

LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

OFFICE OF
THE PREMIER

Final Draft Business Plan for Limpopo Research Observatory

For Internal use only

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Content

	Page
Executive Summary	3
Acronyms	6
1. Introduction	8
2. Strategic Objectives of the LRO.....	17
3. Service Options	21
4. Human Resources	24
5. Financing	28
6. Management Arrangements	30
7. Risks and Risk Management.....	35
8. Partnerships	36

Appendix

1. List of Completed Research
2. List of Future Research
3. A Framework for getting Research into Policy & Practice (GRIPP)
4. Job Descriptions of key personnel
5. Estimated Expenditure Items

Executive Summary

Much less progress has been made in making available research evidence to inform the urgent needs of public policymakers and in addressing attitudinal barriers and capacity limitations. Public policymakers must contend with a particular set of institutional arrangements that govern what can be done to address any given issue, pressure from a variety of interest groups about what they would like to see done to address any given issue, and a range of ideas (including research evidence) about how best to address any given issue. Rarely do processes exist that can get optimally packaged high-quality and high-relevance research evidence into the hands of public policymakers when they most need it.

The Limpopo Provincial Government realizes that dealing with the enormous challenges of unemployment, poverty, social inequalities and exclusion requires context-led, innovative interventions based on sound research. The government also needs regular feedback to measure the impact of its interventions.

As part of the rationale for developing the Limpopo Research Framework, the Limpopo Provincial Government acknowledged that research and innovation must underpin government policymaking and other interventions. While there are some examples where research has led to policy development and fast tracked service delivery in the province, the Provincial Government also realizes that research efforts in the province are fragmented and uncoordinated; that Government departments have insufficient resources to conduct quality research; and that there is a need to develop research capacity in the Province.

To this end the establishment of the Limpopo Research Observatory (LRO) is proposed as the ideal vehicle to address the research needs of government in the Limpopo Province and to further enhance and consolidate partnerships with institutions of higher learning and key role players in Research, Development and Innovation. The Observatory will be a jointly established research centre which caters exclusively for the research needs of the Limpopo Government. Partners in this centre are the Provincial government, the University of Limpopo, and the University of Venda.

The Observatory will utilize existing university expertise and resources or source in expertise which is not available to conduct research specified by government. The research outcomes will then be packaged for government.

In order to give effect to the establishment of the LRO, lessons are drawn from Gauteng City Region Observatory and Cape Urban Observatory and a similar observatory model is proposed for the Limpopo Province involving government and the two major universities (University of Limpopo and

University of Venda). This business plan sets out the substantiation, purpose, structure and function of such an observatory. The development of the business plan was funded by the Programme to Support Pro-Poor Policy Development (PSPPD), a partnership between the Presidency and the EU.

The LRO's **goal** is improved government policy, programmes and implementation enhancing the quality of life of the people of Limpopo. It has two main **objectives**, viz, the design and implementation of policies and programmes in Limpopo are informed by evidence from good quality research and research capacity is enhanced.

The **key services** envisaged for the LRO include:

- i. Facilitating, conducting and managing research which is aligned with the key strategic agenda of government;
- ii. Facilitating the dissemination of research findings and translating research to be usable by government;
- iii. Serving as a research repository within the Province;
- iv. Improving research and M&E capacity through providing bursaries for students who want to undertake research and organise training and provide opportunities for enhancing capacity;
- v. Improving research quality - providing methodological inputs and quality review of the research being conducted in the Province.

Various options have been explored in terms of the human resources needed to implement the core mandate of the LRO and a decision was taken that you need an Executive Director, two Senior Research Managers, one based at UNIVEN and one at UL and an Office Administrator. In order to fund the initial start-up of the Observatory, the Limpopo Provincial Government will be the major funding partner. It is proposed that it will provide a grant of R5 million per year over a five year period. The two universities will also contribute in kind. The Universities will utilize their existing expertise and these experts who have been commissioned to do research will be paid their normal salaries by the Universities. Both universities will also provide offices, facilities and administrative support to the LRO. The LRO will also commission some research projects for government departments and other interested stakeholders and this will generate income for the LRO. The LRO will charge 25% for project management as an attempt to sustain itself. The Executive Director of the LRO will also be responsible for lobbying financial support from other organisations and donors with the view to creating a self-sustainable LRO within 5 years.

It is envisaged that the key expenditure items would be personnel, running expenses (office, travel, conferences, overheads, IT, HR, Finance,) and research costs.

Considerations for registration of the LRO as a legal entity have been made and the Trust presents the most viable option given its flexibility in ensuring that the objectives of the LRO will be achieved. In order to define rules of engagement for various role-players, a Memorandum of Agreement between the Limpopo Provincial Administration and the Universities of Venda and Limpopo will be developed and finalized to provide a framework for the different stakeholders to work together.

Partnerships will also be forged with local, national and international partners. The LRO will develop guidelines on this aspect.

Acronyms

APP	Annual Performance Plan
CSIR	Centre for Science, Innovation and Research
CUO	Cape Urban Observatory
DLGH	Department of Local Government and Housing
GCIS	Government Communication Information System
GCRO	Gauteng City Research Observatory
GM	General Manager
GRIPP	Getting Research into Policy Practice
HOD	Head of Department
HR	Human Resource
LEGDP	Limpopo Employment Growth and Development Plan
LPA	Limpopo Provincial Administration
LRF	Limpopo Research Forum
LRO	Limpopo Research Observatory
MASTEC	Mathematics, Science, Technology Education College
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NGO	Non Governmental Organisation
OTP	Office of the Premier
PFMA	Public Finance Management Act of 1999
R & D	Research and Development

SALGA	South African Local Government Association
SASQF	South African Statistical Quality Assessment Framework
SBU	Strategic Business Unit
SGM	Senior General Manager
STATSSA	Statistics of South Africa
TUT	Tshwane University of Technology
UCT	University of Cape Town
UL	University of Limpopo
UJ	University of Johannesburg
UNISA	University of South Africa
UNIVEN	University of Venda

1. Introduction

1.1. Background to the establishment of the Limpopo Research Observatory

Government needs up-to-date, reliable, relevant and appropriate evidence to formulate meaningful policies and devise appropriate interventions (plans, strategies, resource allocations, technologies to invest, in or to develop, and other programmes). It requires regular, systematic feedback about the impact of its policies and interventions. Feedback (research reports) can assist government to see how well it is doing, to identify weaknesses in its interventions and to identify strengths on which it can build. For a government to maximize its economic growth it needs to know what resources exist, the type of markets it can exploit, its human resources and a whole range of researched information.

