



# FUNDING PROSPECTUS

Key information and how business can participate

July 2013

## INVITATION

- This is an invitation to your company to become part of the National Education Collaboration Trust (NECT) which is a response to the call made in the National Development Plan (NDP) for co-operation across sectors to improve education outcomes.
- The Trust creates a co-ordinated interface with Government and strives both to influence and to support the agenda for reform in education. Its relationship with Government is based on mutual recognition of the distinct roles and responsibilities of the state and civil society.
- This prospectus describes the NECT and what it aims to achieve. In addition, it serves as an invitation for your company to become part of this innovative organisation and indicates how you could make a contribution.
- The information in this document is an overview of the work intended to be carried out by NECT and is not a contract, nor does it constitute an offer to contract.

## WHY A BUSINESS INITIATIVE?

- The call made in the NDP for intersectoral co-operation to improve educational outcomes creates an opportunity for more strategic collaboration among education stakeholders – in particular, between Government on the one hand and business, private funders, labour and NGOs on the other.
- The private sector spends just under R3 billion annually on initiatives to improve education. Generally, these investments are poorly coordinated and weakly aligned with the Government reform agenda. However, with the clear priorities set out in the NDP, coherent joint efforts among education stakeholders are now, arguably, more achievable than ever before.

## HOW THE NECT WAS BORN

- A collective including Sizwe Nxasana (CEO, FirstRand Ltd), Phumzile Mlambo-Ngcuka, (founder Umlambo Foundation and former Deputy President of SA), Futhi Mtoba (Senior Partner, Deloitte), Godwin Khosa (CEO, JET Education Services), Thobile Ntola (President, SA Democratic Teachers Union) and Mugwena Maluleke (General Secretary, SA Democratic Teachers Union) worked with Minister of Basic Education Angie Motshekga to convene an education dialogue in December 2012. The dialogue involved leaders in the private sector, government, academia, labour and the NGO sector. Its purpose was to reflect on the status of education and to lay the foundation for joint action to improve education.
- These discussions led to a further research and planning process which produced the Education Collaboration Framework (ECF), a plan for joint action aimed at achieving the targets of the Education Chapter of the NDP.







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## WHAT IS THE EDUCATION COLLABORATION FRAMEWORK?

The ECF is a blueprint for partnership between Government and other social partners which aims to:

- Influence and support the implementation of Government's education reform agenda.
- Increase the effectiveness, value for money and sustainability of private sector social investment in education.
- Improve educational outcomes.

In order to achieve these ideals, the ECF will:

- Harness the special capabilities and contributions of the private sector and other social partners to design, fund and implement key interventions in partnership with Government.
- Identify and help create the conditions that are a prerequisite for sustainable improvements in education.
- Set up the NECT to drive implementation of the framework and maintain oversight of the resources invested in achieving the ECF.

## WHAT IS THE NATIONAL EDUCATION COLLABORATION TRUST?

The NECT is an action-based and outcomes-oriented trust that has recently been registered as a legal entity. It is guided by the ECF, which sets out clear functional areas for intervention by education stakeholders and indicates how priorities should be set.

The vision of the NECT is to galvanise numerous civil society and Government commitments that already exist, harness lessons from the past and seize current opportunities to improve educational outcomes. It values innovation, believing that strategies which have fallen short in the past will not deliver change for the future. We cannot continue to do the same things and expect different results.

In order to realise this vision, the primary objectives of the NECT are to:

- Improve the quality of schooling and systems for monitoring and supporting schools.
- Guide and oversee inclusive participation by business and civil society in collaborative initiatives.
- Provide a governance platform and co-financing modality for joint civil society, business, teacher association and Government initiatives to improve schooling.
- Provide strategic project management, including programme development, initiation and monitoring and evaluation of key national education programmes and ensure that these programmes are suited to their context.
- Improve coordination of private sector-funded school improvement activities and encourage alignment with the national school reform agenda.
- Undertake activities necessary to promote and measure good returns on investment for private and public spending on education.
- Consolidate and share knowledge generated by the private and public sectors in relation to education improvement in order to benefit the national reform agenda.
- Set guiding principles for national programmes and local projects in education.
- Sustain the education dialogue initiated in December 2012.

## STRUCTURE OF THE NECT



The NECT will be supported by a robust management and governance structure, designed to ensure wide consultation, high quality strategic guidance and high-powered implementation ability.

The NECT will be led by a maximum of 12 trustees. The founding trustees include FirstRand CEO Sizwe Nxasana; Business Leadership SA member Mark Lamberti; Deloitte Senior Partner Futhi Mtoba; Basic Education Minister Angie Motshekga; National Professional Teachers' Association of SA President Basil Manuel; SA Democratic Teachers Union Deputy Secretary-General Nkosana Dolopi; and former Vice-Chancellor of Peninsula Technikon Brian Figaji.

