidence concerning the content, structure and dynamics of the arts, heritage and cultural sector and creative economy in South Africa with a view to contributing to employment, poverty alleviation and sustainable development.

Specific objectives and planned outcomes include championing evidence, influencing policy, sharing insight and building capacity.

In relation to the sub-sectoral cross-cutting strategies, some of the specific requirements by DAC which are of relevance to this review include the following (DAC, 2017: 50-51):

• Plays a supportive and facilitative role in relation to the cultural and creative industries to maximise the opportunities created by an enabling environment that encourages and supports innovation and creativity;
• Provides the necessary oversight, monitoring and independent evaluations for all programmes, and participates in regular, effective public consultations with relevant stakeholders about new policy directions, new programme interventions and feedback about the monitoring and evaluation of existing interventions;
• Ensures the provision of adequate business and management skills training for all beneficiaries of funding programmes, all recipients of financial incentives, and also government officials to provide oversight, and monitor and evaluate programmes;
• Develops a comprehensive database of all funding distributed directly (DAC entities) and indirectly (other government departments, tiers of government, government agencies) to the sector; and
• Supports the sectors with appropriate and adequate financial resourcing to the respective DAC entities to design, develop, execute, monitor and evaluate programmes and projects.

It is further acknowledged that DAC is tasked “to do whatever is deemed justified to maintain an efficient, effective, transparent and accountable national arts, culture and heritage dispensation in the service of everyone who lives in South Africa” (DAC, 2017 October: 75).

The revised draft White Paper (DAC, 2017 October) acknowledges the importance of monitoring and evaluation, the development of a comprehensive information system to support the sector and to ensure that there is capacity within both the government sector and the non-government sector to conduct monitoring and evaluation. It is further underscored for monitoring and evaluation to be effective, the imposition of sanctions and the prescription of remedial action must be mandatory (DAC, 2017 October).

In order to inform the Policy Review in relation to monitoring and evaluation of the MGE programme, it was also deemed necessary to reflect on DAC’s (2013) Sector-wide Strategic Planning Guide. In 2009 government shifted to an Outcomes-Based Performance Management Approach, aimed at ensuring improved service delivery. Thus, the outcome of the strategic planning process should be a strategic plan (SP) and annual performance plan (APP) that highlights strategically important outcomes orientated goals and objectives against which the medium term results can be measured. In implementing the SP, DAC prepares an APP on an annual basis, which captures what would be done in a particular financial year in order to make in-roads in the implementation of the SP.

Linked to DAC’s (2013) Sector-wide Strategic Planning Guide are key performance indicators (KPIs), thus reference is made to the 2013/2014 Technical Indicator Description Framework (DAC, 2013) and the Revised Technical Indicator Description for the Annual Performance Plan of 2016/2017 (DAC, 2017). KPIs are selected/ key and pre-determined signals/ measures used to monitor progress made towards the achievement of intended results (DAC, 2013). It is underscored that these should be continuously tracked and comprehensively reported on annually to provide an indication whether policies, programme and projects being implemented are achieving their targets and outcomes. The KPIs should be a critical component of the sector-wide monitoring and evaluation system that aims at providing quick, valid, reliable and comprehensive picture of the sector’s performance.

In 2016, SACO developed Framework for the Monitoring and Evaluation of Publically Funded Arts, Culture and Heritage. Five major cultural value themes were developed in line with the MGE Guidelines, viz. audience development and education, human capital and professional capacity building, inclusive economic growth, social cohesion and community development, and reflective and engaged citizens. Examples of indicators for each theme were also identified. The flexibility and applicability of the framework was further demonstrated. In terms of the next phase, which has subsequently been completed in 2017, the following were noted:

• Test Framework by applying to a sample of MGE projects;
• Schedule training workshops on the function and application of the Framework;
• Develop a training and information manual;
• A report on the results and application of the Framework will be written and presented to stakeholders; and
• Based on the report, recommendations for future use of the Framework will be made.

Mention is also made of the development of valuation tools such as a survey instrument and an online economic impact calculator that can be adapted by practitioners themselves in order to reduce the costs of evaluation.

3.2 Guidelines
The following guidelines and terms and conditions are available on the DAC website:

• Announcement for MGE 2016-17 Open Call for Proposals
• Touring Ventures Terms and Conditions (DAC, n.d.b)

The MGE Guidelines: Criteria, Eligibility, Processes and Systems (2015/2016 – 2016/2017) provides an overview the MGE, including the objectives, work streams and a summary of the application process (Section A). The Cultural Events, Touring Ventures, Public Arts programme and the Miscellaneous Arts projects are outlined in Section B (Programme Overview). This is followed by the applicable criteria (Section C), eligibility and administrative criteria (Section D – Standard Requirements). The Section concludes with the funding timeframes and cycles, compliance documentation and submission of applications. Section E, the final section, outlines the adjudication process.

The ten work streams that comprise the MGE matched with specific objectives are presented as follows:

Table 1: DAC MGE work streams

<table>
<thead>
<tr>
<th>Objective</th>
<th>Work streams</th>
</tr>
</thead>
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| Audience development and consumption | • Cultural events  
• Touring ventures  
• Cultural Precincts  
• Artists in schools |
| Stimulate demand | • Public Art  
• Art Bank  
• Mzansi Golden Market  
• Identified legacy projects |
| Human capital development | • Cultural Industries National  
• NACISA |
| Research and statistics | • Cultural observatory |

It is further mentioned that only three of these work streams (cultural events, public art and touring ventures) are provided through direct grants to beneficiaries as described in this document. In terms of the application process, it is noted that there are two different processes: one for grants below R100 000 and one for above this amount. The process for reviewing these applications are then presented as per the Tables 1 and 2 in the Appendix.
It is important to note that for applications below R100 000 the criteria include an evaluation of creative merit and impact, and contracting and financing includes a signing of an MOA, reporting and monitoring and evaluation. In terms of the evaluation process, the application is reviewed internally by a DAC panel. For applications above R100 000, criteria for review include administrative compliance and a technical review by a panel, followed by a Request for Proposals which includes a full proposal format and revised project plan and further administrative compliance and technical review by panel. The contracting and financing includes MOA, compliance documentation, tranche structure arrangements and reporting and monitoring and evaluation. The evaluation process is conducted by a specialist panel and DAC officials.