The need for evidence-based interventions by government has intensified in the global knowledge economy. The knowledge intensity of the new economy demands policies which are derived from research (Bartzokas and Teubal 2002). A policymaker that is adaptive – as opposed to optimizing – relies on research input to (re-)establish congruence between strategy and ever changing real-life circumstances (Metcalf 1994, 1995). The latter author underlines the fact that feedback from all stakeholders is important for innovative policies which are context-specific and not merely the reproduction of so-called best practice.

While governments recognize the importance of research, they are often constrained in terms of human capacity and other resources required to conduct quality, in-house, research. Piecemeal in-house research is often supplemented by costly research conducted by consultants. Research reports are often written in technical jargon that is difficult to understand by government officials and hence renders the research useless and a waste of money. Governments have realized the importance of forming stable and lasting partnerships with institutions of higher learning which have the necessary expertise and resources to conduct quality research, and to try and influence research agendas to address policy-relevant issues. Various models of government - institution of higher learning partnerships exist but the observatory model is one which is fast gaining ground.

An observatory is essentially a dedicated centre that conducts research on behalf of government. The centre utilizes existing university expertise and resources or identifies additional expertise needed to conduct research specified by government. The research outcomes are then packaged for government in a user-friendly manner.

Limpopo Province has drawn from experience of the Gauteng City Region Observatory and Cape Urban Observatory and proposes an observatory model involving government and the two major universities in the Province (University of Limpopo and University of Venda). This business plan sets out the substantiation, purpose, structure and function of such an observatory. The development of the business plan was funded by the Programme to Support Pro-Poor Policy Development (PSPPD), a partnership between the Presidency and the EU.

1.2. The need for evidence-informed policy in Limpopo

Limpopo is a predominantly rural province with significant economic potential. However, it also has enormous challenges of unemployment, poverty, social inequalities and exclusion. Dealing with these challenges requires context-led, innovative interventions based on sound research. The government needs regular feedback to measure the impact of its interventions. As part of the rationale for developing the Limpopo Research Framework, the Provincial Government acknowledged the following:

- Research and innovation must underpin government policy making and other interventions;
- Research efforts in the Province are fragmented and uncoordinated;
- Government departments have insufficient resources to conduct quality research;
- The reliance on consultants for research is too costly and not sustainable;
- A need to enhance monitoring and evaluation systems in the Province;
- A need to develop research capacity in the Province.

There are some examples where research has led to policy development and fast tracked service delivery. These include:

- Research conducted by Social Development on teenage pregnancy, which led to a decision by Home Affairs putting birth registration on-line.
- The baseline study on maths and science educators done by the Department of Education which led to the establishment of MASTEC, which has shown great improvement in maths and science results;

Table 1: Departments and their research activities

Provincial department	Staffing related to research	Budget dedicated to research	Nos of Research Studies Completed ¹
Health	HR Research- 1 Manager	Could not provide information	7
Social Development	1 Manager	R2 million for 2011/2012	4
Education	1-Senior Manager 2- Managers	No dedicated budget for research	3
Agriculture	40 professional staff	R36 million (inclusive of salaries, goods and services etc)	30
Treasury	1 Manager	R2million dedicated for research	2
Public Works	1 Senior Manager	No dedicated budget on research	None
Safety and Security	2 Senior Managers	Under R200 000 dedicated for research	5
Local Economic Development, Enviroment and Tourism	1 Senior Manager 4 Managers	R2,2 Million	4
Office the Premier	1 Senior Manager and 1 Manager	No dedicated research budget	0

¹ A list of completed research is attached as Annexure 1.

1.3. Key stakeholders around policy research

Key stakeholders include:

- Government departments needing research (demand);
- Research providers in the province – particularly the two universities, but potentially also other providers such as consultants (supply);
- Research providers outside the province, who may be needed to provide specific expertise or capacity not available in the Province (supply).

One of the challenges the Observatory needs to address is that departments do not have a central database where completed research reports are kept. This means that where there has been a change of staff, it is difficult to get an accurate picture of research that has been completed. With these limitations, table 1 above shows who has been undertaking research, their capacity and the type of research that has been undertaken in the Province. This does not include data from the Departments of Local Government and Housing, Sport and Culture and Roads and Transport which could not be interviewed. A list of future research suggested is attached as Annexure 2.

Some of the challenges identified by the various Departments include:

- Lack of human and financial resources (with the majority of departments having 1 person and no dedicated budget to do research);
- Private initiated research without due permission and ethical clearance from the Department;
- Procurement processes- delays in the appointment processes and selection of inappropriate service providers (procurement processes tend to emphasise cost at the expense of quality);
- Universities source funds and undertake research that does not respond to the needs of government and the Province generally;
- Postgraduate students embark on research but it is difficult to get the final reports and some of the research is not informed by the needs of the respective departments;
- Most departments do not have a central database where completed research reports are kept;
- Research is being seen as a supportive function and therefore it always gets “left-overs” in terms of budget.

Table 2: Experiences of Gauteng City Research Observatory (GCRO) and Cape Urban Observatory (CUO)