These trustees will be supported by four patrons: Cyril Ramaphosa, Deputy Chairperson of the National Planning Commission; Phumzile Mlambo-Ngcuka, founder of Umlambo Foundation and former Deputy President of South Africa; Bobby Godsell, Chairman of Business Leadership South Africa; and James Motlatsi, former President of the National Union of Mineworkers.

The patrons will provide strategic, political and programmatic guidance and advice.

The NECT will also be supported by a National Education Council which will be co-chaired by Deputy Minister of Basic Education Enver Surty and Vice-Chancellor of the University of Johannesburg and member of the National Planning Commission Professor Ihron Rensburg. This is a consultative forum of stakeholders that will review the NECT's progress and advise on programmatic and strategic direction. It will also promote continuous stakeholder dialogue in a structured and systematic way.

Finally, the NECT will employ a CEO and a small team of education experts and administrative staff to carry out its day-to-day activities. It will secure the services of skilled and experienced implementing agents who will work in partnership with officials from the Department of Basic Education at a national, provincial and district level.

The NECT will also identify various types of skills which it requires from the private sector to assist in building the capacity of the Department of Basic Education to deliver at national and provincial level. The national Department of Basic Education has agreed to set up a secretariat which will work with the NECT office.





## HOW WILL THE NECT WORK?

The NECT will develop and implement a multi-year programme of action based on the ECF. This programme will make provision for nationally designed and managed projects, as well as local projects. It will focus most of its attention on the neediest provinces, which have a high proportion of poorly performing education districts. It will follow a district development model, selecting districts that are performing poorly but have “absorptive capacity” – the leadership, human and other critical resources to respond effectively to technical support and sustain positive changes. In other words, the NECT will not respond to need alone, but will seek to back champions that have the capability to deliver.

The initiatives that the NECT supports must have the potential to bring about systemic change in the education sector. These initiatives will be driven by the core NECT team, in partnership with civil society and Government entities.

Importantly, the NECT will not replace current civil society and business activities aimed at improving education. The trust recognises the value of many such initiatives, especially those that are aligned with Government’s education reform agenda and have the potential for systemic change. The NECT will seek to improve coordination among existing localised initiatives and achieve better returns on investment by developing a charter designed to:

- Improve focus on common priorities within the national education agenda.
- Minimise duplication of interventions.
- Improve sustainability to beneficiaries.
- Identify key indicators that can be used to measure and demonstrate impact.

The NECT will not provide funding to individual NGOs and other entities to implement localised interventions. These interventions should and must continue to be supported by various social investors around the country.

## WHERE WILL THE NECT WORK?

2013 is seen as an inception period for NECT-guided and supported projects, with the first on-the-ground action unfolding in the first cohort of districts in 2014. Eight education districts have been selected to form Cohort 1 of the NECT-participating network. These initial districts, located in five provinces, serve approximately two million learners in 4 000 schools. In 2015, once the NECT is fully operational, it is hoped that interventions can be incrementally – but rapidly – expanded in further cohorts to encompass 21 districts.

Districts in Cohort 1 2014 activation	Districts in Cohorts 2 and 3
Libode, Eastern Cape Mt Frere, Eastern Cape Uthungulu, KwaZulu-Natal Pinetown, KwaZulu-Natal Vhembe 1, Limpopo Waterberg, Limpopo Bohlabela, Mpumalanga Bojanala, North West	Maluti, Eastern Cape Port Elizabeth, Eastern Cape Cofimvaba, Eastern Cape Graaf Reinet, Eastern Cape Uitenhage, Eastern Cape Vhembe 2, Limpopo Sekhukhune, Limpopo Mogalakwena, Limpopo Mopani, Limpopo Gert Sibande, Mpumalanga Dr Ruth Mompati, North West John Toalo Gaetsewe, Northern Cape

## FOCAL THEMES OF THE NECT

The NECT and various stakeholders that have contributed to its establishment recognise that the trust cannot be all things to all people. Instead, it must focus its energy and resources in a targeted way in order to maximise its influence, efficiency and effectiveness. Therefore, the NECT will focus solely on basic education. Within this space, six primary themes will receive concerted attention.

### Theme 1: Professionalisation of the teaching service

NECT will support Government to:

- Set up frameworks and materials required to implement the 2011 planning framework for teacher education and development.
- Train teachers and support them in their classrooms.
- Build management capacity at district and school level to support and monitor teachers.
- Improve the effectiveness of teachers and education officials.

### Theme 2: A call for courageous leadership

NECT will explore with relevant structures the following actions:

- Promoting more active roles by civil society organisations to keep a check on actions that undermine schooling.
- Delivering training on good governance at school, district and provincial levels.
- Acting to empower managers to make decisions and be accountable for their decisions.
- Assisting leaders to set examples for officials and learners to follow.
- Reviewing the governance framework involving school principals, school management teams and school governing bodies.