Section B of the Guidelines provides a programme overview. The following work streams are outlined:

- Cultural Events
  - Annual Live Events for Young Artists (noted as a new component)
  - National Flagship Projects
  - Provincial Flagship Projects
- Tourism Ventures and Market Access Work streams/ Programme
  - Digital and Social Media Platforms/ Domains (noted as a new component)
  - Touring Ventures: DAC Institutions
- Public Arts Programme
- Miscellaneous Arts Projects

The Guidelines note that the Cultural Events work stream supports large and small-scale local, regional and national events that promote the arts, culture and heritage; and contribute to local economic development, job creation and the development of audiences. No reference is made specific to Festivals and Events, however, in the Criteria section reference is made to the types of events supports which are listed further below.

As highlighted above National and Provincial Flagship Projects are included as part of Cultural Events in the Guidelines. National Flagships are identified projects that have an impact on a national level whereas Provincial Flagships are regionally based cultural events. No further criteria to define these events are included. However in a document, “Cultural Events”, published in the MGE section on the DAC (n.d.a.) website, it notes that Flagships are those events that DAC has been funding for the past 11-12 years on an ad-hoc basis. It further states that two Flagship events were identified for each of the nine provinces, yet 19 Flagships are listed on the site. Additionally, in terms of lists generated by the research team from information sourced from DAC, 35 Flagships were listed which could be because it includes both provincial and national ones and/ or it also reflects inconsistencies in information management and maintaining records. This is discussed in greater detail later in the report. It is also mentioned that these events were identified and approved by MinMEC and were also selected based on provincial submissions.

With reference to Touring Ventures, the Guidelines mention that this programme aims to support the nation’s cultural output. While another DAC (n.d.a.) document notes that it has been established to ensure that existing exhibitions, fairs, shows and performances are
supported to tour domestically and internationally, in the Criteria section reference is made to the specific target ventures. These are outlined further below. The Guidelines indicate that the Performing Arts Programme will assist local organisations (in the city, town or municipality where the event/activity is held) that are operating in the Public Arts environment and to provide more opportunities for creative arts practitioners, organisations and government to showcase creativity in public spaces, either on a permanent or temporary basis.

According to the Guidelines, Miscellaneous Arts Projects (which includes Community Arts Centres funded events/activities) is a MGE category that makes provision for limited investments in the costs of high impact small projects, productions and community cultural groups not accommodated in the other four DAC MGE work streams noted above. It focuses particularly on theatre, dance and art (with training programmes only considered under specific circumstances) which also need to meet the overall DAC MGE objectives and the objectives set out per work stream.

Section C outlines the criteria, with the following criteria applicable to all applications:

- Administrative (it is noted that any application that does not meet basic criteria will be rejected)
- Creative: Innovation and Competitiveness (20%)
- Job Creation and Economic Development (20%)
- Market Development (20%)
- Audience Development (20%)
- Social Cohesion (10%)
- Partnership and Co-financing (10%)

Additionally, specific criteria for Cultural Events, Touring Ventures and Public Arts are further noted. For Cultural Events and Touring Ventures, the objectives are listed, followed by the target events and touring ventures, respectively, and concluding with eligibility and grant threshold. The maximum available grant for Cultural Events is R2 million per grant per beneficiary.

The target ventures include the following:

- Touring productions: theatre, dance, poetry performance, film and comedy performances
- Multidisciplinary exhibitions: visual arts, design, film, craft and literature

It is further noted that small grants will be made available for Touring Ventures for international invitations for professional development, skills training and conference participation. The maximum available grant for Touring Ventures is R1 million per grant per beneficiary.

For Public Arts, the target projects are all public art projects with the maximum available grant of R1 million per grant per beneficiary. From the information detailed in the Summative Report, the maximum available value of the grant is being generally complied with. Only one event in this category was noted as receiving funding for more than R1 million. These Guidelines do not specify the type of public art projects, however, the 2016/17 version of the Guidelines note the following:

- Multidisciplinary art events
- Public film screenings of local artists
- Visual arts and performing arts
- Creation of large scale heritage site
- Seminars on public arts
- Nation-building and social cohesion aligned projects that support urban renewal
- Development of annual public arts development programmes for young artists
- Hosting or staging platforms that specifically promote opportunities for public art products and services of young local artists

In terms of eligibility criteria, as outlined in Section D, it is stated that no beneficiary will be awarded two DAC grants simultaneously and only one application per organisation in one financial year is permitted. It is also stated that preference will be given to projects that are co-financed or part-financed or have other form of partnerships depending on the total budget and the scale of the project.

In relation to the administrative criteria, it is noted that the following, amongst others, will lead to disqualification:

- Provision of dishonest and inaccurate information
- Incomplete submission
- Submission of applications that do not adhere to the format and length guidelines
- Failure to disclose any funding secured for the project being applied for and/or current work being undertaken for DAC

Compliance documentation for private/public companies, non-profits and individual applications is highlighted. Reference is also made to Form A which should be submitted as part of the application. This form is summarised in 3.3 Process Documents below.

Section E outlines the Processing of Application which includes five steps. If the application has not met the compliance criteria, it is not submitted to Step 2. In Step 2, a panel of experts comprised of DAC funding institutions and officials evaluate the applications based on the merits and criteria of each funding instrument. The panel reviews applications at a minimum of four times a year. As per Table 1 in the Appendix, for grants below R100 000 an internal panel of DAC officials will be convened and recommendations will be referred to the relevant DAC official. The decision is communicated in Step 3 and a list of both successful and unsuccessful beneficiaries are placed on the DAC website. In Step 4, prospective beneficiaries will have 7 working days to submit a full proposal/revised Project Plan, with a full budget breakdown based on the approved budget.

The submitted proposal will be reviewed by the DAC to establish organisational competence as follows:

- Evidence of financial stability, track record of implementation and accountability
- Evidence of a clear mandate and competent administration and governance
- Evidence of other sources of support/sponsorship
- Own income sources and fundraising strategy
- Marketing and promotional plans to fully maximise audience potential.
It is further noted that for grants for a less than R100 000, this step is not required.

In Step 5, a Memorandum of Understanding (MOU) is drafted based on a standard template signing an Agreement that will outline the contractual arrangements with the beneficiary. The MOU outlines the tranche structure and obligations of both parties. Reference is also made to obligations on the beneficiary regarding branding, reporting and monitoring and evaluation. It is further noted that final tranche payments will only be made once all contractual obligations are met. Additionally, a standardised reporting format will be provided. Reference is also made to Annual Financial Statements for large grants received is non-negotiable.

As per the Guidelines, an open call is made, with specific reference to the three programmes: Cultural Events, Touring Ventures and Public Arts. The application form is discussed further in the next section, Process Documents. For Touring Ventures, an additional document is available on the website which sets out the Terms and Conditions.