Key Area	Gauteng City Research Observatory	Cape Urban Observatory
Year of establishment	September 2008	July 2008
Location	<ul style="list-style-type: none"> Located at Wits University-Professional Development Hub 	<ul style="list-style-type: none"> Located at University of Cape Town-African Centre of Cities
Governance	<ul style="list-style-type: none"> It has a Board made up of two representatives from University of Johannesburg and Wits respectively, office of the Premier and a representative from the local municipalities. The Board meets 4 times a year to receive and considers a Strategic plan and budget at the beginning of each year. It also approves senior staff appointments and all expenditure in excess of R500, 000. It also has a Research Advisory Committee, which meets 4 times a year to look at research priorities in the Province. 	<ul style="list-style-type: none"> It has an Advisory Board made up of representatives from the City of Cape Town, 6 local Municipalities, Department of Housing, CSIR, South African Environmental Observation Network and South African National Biodiversity Institute and Urban Landmark. It meets every 6 months. It also has a co-ordinating group, which provides day to day operational management. Finally, it has a Forum of researchers both within UCT and other research organisations
Legal Status	<ul style="list-style-type: none"> It is a research centre at Wits 	<ul style="list-style-type: none"> It is regarded as an applied research initiative of the African Centre of Cities at UCT
Core Mandate	<ul style="list-style-type: none"> Provide tools for tracking development progress (done through indicators and benchmarks) Provide Provincial and local government with direct support on specific short term research projects Unlock and help government to access the knowledge that resides in the two founding universities and other higher education institutions Lead on longer term and large scale research that builds a base of understanding of spatial, social, economic, environmental and political trends in the region. 	<ul style="list-style-type: none"> Facilitate evidence-based decision-making and improved collaboration and learning by providing a public platform for the collation, analysis and interpretation of timely and reliable geo-spatial data and information Contribute to the development of sustainable human settlements in the Greater Cape Town region Focuses on themes directly relevant to integrated development planning
Services/Programmes	<ul style="list-style-type: none"> On-request policy support work Medium to longer term applied research 	<ul style="list-style-type: none"> Supports a number of Masters and PHD students to undertake research on thematic areas

Key Area	Gauteng City Research Observatory	Cape Urban Observatory
	<ul style="list-style-type: none"> Indicators, data and data visualization Government-academia portal 	<ul style="list-style-type: none"> It uses case-study approach and works mainly in the human settlement sector- done work on vacant land analysis, urban regeneration etc
Finance	<ul style="list-style-type: none"> Gauteng Provincial Government through the Planning Commission is providing funding over the next five years. It started with R8 million and this year it received about R10, 5 million, which was 11% up from last year. The 2 Universities contribute in kind to the value of R1, 5 million per year. 	<ul style="list-style-type: none"> Received R3 million from African Centre for Cities over a 3 year funding cycle.
Staffing	<ul style="list-style-type: none"> It has 7 staff members comprising of Executive Director, Research Director, 2 Senior Researchers, 1 Senior Systems Analyst, Admin/Finance Manager and the Junior Administrator/Receptionist. 2 More Senior research positions have recently been advertised 	<ul style="list-style-type: none"> It has no full time staff and the Director spends 20% of his time towards the work of the Observatory
System of contracting work	<ul style="list-style-type: none"> It uses multiple methods- outsourcing, identifying people within the 2 universities and outside to undertake the research 	<ul style="list-style-type: none"> Not applicable. It uses postgraduate students to undertake research

1.1. Lessons from comparative experience of observatories

Table 2 summarises features of two relevant observatories elsewhere in South Africa, the Gauteng City Research Observatory (GCRO) and Cape Urban Observatory (CUO). From these we can draw certain lessons:

Key aspects that make the Observatory work:

- There is a need for **political commitment** and knowing what it can do and what it cannot do;
- A need to ensure that key Departments do not see it as a **threat**;
- It should be **independent** of Government. Experience indicates that the Chair of the Board should not be from a government department but a university representative and in particular a person responsible for research;
- A need to ensure that the Director has both **academic credentials** and deeper understanding of the political environment in which the Observatory operates;
- Knowing what research is happening and ensuring that the **research findings are useable** by Government;
- It should be **flexible and responsive** to the needs of Government.

Key lessons include:

- Be clear about what the Observatory is to do and how to ensure that it is not just another consulting firm;
- It is an initiative to build research capacity for the long-term needs of the Province. As a result, it may be costly in the beginning and have nothing to show off quickly;
- Start slowly but identify quick wins to demonstrate success and value to key stakeholders, e.g. GCRO did timely research on xenophobia and the impact of the global economic crisis and held a successful colloquium to share its findings;
- Partnerships (both local and international) are key to continue learning from others and to tap into existing expertise

1.2. Strategic Drivers affecting the Limpopo policy-research environment

The table below summarises the strategic drivers identified for the Province. The challenge would be to build on the strengths and capitalize on the available opportunities whilst developing an intervention to deal with weaknesses and mitigate risks.

Table 3: Strategic Drivers for Limpopo

Strengths	Opportunities
<ul style="list-style-type: none"> • There is buy in from political leadership and the Vice Chancellors of the two Universities; • There is management support from Departments and Universities; • There is commitment from the Provincial Government to provide funding. 	<ul style="list-style-type: none"> • The rural nature of the Province provides a niche for research; • There are 2 other universities operating in the province, viz TUT & UNISA which could enhance the existing capacity; • There are two research stations in Agriculture; • Availability of post-graduate students to conduct research; • Good co-operation and assistance of national departments in the province such as GCIS and STATSSA.
Weaknesses	Threats
<ul style="list-style-type: none"> • There are financial constraints in setting up the Research Observatory • There has been lack of team work with the Premier's office, Departments and Universities • There is lack of commitment and buy in from some Departments • Universities may not necessarily possess some of the expertise required • Decision-making within government structures is often influenced by politics and not based on facts • There is lack of understanding of the objectives of the LRO amongst some key Departments 	<ul style="list-style-type: none"> • Insufficient budget • Lack of capacity within Government and Universities • Departments seeing LRO as a threat, i.e. taking over what they are doing • Lack of buy in both internal and external stakeholders • Inability to resolve the intellectual property ownership • Lack of a link between the pronouncements and the research evidence

1.3. The need for an LRO and potential options

The Government has acknowledged that there is insufficient capacity to do research, and that the research initiatives are uncoordinated and there is a need to build research capacity for future needs. One of the options being explored is to establish a Research Observatory.

Out of the consultations held with various Departments, they have identified a number of challenges that confront them in research. This include, lack of human and financial capacity, lack of central database where completed research reports are kept and lack of co-ordination amongst the different role players in research.

The lessons that could be drawn mainly from Gauteng Province are that the Research Observatory seems to have potential in supplementing the research capacity that exists within the Province by tapping into the expertise that resides within the two Universities. For example within its short term of existence, the GCRO has produced the city-region review, which has become a resource to help decision makers to weigh up difficult policy choices.

Within the Province, there is support from political leadership of the Provincial Government and Vice-Chancellors of the two Universities to work together and address the issue of research capacity.