### Theme 3: Improving government capacity to deliver

NECT will support Government to:

- Develop a national framework and materials for implementation of the school management and district monitoring processes.
- Offer training and support programmes to assist schools and districts to implement monitoring and support systems.
- Investigate the current teacher provisioning model and develop and implement a more effective one.
- Provide mentors and coaches to strengthen school monitoring and support capacity, particularly in understaffed districts.

### Theme 4: Improving resourcing: teachers, books and infrastructure

NECT will encourage joint actions among stakeholders to:

- Improve maintenance, retrieval and utilisation of workbooks, textbooks and readers in schools.
- Develop a wide range of African language readers.
- Complement the provision of learning and teaching support materials, especially in terms of readers and maths and science kits.
- Develop and maintain an infrastructure demand and maintenance system that will inform investments by Government and its partners.
- Increase infrastructure and ICT resources, prioritising libraries and science laboratories.
- Increase the provision and utilisation of IT resources for teachers and learners.

### Theme 5: Community and parent involvement

NECT will promote the following actions:

- Utilise talent beyond the public school system to support schooling, particularly literacy, maths and science education.
- Rebuild public accountability by equipping parents with checklists of what to expect from schools, teachers and learners and promoting advocacy to reinforce accountability.
- Integrate active citizenship and ethics in programmes for teachers, school managers and governing bodies.

### Theme 6: Learner support and wellbeing

NECT will promote joint activities that:

- Increase provision of psychosocial services in schools.
- Complement nutrition in schools.
- Contribute to resourcing sports and cultural activities in schools.



## MONITORING AND EVALUATION

In order to achieve its ambitious goals, the NECT will need to measure, monitor and evaluate the interventions it supports in a rigorous manner.

The first step in this process will be conducting baseline assessments of focus areas in order to ascertain the primary challenges, needs and opportunities in each area. This process has already begun in three of the eight districts forming Cohort 1.

Following these assessments, only those interventions that satisfy the following criteria will be supported by the NECT:

- Interventions must speak directly to the identified challenges, needs and opportunities of the particular district.
- They must have clear, measurable indicators for short, medium and long-term success.
- They must use clear evidence as the basis for all decisions and activities.
- They must include continuous M&E throughout the implementation cycle to guide decision-making and strategic direction.

## FUNDRAISING AND FUNCTIONAL MODALITY

NECT envisages creating a co-financing modality for Government and the private sector overseen by its board of trustees. This modality will:

- Facilitate rapid approval and swift disbursement of funds.
- Offer donors an opportunity to earmark funds for particular projects.
- Provide donors with choices on how their funds should be used.
- Create conditions for coordination of funding.
- Link private funding to innovative, system-wide interventions that can make a real impact on the state of education.

## DONATIONS TO THE TRUST

- Government has made an initial funding commitment of R300 million towards the initial eight districts and this amount will be transferred to the NECT. The trust is now calling on other social partners, including business and teacher unions, to commit to this joint effort.
- Business Leadership SA (BLSA) has agreed on a funding model which seeks to raise R200 million for investment in the initial eight districts. This model contains the following proposals:
  - For listed companies an initial contribution equal to 0.004% of the company's market capitalisation is suggested. For unlisted companies an initial contribution of R1 million is proposed, with small, medium-sized and foreign companies contributing R500 000.
  - The level of contributions will increase from 0.004% to 0.008% for listed companies, to R2 million for unlisted companies, and to R1

million for small, medium and foreign companies as the district intervention programme is rolled out from eight to 20 districts.

- The commitment requested of companies is for 10 years.
- All donations and contributions made to and accepted by the trust, once made and accepted, shall be irrevocable and shall be subject to the terms and conditions of the Fund's Deed of Trust.
- The trustees shall in respect of every contribution to the NECT, furnish the contributor with a receipt on which the following particulars are given:
  - The date of receipt of the donation.
  - The name and address of the trust.
  - The name and address of the donor.
  - The amount of the donation or the nature of the donation if not made in cash.
- The trust will provide a certificate to the effect that the receipt has been issued for the purposes of section 18A of the Income Tax Act and that the donation has been or will be used exclusively of the purposes of the trust.
- The trust will endeavour to secure a commitment from Government that monies donated by the private sector to the NECT will qualify for points under the BEE Codes of Good Practice and Sectoral Charters.
- Any funds contributed to the NECT shall be irrevocable and conditional donations, in terms of and further subject to the NECT Trust Deed. The trustees of the NECT have made this document available for general information purposes only. The NECT Trust Deed may also be made available on request.



## CONCLUSION

Undoubtedly, the NECT represents a bold, ambitious initiative for the country. It also represents a high-potential opportunity to bring about real change. It is universally accepted – in both the public and private spheres – that South African education must be improved on a national scale if our country is to grow and thrive. The NDP clearly makes the link between improving education and reducing unemployment and inequality, and argues how this must form the foundation for our country's future. By joining this initiative, and committing to giving it your support, we hope that we can look back together on 2013 as a turning point in South Africa's development and progress.



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