### 3.3 Process documents

The following process documents are available on the DAC website:

- Application form (Form A) for the 2016-17 funding cycle
- Form One Public Art Programme (2015-16)
- National Arts Council of South Africa (NAC) 2014 Flagship Application forms

**Form A** (2016-17) has five sections. In Section 1, in addition to the discipline, applicants need to specify the type of programme being applied for which includes Cultural Events: General/Annual, Touring Ventures: General/ Digital Market Access and Miscellaneous. No reference is made to Provincial and National Flagships nor Public Arts, however, there is a separate form for Public Arts as indicated below. In terms of the organisation (Section 2), applicants need to stipulate their locality as rural or urban, and also specify if their organisation is managed by targeted groups, amongst other general organisational details. In Section 3 the project details need to be outlined in relation to the criteria in the Guidelines document. This includes the objectives, other funding support, the impact of the project and a project implementation plan. Section 4 specifies the financial detail of the project and it is also stipulated that a detailed budget will be required. Section 5 comprises the Declaration which emphasises that the Guidelines documents need to be checked for a checklist of compliance documents and the application form must be accompanied by the proposal and budget breakdown only.

**Form One Public Art Programme** (2015-16) makes reference to the Guidelines document in the Introduction. It also notes that DAC has the right to treat this Form One as an Expression of Interest, thereafter a Form Two may be required. It is further highlighted in this section that applications meant to benefit “far-flung areas” are strongly encouraged. Section 1 includes specification of the Discipline and the type of programme (new or expansion of existing Public Arts programme). Section 2 includes details of the organisation, the project locality and information on the project itself, including financial support. Employee and volunteer profile and breakdown in terms of targeted groups are also included. Section 3 comprises project
details, project impacts in relation to targeted groups and a project plan. Section 4 includes the financial details of the project, including what specific budgetary items the DAC funding would be used for as well as previous DAC funding received. Section 5 comprises the Declaration which once again underscores that the Guidelines documents need to be checked for a checklist of compliance documents. It is further stipulated that a Form Two may be required, as well as a funding contract and updated legal documents.

As mentioned above, Form A (2015-16) does not specify Flagships. There seems to be a form used previously, **NAC 2014 Flagship Application** form, for Flagships. It is unclear as to whether this Form is still being used for Flagship events or if it has been replaced by Form A. According to the NAC 2014 Flagship Form, Section 1 includes a stipulation that projects and programmes outside of the resourced urban areas may be favourably considered. It further stipulates that two consecutive years of Annual Audited Financial Statements will be required and a maximum value of R2 million will be made at the discretion of the Council. It is evident that National Flagships are receiving in excess of R5 million currently, thus alluding to revised amounts which is unclear due to this form still being available on the DAC website. As per the Form below, Section 2 – Assessment Criteria – is less well developed in comparison to the Criteria in Section C of the Guidelines. Section 2 outlines the compulsory compliance documents, followed by Section A: Contact details, Section B: Organisational details, Section C: Project details including training and development component, mentoring component and envisaged legacy which is not apparent in the MGE Guidelines Criteria. Section D comprises a detailed activity plan, followed by Section E: Financial Details and Section F: Declaration.

No **screening checklists** were made available by DAC. Thus it is unclear how the actual process for reviewing is implemented and the extent to which the criteria outlined in Section C of the Guidelines are met by respective beneficiaries. **Reporting templates** that were completed by beneficiaries were reviewed. These include two templates: Cultural and Creative Industry Development including MGE: Project Reporting template (Financial Year 2016 and Financial Year 2016/17) and a Touring Ventures Reporting Template (Financial Year: 2015). The template is a very simple document, with both templates including the sections as listed in Table 3 in the Appendix.

All other categories also used templates which were made available for some of the events to the research team. The organiser report is supplemented in some cases by a report with project details and details of the person from DAC submitting a report (which includes stakeholders involved). This appears to be the DAC project manager report.

**Letters to beneficiaries** and **MOAs** were also reviewed. For example, for a MGE Cultural Event: 3 Year Grant Allocation, it is stipulated a full business plan for each year is required. The importance of the MGE objectives and monitoring and evaluation are further highlighted, as well as efforts to ensure long-term sustainability. Similarly, in the MOA, undertakings by the beneficiary are outlined including transparent financial management, comprehensive report of audited financial statements, fact sheets on the number of jobs created, etc. The tranches and associated deliverables are further stipulated.
4  Review of implementation and compliance

4.1 Alignment of MGE goals with national policies

The overall goals of the MGE are well aligned to broader goals of government programmes such as the NDP. Furthermore, the goals of the MGE permits the arts, culture and heritage sector to be integrated into economic and social development plans at all levels. Recognition of the MGE as an economic growth sector is underscored, and also presents an opportunity for South African culture and heritage to be transmitted for social and economic development. As per the Summative Report, in total, organisations that received MGE funding during the three-year study period employ 3 388 people in permanent jobs. Furthermore, DAC MGE funded event organisers employ a total of 25 941 additional persons specifically for the events, 1 473 permanent persons and 24 558 temporary workers per year. Many events in all the DAC MGE categories are thus creating opportunities for temporary/ casual employment. If these events are sustained on an annual basis, the events will be able to contribute to job sustainability, which is as important as job creation. The Summative Report also highlights that Black South Africans are the key beneficiaries as service providers which indicates that economic benefits associated with DAC MGE events go beyond the direct benefits to organisers and employees. Furthermore, the key values/ advantages of DAC MGE funding is related to funding support; job creation; profiling/ showcasing the arts, culture and heritage sector; building social cohesion; economic development (including job creation) and capacity development. The framework developed by SACO for the monitoring and evaluation of MGE funded categories, and the cultural value themes in particular, underscores alignment to the NDP.

4.2 Extent to which MGE work streams achieving stated goals

In terms of geographical spread, the most dominant provinces that received funding were Gauteng, Limpopo, Western Cape and KwaZulu-Natal. The dominance of Gauteng was also noted by DAC officials during the consultative meeting. However, the information available did not permit an examination of the extent to which events were rural or urban-based.

In terms of the profile of the beneficiary, the data suggests that the DAC MGE is creating opportunities for more cultural events/ activities to be held, contributing to the objective of increasing and diversifying cultural offerings, especially for Touring Ventures and Public Art categories. Furthermore, the main type of business which received funding were Non-Profit Organisations (NPOs). However, it is also noted, especially in the Festival and Events category, that there is a high proportion of funding that goes to for-profit organisations which needs to be monitored in the future.