The Observatory should be a jointly established research centre which caters exclusively for the research needs of the Limpopo Provincial Government. Partners in this centre should be provincial government, the University of Limpopo, and the University of Venda.

The LRO should be able to mobilize much needed capacity within the Province and beyond to tackle the issues identified in the Limpopo Employment, Growth and Development Plan such as lack of economic growth, unemployment and poverty to name just a few. The LRO seeks to complement the work that individual departments do and help to meet some of the deficits. Importantly, it seeks to provide answers, the relevance and applicability of research to understand and meet the challenges facing Limpopo.

From the consultations held with the various departments, it became evident that in general, research is not prioritized in terms of allocation of resources both human and financial and LRO could assist to place research as a priority and lead the way in terms of engaging in research that will add value to the Provincial Government.

The LRO will also contribute in ensuring that resources could be pulled together to ensure departments do not embark on small-scale research that only benefits them and reduces duplication. For example, many departments conduct customer satisfaction surveys. This could be done by the LRO covering the entire Province and be used by the departments to develop appropriate interventions. In addition, most departments do not have a central database where completed research findings are kept and the LRO could play a pivotal role in ensuring that it hosts a central archive of all government research, research findings, and all other relevant government records.

Furthermore, the LRO should be able to embark on medium and long-term research that benefits the entire province and be able to translate the research into policy making processes.

Given the rural nature of the Province, the LRO could play an instrumental role in conducting research in such areas as rural development, migration, gender, age to name just a few which cuts across different department and have a direct impact on development in general.

It is proposed that the Limpopo Research Observatory is the appropriate vehicle to address the research needs of government in the Limpopo Province and to further enhance and consolidate partnerships with institutions of higher learning and key role players in Research, Development & Innovation.

2. Strategic Objectives of the LRO

2.1. Values and Principles

The LRO will be committed to honesty, fairness, integrity and transparency in all they do. The LRO will be committed to ensure that their work is useful to government and its citizens.

It is underpinned by the following principles:

- Sound research methodology, both qualitative and quantitative;
- A focus on research that will guide policy making and implementation;
- Promotion of cross-cutting multi-disciplinary research;
- Building of capacity within the Province for future research needs;
- A need to respect each partner as equal and respect of each partner is autonomy;
- Economic use of resources and fair pricing of research by the LRO/ service providers;
- Open accessibility for all research findings within the framework of legal-data sharing agreements; and
- Research should empower local communities and should use local resources.

Approach

Based on this the LRO aim to include short-, medium- and long-term research, promote cross-cutting multi-disciplinary research and ensure that it builds capacity within the Province for future research needs. This research should be aligned with the key Government Action Programmes of the Limpopo Employment Growth and Development Plan (LEGDP, see Box 1) or any current or future strategic documents/plans which might complement or replace it. The research should be action-oriented and indicate what interventions are required, the best approach to take and where appropriate measure the impact.

The LRO should also contribute to setting up good monitoring and evaluation systems, including developing indicators and benchmarks for tracking development progress to help decision makers understand how things are going compared to similar regions elsewhere, and, in part, through innovative mapping of trends and dynamics;

The research agenda for the Province would be agreed upon by the Board of Trustees of the LRO.

The Research and Development Unit within the Premier's Office will act as a clearing house for all research done in the province by outsiders. They will get proposed research agendas from the various Departments and will prioritise this and decide which one will be best be handled by the LRO. The prioritization of research in the Province could best be handled by the Committee comprising of Departments.

In addition, an ethical committee for ethical clearance should be established by the R and D to assist Departments to deal and handle ethical issues in research.

Box 1: The 14 LEGDP Focus Areas

1. Building the capacity of the State to deliver
2. Corporate Governance
3. ICT and knowledge enabled industries development
4. The Green economy
5. Environment and natural resource development
6. Safety and security programme
7. Health care programme
8. Education and skills for the economy
9. Water resource development
10. Agriculture and rural development
11. Public infrastructure investment
12. Regional economic development
13. Enterprise development and
14. Industrial development.

2.2 Goal, Objectives, Outputs and Activities

Goal:

Improved government policy, programmes and implementation enhancing the quality of life of the people of Limpopo.

Objectives:

1. The design and implementation of policies and programmes in Limpopo are informed by evidence from good quality research coordinated by the LRO;
2. Research capacity in Limpopo is enhanced.

Outputs:

There are 6 outputs proposed:

1. LRO operating effectively
2. Quality research undertaken which is responsive to government and community needs
3. M&E capacity in the province enhanced
4. Central research repository established in Province
5. Skills of researchers are enhanced
6. Recommendations from research are made accessible to government for consideration in policy-making, planning and budgeting

Activities:

1. LRO operating effectively

Activities

- 1.1 Develop and sign a memorandum of Understanding amongst the three parties
- 1.2 Develop and sign a Memorandum of Agreement amongst the three parties
- 1.3 Establish LRO as legal structure and a Board of Trustees
- 1.4 Obtain committed funding
- 1.5 Recruit staff
- 1.6 Secure offices

2. Quality research undertaken which is responsive to government and community needs

Activities

- 2.1 Obtain research needs from departments, and from key plans and strategies

- 2.2 Develop a multiyear research agenda
- 2.3 Establish contributions from parties for each research project
- 2.4 Commission quality research from the 2 partner universities or other agencies if additional capacity or expertise is needed.
- 2.5 Manage the research process effectively
- 2.6 Peer review the research

3. M&E capacity in the province enhanced

Activities

- 3.1 Develop performance indicators and benchmarks for key variables as required
- 3.2 Develop a system around evaluation as part of research
- 3.3 Assist in transforming existing departmental records into a sustainable source of data
- 3.4 Organise training and opportunities in M & E

4. Central research repository established in Province

Activities

- 4.1 Develop an on-line research database structure
- 4.2 Capture information from all research projects from 2000
- 4.3 Capture information on all student theses

5. Skills of researchers are enhanced

Activities

- 5.1 Organise training's/ seminars/ conferences on research
- 5.2 Identify opportunities to build the research capacity

6. Recommendations from research are made accessible to government for consideration in policy-making, planning and budgeting

Activities

- 6.1 Develop short summaries of research findings
- 6.2 Link the research findings with the applicable outcomes
- 6.3 Organise seminars/workshops to publish the research findings

3. Service Options

The key services envisaged for the LRO include the following:

- **Facilitating, conducting and managing research** which is aligned with the key strategic agenda of government;
- Facilitating the **dissemination of research** findings and translating research to be usable by government;
- Serving as a **research repository** within the Province;
- Providing **bursaries for students** who want to undertake research and providing opportunities for researchers in the province to enhance their capacity;
- Organise **training, provide opportunities** and bursaries to enhance the M & E capacity and
- **Support on quality** - providing methodological inputs and quality review of the research being conducted in the Province.

