

Perspectives

on KwaZulu-Natal

Volume One - Number Two - April 2001

KwaZulu-Natal government suspends peace education project after spending millions

The KwaZulu-Natal government has abandoned a peace education programme after spending millions from the R80 million budget. The money was part of an allocation from the national government's Reconstruction and Development Programme (RDP) and has been a matter of much argument and debate since finance minister Trevor Manuel first allocated RDP money to the province in the 1996/1997 financial year. Initial concerns related to the money not being spent, but a vicious debate erupted late in 1998 and spending was put on hold pending an audit following allegations that funds had been used inappropriately, proper tender procedures had not been followed and exorbitant consultant fees had been paid. The former director-general of KwaZulu-Natal, Otty Nxumalo, whose contract expired and was not renewed in August last year, has been at the centre of the entire debacle.

At least R180 million of the RDP money was used to set up the KwaZulu-Natal Peace Initiative, a two-pronged programme that had two laudable aims in mind. One was to recognise communities and individuals who had made a significant contribution towards establishing peace in the province and the other was to ensure long term sustainability of peace by investing in the people of the province. Phase One to achieve the first objective was concerned with the provision of infrastructure. The province was divided into 20 areas, each of which was given R3.5 million to spend on projects such as building multi-skills centres. The second objective was to be achieved by way of a peace education programme.

The common denominator in the management of the RDP money is RTM Human Resources Consultants, now known as RTM Management Consultants (Pty) Ltd, and its director Ronald Thulani Msomi. A teacher in the early 1970s, Msomi's curriculum vitae states that he has worked for Murray and Roberts Construction, Grinaker Construction, Corobrik and Frol Holdings-Construction Group. He is also human resources director of Sara Lee and regional director of Human-Mundels. Msomi is currently also a director of HR Communications cc and Umalusi Investments. Msomi also claims to have done work for several provincial government departments before he was asked by Nxumalo in September 1996 to submit a proposal on how he could manage the Peace Initiative. The relationship between Msomi and Nxumalo has been the subject of much discussion, but Msomi denies having been close friends with Nxumalo when they were both employed at the University of Zululand. Msomi said that he was the human resources director, while Nxumalo was the deputy dean in the faculty of education.

Perspectives on KwaZulu-Natal was published by Profile KwaZulu-Natal cc in 2001 and 2002. All rights reserved. No editorial material published in Perspectives on KwaZulu-Natal may be reproduced in any form without prior written permission from, and acknowledgement to, Cheryl Goodenough.

Perspectives on KwaZulu-Natal was proofread by Donna Hornby from Absolute Proof.

Copyright Profile KwaZulu-Natal cc, 2001, 2002

Following his initial approach by Nxumalo, Msomi was appointed as a management consultant and was responsible for recruiting the management structure of the first phase. Although details of the recruitment process are sketchy, the January 1997 advertisement calling for applications for the position of project manager of the Peace Initiative stated that initial responses were to be handled by Human-Mundels. According to the advertisement the employee would work out of the office of the director-general. On February 13, 1998 Nxumalo signed the contract between the KwaZulu-Natal government and RTM Human Resources Consultants. According to this contract the management budget was R7 208 804 and was to be paid over three years. The detail of expenditure by the consultants has been the subject of several audits ordered by the provincial government. The auditor-general Barry Wheeler said in his report for the Peace Initiative's 1997/1998 financial statements that payment vouchers amounting to almost 90% of the expenditure was not available making it extremely difficult to validate and verify the expenditure. Notwithstanding such concerns raised in audits, Programme Management Services, which was involved in overseeing the planning, implementation and monitoring of RDP projects from Pretoria recommended in September 1998 that it would be advisable to make provision for additional funds for project management. It is not known whether the key findings of audits were considered when this recommendation was made.