The broader objective of contributing to the increased diversity of cultural offering is being met through the types, sizes and spatial distribution of events. However, it is not possible to determine the diversity of the audience due to a lack of disaggregated data. While the MGE funding has contributed to event quality being improved, it is unclear whether it has permitted festivals and events to be upscaled.
In terms of employment and job creation, DAC MGE funding is supporting permanent job creation in several organisations. However, there are substantial differences in relation to the number of jobs per work stream, with Flagships supporting much fewer permanent jobs than Festivals and Public Arts, yet they receive the most funding. Nevertheless, Flagships do employ larger numbers of additional persons, followed by Festivals and Events, Public Arts and Tourism Ventures; albeit of a temporary and short-term nature.

DAC MGE funding is also contributing to cultural development in South Africa beyond the event itself, and especially in relation to youth. Despite the lack of disaggregated data, the results reveal that both men and women are being exposed to job opportunities in the cultural sector. Furthermore, Africans as the main historically disadvantaged group in South Africa is the key beneficiary of the DAC MGE programme as intended. Cognisance, however, should be taken that employment for a day or a week in the cultural sector is relatively high, and these are generally low paying jobs. Nevertheless, most of the additional persons employed are locals, thus DAC MGE funding is contributing to locally-based job creation (also through the use of local service providers and stallholders). The profile of the persons employed tend to be aligned to the DAC MGE objectives.

All the work streams created opportunities for skills development by making use of volunteers, with most being used for Public Arts, followed by Touring Ventures, Festivals and Events and Flagships.

It is of concern that many of the larger events rely specifically on DAC MGE funding which may undermine the objectives of creating sustainable cultural events/activities. Moreover, events that have been supported for multiple years continue to have a high reliance on DAC MGE funding. During the consultation workshop with DAC, the intention for MGE funding to be ‘catalytic’ in nature and the concerns regarding the ongoing heavy reliance on public funding were highlighted. It was further noted that a related issue may be that lack of timeous release of DAC funding resulted in delays which negatively impacted on being able to leverage private sector funding.

DAC MGE funding was further recognised as contributing to showcasing culture and building social cohesion and inclusion, especially at a local level.

4.3 Gaps in policies, guidelines and processes
The Policy Review reveals that much effort has been placed in ensuring the policies and guidelines are developed in relation to the MGE programme. The MGE is well articulated in several DAC strategic policies. The importance of systematic monitoring and evaluation, as acknowledged by the draft revised White Paper, is foregrounded given that most policies reviewed highlight this aspect and that considerable funding is disbursed to beneficiaries across the country. Monitoring and evaluation permits a continuous assessment of whether stipulated objectives and goals are met. Furthermore, it provides evidence-based information to inform decision-making in relation to specific MGE categories, the administration of the MGE, review of processes and refinement of policies and guidelines.
SACO has played an important role in developing the Framework for Monitoring and Evaluation linked to MGE projects as well as other support tools for beneficiaries but it unclear as to the extent the Framework is being implemented. One of the suggestions from the SACO Framework testing was that a minimum level of monitoring and evaluation be required from funding recipients and that a percentage of the MGE funding allocated should be earmarked for this. Furthermore, there is a need for clear roles and responsibilities to be stipulated for DAC officials and SACO in relation to implementation and compliance, and monitoring and evaluation. Additionally, the quality of information and data management (discussed later) is of serious concern. The success and integrity of monitoring and evaluation depends substantially on the quality (and the level of detail) of the information entering the system. It is imperative that there is clarity in relation to roles and responsibility pertaining to how information is collected (the development of comprehensive, user-friendly and relevant data collection instruments is important in this regard), how the information is verified, where it is stored and maintained (data management is critical in this regard), issues of access and confidentiality and how reporting takes place and for what purpose. In addition to SACO’s roles, coordination structures (identifiable agencies/organisations/institutions) within DAC may need to be revisited for more effective implementation and compliance. The DAC consultative meeting further highlighted that the roles and responsibilities of DAC MGE and the NAC also needs to be clarified and synergies created to complement each other to generate impact.

The developmental values of the MGE programme was underscored in the DAC consultation workshop. This it is necessary to reflect on the MGE funding enables this. Upon reviewing the Monitoring and Evaluation Framework developed by SACO, it is evident that indicators related to human capital and professional capacity building have been included.

Although an attempt has been made by the South African government generally, and DAC more specifically, to adopt a more Outcomes-Based Performance Management Approach by preparing an APP annually in order to assess the implementation of the SP, the Department has highlighted several challenges, including poor implementation of the plan once it is in place and lack of outcome/impact measures for the sector. Consequent manifestations of poor planning and implementation includes overspending, under-spending, non-achievement of some predetermined objectives.

Linked to DAC’s (2013) Sector-wide Strategic Planning Guide are KPIs which are predetermined/measures used to monitor progress made towards the achievement of intended results. It is noted that indicators have been revised, albeit to improve monitoring and evaluation, over the evaluation period thus tracking performance over time becomes a challenge. Additionally, reference is made to data limitations such as double or undercounting of events supported and unreliable/unverified reports on jobs created, etc.

While the MGE Guidelines document is comprehensive, several gaps have been noted. No specific reference is made to Festival and Events as an MGE category as the overall category is Cultural Events. National and Provincial Flagship Projects are included as part of Cultural Events in the Guidelines. National Flagships are defined as identified projects that have an impact on a national level whereas Provincial Flagships are regionally based cultural events.
but no further criteria to define these events are included. However in another document, in the MGE section on the DAC (n.d.a.) website, Flagships are explained as those events that DAC has been funding for the past 11-12 years on an ad-hoc basis. There seems to be inconsistency in information presented as it is further states that two Flagship events were identified for each of the nine provinces, yet 19 Flagships are listed on the site. Similarly, with Touring Ventures, the Guidelines mention that this programme aims to support the nation’s cultural output and reference is made to the specific target ventures. While another DAC (n.d.b.) document notes that it has been established to ensure that existing exhibitions, fairs, shows and performances are supported to tour domestically and internationally. In the consultative meeting with DAC officials, it was emphasised that the Miscellaneous category was originally added to enable funding of specific community-based arts investments, which did not meet the criteria for the other MGE funding categories. Definitional criteria for the specific MGE categories appear to be a major challenge in terms of basic reporting of funded events/ activities per category. The consultative meeting also acknowledged that there are overlaps in terms of types of events, festivals and activities across the different DAC MGE categories. A suggestion was made that categorisation in relation to amount of funding received may be more useful for administrative as well as monitoring and evaluation purposes.

Furthermore, in terms of the application form, Form A, no reference is made to Provincial and National Flagships nor Public Arts, however, there is a separate form for Public Arts. It is acknowledged that the exclusion of Flagships on Form A could be due to the explanation above. Additionally, a NAC 2014 Flagship Application form is still available on the DAC website, thus it is unclear as to whether this Form is still being used for Flagship events or if it has been replaced by Form A. There was also inconsistencies in reporting required for this form in comparison to Form A. It is imperative that data collection tools are streamlined. This will permit data to be collected systematically and comparisons made at different levels.