There are essentially 3 options being considered. These are:

Option 1:

LRO will **coordinate research** that is being done in the province. In short, this means managing the research that would have been identified for LRO, commissioning appropriate service providers and ensuring research quality. This will be in addition to the services of dissemination and translating research findings, serving as research repository and providing bursaries to students and providing opportunities for researchers to build their capacity and providing methodological inputs and quality review and enhancing the capacity of M & E

Option 2:

LRO **conducts research directly**. This implies, LRO having its own staff to conduct research and not outsource. This will be in addition to the services of dissemination and translating research findings, serving as research repository and providing bursaries to students and providing opportunities for researchers to build their capacity and providing methodological inputs and quality review and enhancing the capacity of M & E

Option 3:

LRO will **both facilitate and conduct its own research** whenever necessary. This is a combination of the Option 1 and 2 respectively. This will be in addition to the services of dissemination and translating research findings, serving as research repository and providing

bursaries to students and providing opportunities for researchers to build their capacity and providing methodological inputs and quality review and enhancing the capacity of M & E

Below are some of the advantages and disadvantages of the various service options.

Service Options	Advantages	Disadvantages
Option 1	It could improve proper co-ordination of research initiatives	The LRO will not build its own capacity to conduct research Narrow mandate It will not supplement the existing capacity of the individual departments It could be seen just as another consultancy that outsource work
Option 2	LRO staff members will have more opportunities to grow and develop their capacities	It will defeat the purpose of collaborative effort amongst the 3 partners It will not utilize the expertise that lies within Universities It will require too many staff members It may be seen as a threat and replacing research Units of individual Departments
Option 3	Utilising existing capacity within Universities and is likely to be more cost effective Supplements individual Department's Capacity Broader Mandate to fulfill LRO's objectives Flexibility-it can conduct as well as outsource It will be building the future research capacity It has potential to be sustainable	It will need Government funding in the initial phases. if significant own research is done: It may not utilize the expertise that lies within Universities It could require too many staff members It could be seen as a threat and replacing research Units of individual Departments

A resolution was taken on the 14th July, 2011 that the LRO envisaged by the partners should provide the following key services. See the Box 2 below. Option 3 was agreed to given the advantages outlined above.

BOX 2: Key Services agreed to for the LRO

- Facilitating, conducting and managing research which is aligned with the key strategic agenda of government;
- Facilitating the dissemination of research findings and translating research to be usable by government;
- Serving as a research repository within the Province;
- Providing bursaries for students who want to undertake research and providing opportunities for researchers in the province to enhance their capacity;
- Organise training, provide opportunities and bursaries to enhance the M & E capacity and
- Providing methodological inputs and quality review of the research being conducted in the Province.

3.1 System for contracting research and linking research to policy

The LRO should develop its own policies and procedures for contracting research but it will be guided by the following:

- If there is any research to be conducted, the first preference should be to liaise with the 2 partner universities to determine whether they have the expertise to conduct the research;
- Secondly, if the expertise does not reside within the 2 partner universities, it should consider outsourcing with the proviso that the service provider should partner with the local universities to impart knowledge and skills;
- Thirdly, the LRO should have the right to identify individuals and organisations with expertise and approach them directly to render services in collaboration with either of the two Universities staff;
- Fourthly, if a Department wants the LRO to conduct and manage its research, this should be accompanied by the budget.

Translating research evidence into policy is crucial to improving the service delivery. Due to a lack of awareness of the important contribution that research can make to the policy making process or to the existence of various barriers or conflicting interests, research evidence is frequently under-utilized by decision makers. The role of research in the policy process is often hampered by weak capacity to assess and use research evidence or a lack of appreciation of how research can identify government challenges and unmet needs, and

thrust to develop effective interventions and improve the accessibility and targeting of services.

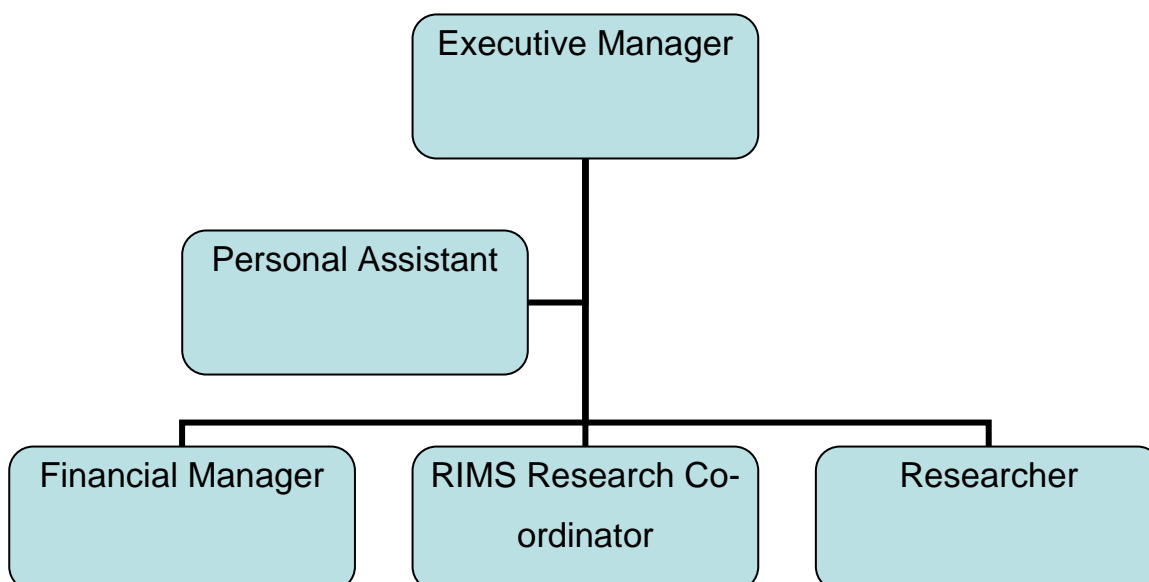
Academics and research institutions have different attributes which may help them influence policy and practice. The challenge is to identify opportunities and partnerships and use these to target government's attention and persuade it that research is important for attaining its objectives. Establishing the LRO in partnership with academics (universities) will help overcome these challenges. A framework for Getting Research into Policy & Practice (GRIPP) is attached as Annexure 3