No screening checklists were made available by DAC thus it is unclear how the actual process for reviewing is implemented and the extent to which the criteria outlined in the Guidelines are met by respective beneficiaries.

It is important to note that in terms of the adjudication process challenges highlighted include a lack of adherence to administrative compliance, unrealistic budget proposals, some entities applying more than once and duplicate projects from different entities. Reference was also made to the need to distribute funds to rural and township areas, with several proposals given priority, going forward. It is also noted that DAC will be refining the guidelines document and forms to respond to some of the challenges experienced and to specify the geographic preferences. However, upon reviewing the 2016/17 Guidelines, no additions have been made in this regard.
4.4 Inconsistencies and non-compliance issues emanating from Reports 1-6

Based on a review of the five MGE category specific reports and the Summative Report, key issues related to inconsistencies and non-compliance are summarised. It is of concern that while the MOAs note that the final tranche is due based on final report submitted, many of the reports were incomplete and did not make use of the DAC reporting template. Where beneficiaries provided their own reports, the narrative focused on providing an overview of the programme instead of providing the information DAC required as stipulated in the Guidelines. A major issue is the inability to establish which specific MGE category the funded event/activity is being grouped under. This also relates to how information is being stored and managed as discussed earlier. Of particular concern is the lack of expenditure reports and incomplete expenditure reports. While a key objective of the MGE programme is job creation, the reports reflected a lack of employment data. During the DAC consultative meeting it was noted that the reporting on financials and Identification Document (ID) numbers of employees was only brought in as a requirement from 2016, amid resistance from recipients. Given that it is a process, with mandatory compliance in place, the current poor quality data for employees should improve. However, it is also underscored that very few events had disaggregated information in relation to targeted groups. This was also apparent for the service providers.

In many cases, there was a lack of attendance information; both in terms of actual numbers in attendance as well as audience diversity. Monitoring the media coverage of MGE events/activities funded were often scanty despite it being important to enable the broader DAC MGE objective of ensuring exposure to the creative and cultural industries. Also of concern is that while one of the objectives of the MGE is to create a sustainable arts, culture and heritage sector, many of the beneficiaries were unable to leverage additional sponsorships. Reports 1-6 reveal the over-reliance on MGE funding and note concerns relating to sustainability of supported events/activities. While current policies refer to sustainability and include limits in terms of the periods when funding support should be provided, there are no guidelines or support that will be made available to new and emerging organisations to become successful and sustainable. Furthermore, it is unclear why some events are supported beyond the periods and amounts stipulated. There needs to be clear targets and indicators in relation to individual events supported, MGE categories and MGE as a whole.

During the DAC consultative meeting, it was further pointed out that DAC receive many more funding applications than they can fund (up to 1 000 applications) with fierce competition for the funding. Thus, the importance of having clear criteria for funding and when to exit given large number of applications received were further underscored. Additionally, it may be necessary to reduce the funding on a sliding scale and assist organisations/individuals to be empowered to access venture capital funding, especially for new and emerging organisers, during this period.

The lack of complete documentation and inconsistent information resulted in gaps in comparative information to inform the overall assessment. Thus, monitoring and evaluation
becomes a challenge, especially in relation to annual reporting as well as more long-term evaluations.

The main challenge expressed by beneficiaries (and noted by DAC officials during the consultative meeting) was the lack of timeous release of funding by DAC and streamlining the application process, including the implementation of an online system, which was also recommended. Also of concern is the seemingly lack of compliance by DAC officials in relation to some organisers/individuals receiving funding for more than one year for Touring Ventures, which may be construed as a violation of the Terms and Conditions. This may also be related to an apparent lack of data management systems as discussed further below.

4.5 Lack of knowledge and data management systems
From the reports, it is evident that DAC’s data management systems are extremely poor. Basic information such as the number of beneficiaries per MGE category were not available (or not easily accessible). Additionally, information was not available on an annual basis which is important to permit effective monitoring and evaluation over time and track changes. The researchers had to compile their own lists based on information provided by DAC officials. However, these lists were often incomplete and included poor/incomplete contact details. It is still unclear whether the number of events supported in the different categories presented in Reports 1 - 6 are correct and whether events listed are in the correct categories. Additionally, sourcing the relevant documents such as the Application Forms and associated compliance documents, the MOAs, the contracts, and the close-out reports were not readily available. There was no evidence of a centralised and electronic database management system where all MGE documentation could be accessed from. Officials also seemed to be unaware of where to obtain the information and who was responsible for what information. This could be attributed to DAC officials moving offices and since reports were stored largely in hard copy (rather than electronic) files, problems were encountered. Evidence of non-compliance such as beneficiaries being funded for more than one project could also be resolved by a comprehensive database management system. Database management also extends to the type of information available on the DAC website which should be consistent. Old documents should be archived and only the most recent forms used should be available. As underscored in the revised White Paper, a comprehensive information management system is critical.
5 Recommendations

5.1 Policy changes

As mentioned previously, the biggest challenge in terms of monitoring and evaluation of the MGE programme appears to be oversight and systematic implementation of monitoring and evaluation. This is also acknowledged in the draft revised White Paper and also emerged as a concern in the consultative meeting with DAC officials. Definitional criteria of specific MGE categories are also problematic and these need to be addressed, together with the specific MGE indicators and targets. Moreover, as highlighted during the DAC consultative meeting, funding categories could be reorganised by the amount of funding received, rather than by type of event, in order to enable more effective administration as well as monitoring and evaluation. It is recommended that the suggested refinement of the DAC Guidelines and Forms be implemented, with concerns raised in this report to also be addressed. While an monitoring and evaluation framework exists for the MGE, it is necessary to consider the implementation of this framework in relation to the events/activities, specific MGE categories and the overall MGE programme.

In terms of the sub-sectoral cross-cutting strategies, reference to the development of a comprehensive database of all funding distributed directly (DAC entities) and indirectly (other government departments, tiers of government and government agencies) to the sector must also be extended to include all MGE beneficiaries.

In order to ensure a greater geographical spread, perhaps the criteria need to be made more specific in this regard. Building capacity amongst beneficiaries in regions receiving less funding should also be considered as well as more marketing of the MGE programme in these regions, as recommended by DAC officials during the consultative meeting. It may also be necessary to differentiate, in terms of funding amount and type, between not- and for profit applications. A deeper analysis of a lack of financial sustainability is required to understand the heavy reliance on government funding, especially for beneficiaries who receive funding from DAC in multiple years. Additionally, it is necessary to undertake a feasibility study regarding the implementation of private sector incentives which was also highlighted as an area of importance in the Draft White Paper. The consultative meeting felt that organisations/individuals could be assisted to access venture capital funding as well as with accessing inter-governmental funding (for example, heritage funding in the defence portfolio). DAC MGE and SACO should play a facilitative role to position beneficiaries to access funding more aligned to their specific genre. Clear criteria for funding and when to exit as well as the introduction of funding on a sliding scale should be considered. A funding Indaba was further suggested during the DAC consultative meeting.

Greater analysis is also required as to whether MGE funding has resulted in festivals and events being upscaled. Consideration should also be given to the number of jobs being created in the various work streams in relation to amount of funding received.
5.2 Framework for knowledge and data management – a systemic approach

It is recommended that an online data management system is considered which will house all relevant documents from application, review process, contracts and close-out reports. However, in recognition that some event organisers may not have online access, it is recommended that they be assisted with hard copy submissions which then will need to be processed online by DAC. The online system should also permit pre-application processes to be properly recorded and monitored as highlighted during the DAC consultative meeting. Post-support monitoring should also be included to permit longer term impacts that will enable a proper evaluation of MGE support. Verification and compliance protocols need to be stipulated, together with mechanisms for accountability both in terms of DAC officials as well as beneficiaries. Risk management structures and processes need to be put in place and implemented to mitigate against beneficiaries not meeting all the requirements as well as DAC officials who are processing the final tranche despite incomplete reports. A database management system will assist DAC with providing systematic, up-to-date and comprehensive data to inform MGE policies, strategies and plans going forward. It was further emphasised during the DAC consultative meeting that an online system, with very specific indicators, will assist in collecting data systematically permitting the generation of more frequent and up to date short reports, such as a “digest of statistics” or a “dashboard” monitoring approach. It will also assist in building the inventory of beneficiaries with easily accessible contact details. The role of SACO in relation to the implementation of the proposed online data management needs to be defined.

5.3 Training and capacity development

It is evident that the implementation of an online database management system needs to be supported by training and capacity development for both DAC officials and MGE beneficiaries. Once again this aspect is underscored in the revised draft White Paper (DAC, 2017) Thus, DAC needs to play a role in building capacity and enhancing monitoring and evaluation skills development among administrators and managers within DAC. DAC officials also need to have the necessary resources in place to implement the MGE programme effectively. Furthermore, consideration also needs to be given to building capacity among beneficiaries, especially in relation to potential beneficiaries from targeted Provinces who are not in a position to access MGE funding due to non-compliance. The importance of training and capacity development was also supported during the DAC consultative meeting. Training and capacity development also extends to ensure that beneficiaries have the necessary event and business management skills. Peer to peer learning and training should also be considered. For example, in order to build the capacity of incubator/ emerging event organisers, the Western Cape Government has introduced programmes and workshops where the more established event organisers participate as mentors and share their experiences. This approach could be integrated in the DAC MGE programme.
6 Conclusion

The focus of this Research Report is the policy recommendations emanating from the findings of the DAC MGE programme evaluation. The methodological approach adopted for the policy review was to conduct a desktop study on the key DAC MGE policies, guidelines and process documents, followed by a review of implementation and compliance in relation to Reports 1-6 (5 category reports and 1 summative report). The desktop study was supplemented by engagement with DAC officials during a consultative meeting focusing on their knowledgeable of the DAC MGE policies, guidelines and processes as well as challenges in relation to implementation and compliance.

The following policies and strategies were included in the review:

- 4th draft of the DAC 1996 White Paper (2017, October)
- An overview of the MGE (2011) which is included as part of the revised draft White Paper
- Sectorwide strategic planning guide (2013, April)
- Technical indicator description framework (2013, November)
- Revised indicator description for the APP of 2016-17 (2017, June)

The following guidelines and processes were included in the review:

- Announcement for MGE 2016-17 Open Call for Proposals
- Application form for the 2016-17 funding cycle
- Form One Public Art Programme (2015-16)
- Touring Ventures Terms and Conditions (DAC. n.d.b)
- The adjudication process (extracted from the 2015/16 MGE Open Call Outcomes)
- Close-out reporting requirements
- Letters to beneficiaries and Memoranda of Agreements (MOA)

The 4th revised draft of the 1996 White Paper was reviewed in relation to the MGE programme. The strategic importance of the arts, cultural and heritage sector for social, economic and cultural development is underscored by this policy. It is also highlights that the integration of the sector into national social and economic policies is imperative. In tracing the historical background to the 1996 White Paper, is it is noted that the development of the CIGS was recommended and later integrated into the MGE programme (DAC, 2017 October). An overview of the MGE Strategy is included in this revised draft White Paper (DAC, 2017 October). The aim of this Strategy is to ensure that the government can provide the responsibility to transmit and present the South African culture and heritage for social and economic development, by exploring and identifying the economic value and opportunity inherent in the cultural and creative industries.

The establishment of a Cultural Observatory was one of the proposals of the MGE. Given the importance of monitoring and evaluation to this study, a brief overview of the Cultural Observatory which was established in 2015 is provided. The aim of the Observatory is to provide support to the arts, cultural and heritage sector and creative economy by becoming a holistic repository, collector and develop of knowledge, information and evidence concerning the content, structure and dynamics of the arts, cultural and heritage sector and creative
The revised draft White Paper (DAC, 2017 October) acknowledges the importance of monitoring and evaluation, aims to develop a comprehensive information system to support this cultural policy as well as to ensure that there is capacity within both the government sector and the non-government sector to conduct monitoring and evaluation. It is further underscored for monitoring and evaluation to be effective, the imposition of sanctions and the prescription of remedial action must be mandatory (DAC, 2017 October).

In order to review monitoring and evaluation as it relates to MGE, it was deemed necessary to reflect on DAC’s (2013) Sector-wide Strategic Planning Guide. With the adoption of the Outcomes-Based Performance Management Approach, DAC prepares an APP on an annual basis, which captures what would be done in a particular financial year in order to make in-roads in the implementation of the SP. Key challenges experienced by DAC include poor implementation of the plan once it is in place and a lack of outcome/impact measures for the sector. The importance of the development and maintenance of the DAC Monitoring and Evaluation System/ Framework is underscored. It is further noted that technical indicator relevant to MGE were revised in 2016/17, with data limitations such as double or under counting of events supported and unreliable/ unverified reports on jobs created also cited.