4. Human Resources

The human resources needed will be dependent on the service options outlined above. There are three options:

OPTION 1: COORDINATE RESEARCH (using expertise from the universities to undertake the research)

This option will comprise of the following human resources: Executive Manager, Personal Assistant, Researcher, Financial Manager and RIMS Research Co-ordinator. It will have the following organogramme

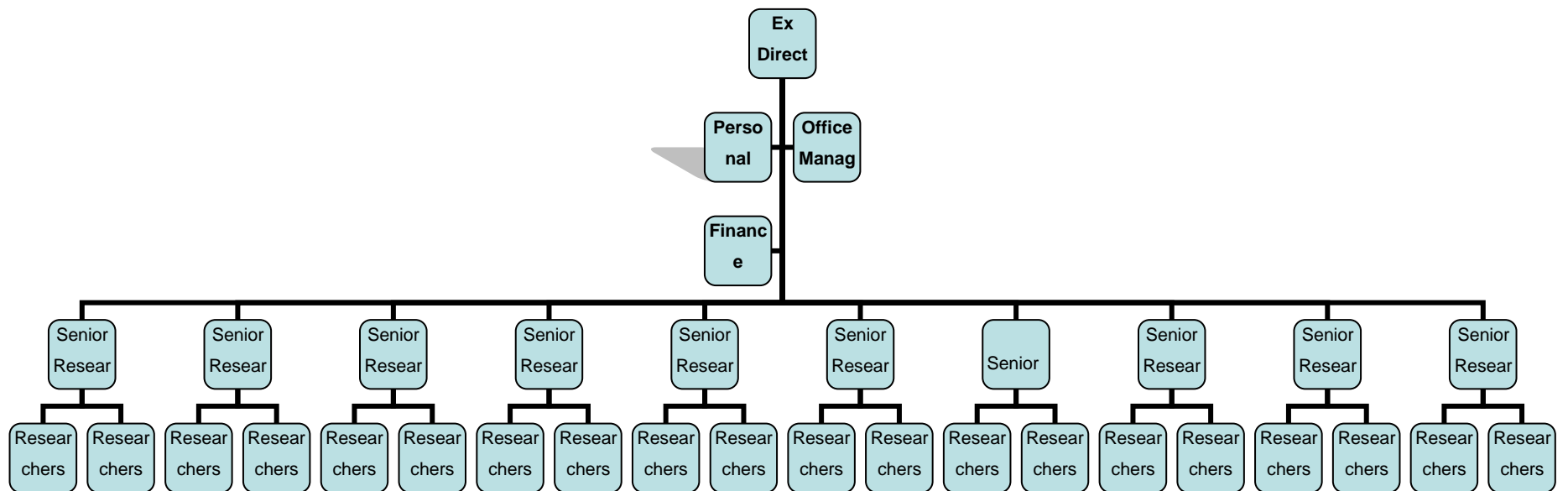


OPTION 2: CONDUCTING RESEARCH

This option envisages the LRO conducting its own research without tapping into the expertise of the 2 Universities. In this case the following staff complement is suggested:

1	Executive Director
14	Senior Researchers: (One responsible for each LEGDP Focus Area)
28	Researchers: (Two responsible for each LEGDP Focus Area)
5	Administration Staff: <ul style="list-style-type: none"> • Admin Officer (Office Manager): x01 • Financial Manager: x01 • Secretariat: x01 • Receptionist: x01 • Data Capturer (Filling): x01
48	TOTAL STAFF

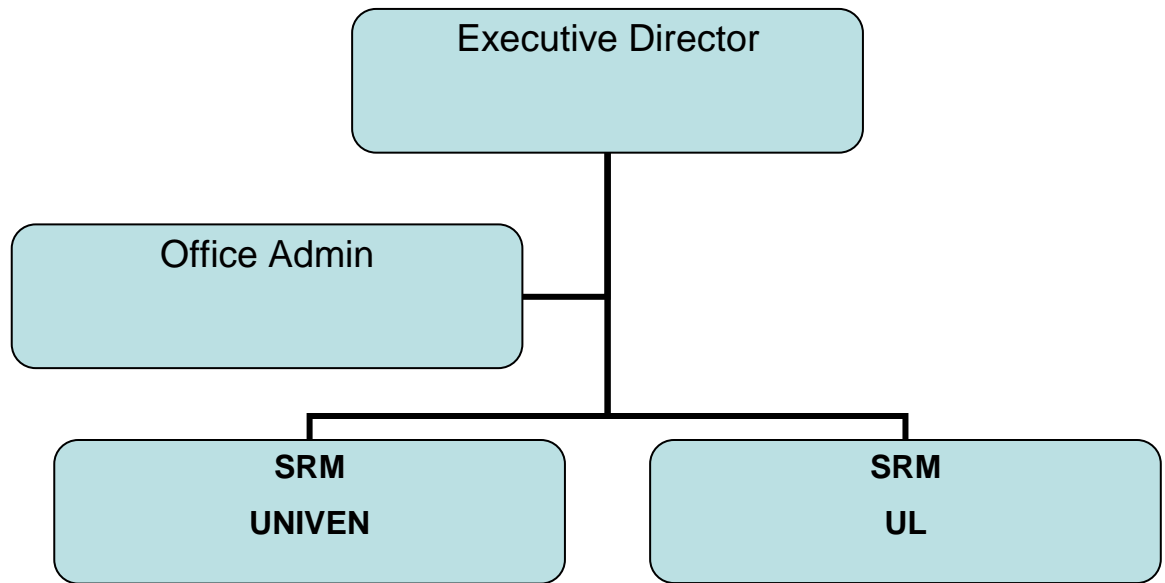
Possible Structure



Option 3: Combination of both (conducting and facilitating research)

It proposes the following:

- Executive Director
- Office Administrator
- Senior researchers managers: One stationed at UNIVEN and the other one at UL



SRM=Senior Research Manager

A resolution was taken at the meeting held on the 14th July that the LRO should be guided by these principles:

- It was agreed that there should be a flat structure with Executive Director , Two Senior Research Managers and Office Administrator and
- Given the distance between the 2 Universities, there should be a Senior Research Manager at UNIVEN and UL respectively.
- The available financial resources and the need to utilize the expertise that lies within the two Universities and
- The LRO should utilize legal and financial expertise within Universities.

Job descriptions and the applicable Post levels of these key staff members have been included as Appendix 4.

5. Financing

5.1 Sources of Income

The Limpopo Provincial Government will be the major funding partner. It is proposed that it will provide a grant of R5 million per year over a five year period. However, the two universities will also contribute in kind. The Universities will utilize their existing expertise and these experts commissioned to do research will be paid their normal salaries by the Universities. Both universities will also provide offices, facilities and administrative support to the LRO. It was also resolved that the Universities should provide offices and pay for the telephone, stationary, cleaning, repairs and maintenance, water and electricity

The LRO will also commission some research projects for government departments and other interested stakeholders and this will generate income for the LRO. A proposal was made during the workshop on business plan development and reaffirmed at the meeting on the 14th July that the LRO will charge and overhead of 25% for project management and quality control as an attempt to sustain itself.

In addition, it was agreed that Departments that would like the LRO to conduct and/or facilitate research on their behalf should make budget available and the LRO will charge an overhead of 25% for these services.

The Executive Director of the LRO will also be responsible for lobbying for financial support from other organisations and donors with the view to creating a self-sustainable LRO within 5 years where government will stop providing grant and LRO is able to generate its own income.

Furthermore, other income generation activities such as intellectual property commercialization and publications will be considered.

Income

YEAR	2012/13	2013/2014	2014/2015	2015/2016	2016/2017
Limpopo Provincial Government	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00
Universities	In kind Contribution	In kind Contribution	In kind Contribution	In kind Contribution	In kind Contribution
Total for financial year 2012/13	5,000,000.00				

5.2 Applicability of the Public Finance Management Act (PFMA)

All donations made by the Limpopo Provincial Government to the Trust shall be subjected to the Public Finance Management Act, 1999 (Act No. 1 of 1999). All payments made by the Trust out of such moneys shall also be subjected thereto as if the Trust was an entity in terms of the aforesaid Act. The Trustees shall further ensure that the Trust implements effective, efficient and transparent financial management and internal control systems and must provide such written assurance to the Limpopo Provincial Government before any transfers take place and must account regularly to the Limpopo Provincial Government in respect of all moneys spent.

The LRO must also ensure that the following are adhered to:

- a. Expenditure is done in accordance with decisions of the Parties in relation to the establishment of the LRO and that all financial transactions are in accordance with the requirements of the PFMA and externally audited;
- b. Report monthly to the Board regarding progress on the establishment of the centre including monthly expenditure reports in the format as required under the PFMA; and
- c. Submit detailed budgetary proposals as agreed to by the Board to the Provincial Government when requested to do so. The proposed budget must adhere to the principles on budgeting as prescribed by the PFMA.

5.3 Expenditure

It is envisaged that the key expenditure items would be personnel, running expenses (office, travel, conferences, overheads, IT, HR, Finance, communication, staff training and research costs.

A preliminary analysis of estimated cost for key personnel and other related expenditure is attached as Appendix 5.

6. Management Arrangements

6.1 Legal Structure

The table below indicates the various options available to establish a Research Observatory as a legal entity.

Table 4: Types of enterprises and their advantages and disadvantages

Type	Advantages	Disadvantages
Private Company (Companies Act, 61 of 1973)	Shareholders has limited liability for the debts of the business Not compulsory to held an annual general meeting Suited for smaller undertakings in which secrecy is important Has its own legal entity and has continuity	Contribution is limited to the contribution of maximum of 50 members May not invite the public to buy shares in this company Shares are not easily transferable Time consuming and expensive to register this form of ownership because there are many legal requirements
Partnership	Easy and not expensive to start. No legal requirements except for an agreement between the partners Jointly decision making and give better results Jointly and severally liability of partners increase the credit worthiness of the business	No continuity Ordinary partners are liable in an unlimited way for the debts of the business No audit of financial statements and fraud can occur Delay in decision making processes
Public Company (Companies Act, 61 of 1973)	Shares are freely transferable Can create a large sum of capital because the capital is divided in smaller parts to be sold to the public	Expensive to establish Take a long time to register Must comply with the stipulations in the Act which means extra costs
Section 21-not for profit (Companies Act, 61 of 1973)	Organisation has perpetual succession It can sue, be sued and enter into contracts in its own name	May not be particularly attractive to the donors because of lack of regulation and statutory control Constitution may not protect members adequately Members and office bearers are liable although limited

Type	Advantages	Disadvantages
Trust (common law and the Trust and Property Control Act, 57/1988)	<p>Highly flexible and could be designed to suit each parties</p> <p>Trust property is protected and trustee acting in that capacity is not liable for trust debts (except in extreme circumstances if s/he has committed fraud)</p> <p>Liability will not be attached to the Government and Universities</p> <p>Protect assets- Litigation and political instability are two of today's biggest threats to one's assets</p> <p>Trust deed is easily amended if the need arises</p>	<p>It can be expensive to set up and take long</p> <p>Cannot distribute losses, only profits</p>

It should be stated that whilst other options have been considered, a decision was taken and reaffirmed on the 14th July to opt for a Trust given its flexibility in ensuring that the objectives of the LRO will be achieved. Secondly, the fact that each partner will not be liable for trust debts is good enough to enter into a relationship governed by a Trust.

6.2 Relationship between key stakeholders

A memorandum of Agreement between the Limpopo Provincial Administration and the Universities of Venda and Limpopo will be developed and finalized to provide a framework for the different stakeholders to work together. The various roles of each party will be documented in the Trust Deed.