The MGE Guidelines: Criteria, Eligibility, Processes and Systems (2015/2016 - 2016/2017) provides an overview the MGE, including the objectives, work streams and a summary of the application process (Section A). The Cultural Events, Touring Ventures, Public Arts Programme and the Miscellaneous Arts projects are outlined in Section B (Programme Overview). This is followed by the applicable criteria (Section C), eligibility and administrative criteria (Section D – Standard Requirements). The Section concludes with the funding timeframes and cycle, compliance documentation and submission of applications. Section E, the final section, outlines the adjudication process.

The ten work streams that comprise the MGE matched with specific objectives are presented and it is further mentioned that only three of these work streams (cultural events, public art and touring ventures) are provided through direct grants to beneficiaries as described in this document. In terms of the application process, it is noted that there are two different processes: one for grants below R100 000 and one for above this amount. The process for reviewing these applications are further presented. The Guidelines are quite comprehensive in terms of the requirements except for the definitional criteria as it relates to the respective MGE categories.

The following process documents are available on the DAC website:

- Application form (Form A) for the 2016-17 funding cycle
- Form One Public Art Programme (2015-16)
- National Arts Council of South Africa (NAC) 2014 Flagship Application forms
Form A (2016-17) has five sections which includes specifying the discipline and the type of programme being applied for, the organisational details, project details in relation to the criteria in the Guidelines document, financial details and finally, a declaration which emphasises that the Guidelines documents need to be checked for a checklist of compliance documents and the application form must be accompanied by the proposal and budget breakdown only. A NAC 2014 Flagship Application form is on the DAC website and seems to be a form used previously. It is unclear as to whether this Form is still being used for Flagship events or if it has been replaced by Form A. Additionally, information regarding the number of Flagships supported were inconsistent and this was also reflected in the Summative Report.

No screening checklists were made available by DAC thus it is unclear how the actual process for reviewing is implemented and the extent to which the criteria outlined in Section C of the Guidelines are met by respective beneficiaries. Reporting templates that were completed by beneficiaries were reviewed. These including two templates: Cultural and Creative Industry Development including MGE: Project Reporting template (Financial Year 2016 and Financial Year 2016/17) and a Touring Ventures Reporting Template (Financial Year: 2015). The template is a very simple document, with both templates requiring project details to be completed along with several attachments such as a narrative report, expenditure reports and other documents depending on the category of funding received. However, in many cases, as revealed in the Summative Report, this template (Project Factsheet) did not seem to be used by beneficiaries and neither were the researchers able to view it. All other categories also used templates which were made available for some of the events to the research team.

Letters to beneficiaries and MOAs were also reviewed. For example, for a MGE Cultural Event: 3 Year Grant Allocation, it is stipulated a full business plan for each year is required. Similarly in the MOA undertakings by the beneficiary are outlined including transparent financial management, comprehensive report of audited financial statements, fact sheets on the number of jobs created, etc. The tranches and associated deliverables are further stipulated.

The Policy Review shows that much effort has been placed in ensuring that the policies and guidelines are developed in relation to the MGE programme. The MGE is well articulated in several DAC strategic policies. Additionally, the programme itself has clear and commendable objectives. However, it is necessary to finalise the revised 1996 White Paper, which is now in its fourth version (2017, October) as many of the policy gaps relate to oversight and monitoring and evaluation. The significance of systematic monitoring and evaluation is underscored given that most policies reviewed highlight this aspect and considerable funding is disbursed to beneficiaries nationally. Monitoring and evaluation permits a continuous assessment of whether stipulated objectives and goals are met. Furthermore, it provides evidence-based information to inform decision-making in relation to specific MGE categories, the administration of the MGE, review of processes and refinement of policies and guidelines.

In relation to the adjudication process, challenges emphasised included a lack of adherence to administrative compliance, unrealistic budget proposals, some entities applying more than once and duplicate projects from different entities. Besides gaps in the policies and strategies linked to the MGE programme, key issues related to inconsistencies and non-compliance are evident both internally (DAC officials) and externally in terms of the beneficiaries. The lack of
complete documentation and inconsistent information resulted in gaps in comparative information to inform the overall assessment. Thus, monitoring and evaluation becomes a challenge especially in relation to annual reporting as well as more long-term evaluations. Processes and oversight to ensure compliance is also important given that reporting templates have been developed but that often these are not used and when used, the completeness and the quality of the information provided are of concern which undermines the collection of information systematically to ensure improved monitoring and evaluation.

From the reports, it is evident that DAC’s data management systems are extremely poor. Basic information such as the number of beneficiaries per MGE category were not available (or not easily accessible). Moreover, information was not available on an annual basis which is important to permit monitoring and evaluation over time and track changes. There was no evidence of a centralised database management system where all MGE documentation could be accessed from. Officials also seemed to be unaware of where to obtain the information and who was responsible for what information. Evidence of non-compliance such as beneficiaries being funded for more than one project could also be resolved by a comprehensive database management system. Database management also extends to the type of information available on the DAC website which should be consistent.

Reports 1-6 reveal the over-reliance on MGE funding and highlight concerns relating to sustainability of supported events/ activities. Although current policies refer to sustainability and include limits in terms of the periods when funding support should be provided, there are no guidelines or support that will be made available to new and emerging organisations to become successful and sustainable. Moreover, it is unclear why some events are supported beyond the periods and amounts stipulated. There needs to be clear targets and indicators in relation to individual events supported, MGE categories and MGE as a whole.

It is also of concern that final tranches were paid when reporting documents were not submitted and/ or templates not adequately completed. The importance of proper monitoring and approvals is again noted.

Several recommendations are suggested which include policy changes, framework for data management systems and capacity development (as summarised in Table 2). The major challenge regarding monitoring and evaluation of the MGE programme appears to be oversight and systematic implementation of monitoring and evaluation thus, the draft revised White Paper should be adopted as soon as possible. Definitional criteria of specific MGE categories are also problematic and these need to be addressed, together with the specific MGE indicators and targets. The indicator framework developed and tested by SACO in 2016/17 for events/ activities, specific MGE categories and the overall MGE programme needs to be implemented. There is also the need to reconsider the current MGE categorisation. A suggestion proposed during the consultative meeting with DAC officials is to use amounts of DAC funding to categorise and manage events/ activities.