6.3 Proposed Board

The LRO will be governed by a Board of Trustees governed by the Trust Property Act 57 of 1998. The following criteria are proposed for members to be appointed to the Board:

- (I) People who understand:
 - Research
 - Finances
 - Management
 - Governance and working with government
 - Legal background
- (ii) Representatives of the main stakeholders, including provincial government, universities and possible municipalities

To ensure strong research oversight, one representative from each University must be from the relevant research directorates.

The Board should be constituted of the following persons:

- Executive Director of the LRO (ex-officio member) and Board secretary;
- Two representatives from each University, of which at least one representative must be from research directorates;
- Two senior officials from government, preferably one from Policy and Research in the Office of the Premier;
- One representative as nominated by SALGA;
- One representative from an NGO dealing with research and development matters;
- One representative from the Financial Sector in the Province; and
- One Legal Advisor Practitioner with 5-10 years' legal experience.

The three parties, viz, Premier's Office, Universities of Venda and Limpopo will agree on who should be the Chairperson. The Trustees will determine the feasibility of establishing sub committees like finance, human resources and audit. The Board should meet quarterly.

Appointments of Trustees

- The appointment of the Trust Board will be facilitated by the Office of the Premier in collaboration with the two universities;
- The final approval of appointments will be ratified by the Executive Authority in the Office of the Premier;
- The Trustees should serve a maximum of 4 years with the option of serving another term.
- If a Trustee fails to attend 3 consecutive meeting without any valid reason and/or if a Trustee is found guilty of gross negligence or misconduct, membership will be terminated;
- Trustees will only be compensated for any necessary travel expenses that they personally may have incurred in connection with the performance of their duties as trustees, in line with LRO policies. The Executive Director will appoint the key staff members to assist in the performance of the LRO's functions, with senior staff approved by the board.

Functions of the Board of Trustees

The Board will be responsible for the following:

- Providing governance and oversight of the LRO
- Approving policies and procedures for the effective and efficient running of the LRO
- Approving the budget and the strategic plan for the LRO at the beginning of each financial year;
- Appointing the Executive Director of the LRO, and approving the appointment of Senior staff by the Executive Director
- Reviewing progress and financial reports on a quarterly basis, and submission of same to the LPA;
- Overseeing the development of appropriate monitoring and evaluation systems or mechanisms in conjunction with the Monitoring and Evaluation Unit in the Office of the Premier.
- Overseeing that procurement is in line with the Limpopo Preferential Procurement Policy Framework; and

6.4 M & E System

The LRO will design an M & E system to ensure the following:

- To monitor research projects and ensure that deliverables are produced in time and of high quality;
- To document experiences and draw lessons to inform policy making processes;

Table 5: M and E Matrix

Narrative summary	Indicators
Goal Improved government policy, programmes and implementation enhancing the quality of life of the people of Limpopo.	
Outcome Research capacity enhanced	<ul style="list-style-type: none"> • Number of researchers trained • Level of competence of the Researchers • Number of research conducted leading to policy
Outputs 1. LRO operating effectively 2. Quality research undertaken which is responsive to government and community needs 3. M&E capacity in the province enhanced 4. Central research repository established in the Province 5. Skills of researchers are enhanced 6. Recommendations from research are made accessible to government for consideration in policy-making, planning and budgeting	<ul style="list-style-type: none"> • Memorandum of Agreement in place • Approved policies and procedures • Adopted Annual Plan and budget • Competent staff appointed • Level of adherence to the universally accepted standards (e.g. South African Statistics Quality Assessment Framework) • Number of research conducted leading to policy • M & E system developed • Quality of the System developed • Number of workshops held • Level of capacity • Quality of the Repository • Number of research reports kept • Development of E library • Number of researchers trained • Level of efficiency • Level of effectiveness • People and institutions using the LRO core competencies and approaches • Level of competence of the researchers • Number of workshops/seminars held to make recommendations available • Number of people attending the workshops/seminars • Calibre of people attending the workshops/seminars • Number of recommendations being followed up by Government

7. Risks and Risk Management

In managing risk, the LRO will adopt a three (3) –phased approach, namely:

- Risk identification
- Risk analysis
- Risk response/mitigation strategy

Each potential risk has been assessed in terms of probability (high; medium and low) and impact/severity (low; medium and high). Furthermore, the LRO used the Risk Assessment Matrix below to identify which risks that require development of a plan for further action (I.e. the development of a mitigation strategy)

Table 6: Risks and Risk Management

Risk	Risk Analysis		Mitigation Strategies
	Probability	Impact	
Insufficient budget	High	High	Sensitize leadership to realise the long term benefits of the LRO, i.e. building research capacity
Ownership of the Intellectual property	Medium	High	This should be covered in the Deed of Trust
Inability to attract high calibre researchers	Medium	High	Provide non monetary incentives
Departments may not use the LRO services	Medium	High	There has to be on going engagement with the Departments to ensure that the LRO adds value and supplement their capacity

8. Partnerships

The LRO is first and foremost, a co-operative effort and that spirit should be reflected in how and who it works with. Given the new knowledge economy, the selection of strategic partners with whom to collaborate is now becoming life or death issue. For the LRO to render effective and efficient services and achieve its objectives there is a need to establish partnerships with a wide range of stakeholders. Furthermore, through partnerships, it will create awareness of the work that LRO does and reduce duplication, adds complementary resources and capabilities, grow and expand more quickly and efficiently

At the Local Government level, over and above, a representative of SALGA who will be serving as a Board of Trustees, there is a need to ensure that the LRO establishes partnerships with both the District and local Municipalities within the Province.

At a Provincial level, the LRO will have to establish a good and working relationship with the Provincial Government through the Office of the Premier as well as the two Universities. In addition, there is a need to establish relationships with individual Departments to ensure that the relationship is mutually beneficial. By sharing with these key stakeholders, the LRO can direct its resources and capabilities to projects considered a priority.

Nationally, it will be important to establish partnerships with the two existing Research Observatories, viz, Gauteng City and Cape Urban. This will ensure that LRO learns from each other and lessons that are applicable to Limpopo could be applied and enable the LRO to make continuous improvements.

Finally, we are living in a global society and the LRO should make effort to establish partnerships with international agencies that could add value to the work of the LRO.

The LRO will develop a guideline on this aspect but it is envisaged that in some instances it will have formal agreements whilst in others it will be informal.