A summary of the main findings and the associated policy recommendations are presented in Table 2.
Table 2: Policy review main findings and recommendations

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<tr>
<td>- Well aligned to broader government programmes eg. NDP</td>
<td>- Gaps in policy, guidelines and processes</td>
<td>- Lack of definitional criteria</td>
</tr>
<tr>
<td>- Recognition of MGE as contributing to economic growth</td>
<td>- Lack of compliance by DAC officials and beneficiaries</td>
<td>- 4 dominant provinces in terms of geographical spread</td>
</tr>
<tr>
<td>- South African culture to be transmitted for social and economic development</td>
<td>- Poor administration and data management</td>
<td>- Main type of businesses receiving funding were NPOs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Heavy reliance on government funding</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Differences in job creation per work stream</td>
</tr>
<tr>
<td><strong>Policy recommendations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>- Online data management system (supported by hard copies where required)</td>
<td>- Review criteria and monitoring and evaluation in relation to funding amount received</td>
</tr>
<tr>
<td></td>
<td>- Verification and compliance protocols, accountability mechanisms and risk management structures and processes</td>
<td>- Review criteria to enhance geographical spread and build capacity of beneficiaries</td>
</tr>
<tr>
<td></td>
<td>- Implementation of Monitoring and Evaluation Framework implemented and role of SACO to be defined</td>
<td>- Earmark proportion of MGE funding allocated to monitoring and evaluation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Enhance marketing of DAC MGE in other provinces</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Differentiate in terms of funding and type between non and for profit applications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Deeper analysis of lack of financial sustainability required, feasibility study for implementation of private sector incentives and funding Indaba and introduce reduced funding on a sliding scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Consideration for number of jobs in relation to funding received (per category of funding)</td>
</tr>
</tbody>
</table>

It is recommended that the suggested refinement of the DAC Guidelines and Forms be implemented, with concerns raised in this report to also be addressed. A systematic approach to the development of a framework for knowledge and data management is also recommended. The role of SACO in relation to the implementation of the proposed online data management system needs to be defined. In addition to SACO’s roles, coordination structures (identifiable agencies/organisations/institutions) within DAC may need to be revisited for more effective implementation and compliance. Post-support monitoring should also be included to permit longer term impacts that will enable a proper evaluation of MGE support. The implementation of an online database management system needs to be supported by training and capacity development both in terms of DAC officials and DAC MGE beneficiaries.
Training and capacity development also extends to ensuring beneficiaries have the necessary event management and business management skills.

7 Reference List


http://www.dac.gov.za/content/second-draft-revised-white-paper-arts-culture-and-heritage-1

DAC. 2016-2017a. Application form for the 2016-17 funding cycle

DAC. 2016-2017b. Announcement for MGE 2016-17 Open Call for Proposals


http://www.dac.gov.za/newsletter/2012/dec%202012/the_mzansi_golden_economy.htm
Department of Arts and Culture, Pretoria. Date Accessed: 2 April 2013.


8 Appendix

Table 1: Application review and decision processes for grants below R100 000 in value

<table>
<thead>
<tr>
<th>Process</th>
<th>Applications R100 000 and below in value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application Process</strong></td>
<td></td>
</tr>
<tr>
<td>1. Open throughout the year</td>
<td><strong>2. Review</strong></td>
</tr>
<tr>
<td>· Throughout the year</td>
<td>· Evaluation of Creative work</td>
</tr>
<tr>
<td>· Specific application form</td>
<td>· Evaluation of Project</td>
</tr>
<tr>
<td>· Institute</td>
<td>· Approval of project by DAC</td>
</tr>
<tr>
<td>· Placement of notice of all applications on website</td>
<td>· Placement of notice of notice on website</td>
</tr>
<tr>
<td><strong>Evaluation Process: one month process</strong></td>
<td></td>
</tr>
<tr>
<td>· Evaluation Process</td>
<td></td>
</tr>
<tr>
<td>· DAC Panel</td>
<td></td>
</tr>
<tr>
<td>· Recommendations to being out official</td>
<td><strong>3. Contracting &amp; Financing</strong></td>
</tr>
</tbody>
</table>

**Outcome**
Successful applicants notified and contracting arrangements made with applicants able to meet compliance requirements.
Table 2: Application review and decision processes for grants above R100 000 in value

<table>
<thead>
<tr>
<th>Process</th>
<th>Applications above R100,000 in value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application Process</strong></td>
<td><strong>Panel Review</strong></td>
</tr>
<tr>
<td>• Ongoing OpenCall</td>
<td>• Review of administrative compliance</td>
</tr>
<tr>
<td>• Application forms</td>
<td>• Technical review by panel</td>
</tr>
<tr>
<td>• Website</td>
<td>• 2. Review</td>
</tr>
<tr>
<td>• Placement of notice on website</td>
<td></td>
</tr>
</tbody>
</table>

| **Evaluation Process** | |
| Application            | Panel Review |
| Application            | |
| Application            | |
| Application            | |

| **Outcome** | Successful applications contacted |

| **Financing & Contracting Process** | |
| Administrative overhead | Monitoring & Evaluation |
| OUTSourcing & e-procurement | Monitoring & Evaluation |
| Financial appraisal | Monitoring & Evaluation |
| Outcome                 | Monitoring & Evaluation |
| Contracting             | Monitoring & Evaluation |
| Tender 1: inspection    | Monitoring & Evaluation |
| Tender 2: signing       | Monitoring & Evaluation |
| Tender 3: approval      | Monitoring & Evaluation |
| Successful applications | Monitoring & Evaluation |

**MEASURING & VALUING SOUTH AFRICA’S CULTURAL & CREATIVE ECONOMY**
### Table 3: Reporting template details

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Specific details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Project Details</strong></td>
<td>Organisation name, project name, DAC reference number, contact details, date/s of implementation, province/s, district municipality/metro, local municipality, rural/urban/peri-urban, Ward number (if known), discipline and genre (eg. music, jazz), venue/s where project was implemented, total costs of the project, total funding from DAC and contact persons(s) and rank</td>
</tr>
<tr>
<td><strong>B. Project Factsheet</strong></td>
<td>Number of persons employed (permanent and temporary), gender breakdown of persons employed, number of youth employed, number of persons with disabilities employed, number of service providers procured (reference to attached template to complete) and estimation of number of audiences that attended per venue</td>
</tr>
<tr>
<td><strong>C. Project Description and Outcomes</strong></td>
<td>Reference is made to the organiser needing to complete detailed narrative report that needs to be attached which should at a minimum include: activities of the event/project/production, audience response, challenges (if any) and recommendations</td>
</tr>
</tbody>
</table>
| **D. Attachments required**           | - Touring schedule if funding was for the Touring Ventures  
  - Expenditure report (breakdown) on how DAC funds were spent signed by an accountant  
  - Audited Financial Statements if the funding was R5 000 000 and beyond  
  - Invoices and receipts to support the expenditure as per contract  
  - CD/videos/visuals of the project/event, if available |