Costs which have been claimed by Msomi, some of which have been queried by auditors, include:

- R16 750 for 67 hours to seek accommodation for the project manager and submission to the secretary of the Department of Works.
- R72 000 for "gathering of data on various regions of the province"
- An average of 13.6 hours worked per day during a period in mid-1997
- Costs for attending meetings that lasted 12 hours according to the invoices, but not more than four-and-a-half hours according to the minutes.
- Numerous duplications in charges for items.
- The cost of organising a workshop at Kapenta Bay, Port Shepstone was at least R39 000. This included 68 hours at R250 per hour (totally R17 000) spent by the project consultant on planning, supervising and providing resources for the arrangements of this workshop in conjunction with the RTM management assistant and public relations officer as well as with a consultant from HR Communication. The government was also billed for 34 hours totaling R8 500 for facilitating the workshop, developing the proposed schedule for the curriculum and producing the advert calling for tenders. It took 55 hours at a cost of R13 750 to "arrange finer details" of the workshop, ensure that the minutes were properly distributed and to work with the research community co-ordinator to set up the structure to receive tenders.
- Msomi approved an invoice from Ms D.N.S. Ngcobo for R10 200 for the preparation of a presentation and the binding of documents for the Peace Initiative trustees and the premier. She charged for 51 hours, but said that the work was done in two days.
- Duplicate payments amounting to R409 112.

After an initial focus on Phase One of the Peace Initiative, work on the peace education curriculum started in 1998. The tender to develop the curriculum, which was worth

Perspectives on KwaZulu-Natal was published by Profile KwaZulu-Natal cc in 2001 and 2002. All rights reserved. No editorial material published in Perspectives on KwaZulu-Natal may be reproduced in any form without prior written permission from, and acknowledgement to, Cheryl Goodenough.

Perspectives on KwaZulu-Natal was proofread by Donna Hornby from Absolute Proof.

Copyright Profile KwaZulu-Natal cc, 2001, 2002

R8.633 million, according to a provisional budget, was awarded in 1999 to a consortium led by the Institute for Multi-Party Democracy (IMPD). One of the six organisations involved was the Centre for Development Research Facilitation, which was headed by Otty Nxumalo's wife, Dr Tshitshi Mbatha. Other organisations that formed the Section 21 company registered as the KZN Peace Education Initiative Association were the Human Rights Institute of South Africa, Family and Marriage Society of South Africa and the Small Micro and Medium Enterprises KZN Co-operative. In its final form, the curriculum consisted of six modules covering conflict management, democracy, diversity management, human rights, life skills (including parenting skills, sexuality, stress management, business skills, trauma and self-awareness) and ubuntu (an African term for humanitarian actions which are concerned with caring, sharing and being in harmony with creation).

The adjudication process which led to the awarding of the tender to the IMPD-led consortium did not involve the KwaZulu-Natal Tender Board after both phases of the Peace Initiative were granted exemptions from normal tender regulations apparently at the request and motivation of Nxumalo, although details of his motivation are unknown. The tender board chairman did, however, sit on the adjudication committee in his private capacity. Other members were Msomi, S.G. Ngcobo as the director of HR Communications, M.T. Rodolo, who was Msomi's project manager of the Peace Initiative, former school inspector W.K. Radebe and S.S. Chonco, the director of Incwadi-Senzokuhle Associates and education lecturer at the University of Zululand.

It is questionable whether the adjudication procedure was more than a formality. At the invitation of RTM Human Resources Consultants a workshop was held at Kapenta Bay, Port Shepstone on May 15 and 16, 1998. This was more than 10 days before proposals for the development of the curriculum were called for in newspaper advertisements and about two months before Msomi announced that the IMPD-led consortium had been awarded the contract. All the organisations that made up the IMPD consortium were present. Only about two other organisations were represented and several bodies involved in similar work in KwaZulu-Natal claim that they were not invited. The minutes of the workshop state that "on behalf of the consortium", IMPD director Professor Mafa Sejanamane presented an outline of the curriculum and gave details of target groups that had been identified. The consortium was asked how much time was needed to develop the manual and were advised to consider the regions that would be engaged in a pilot project to evaluate the curriculum. The minutes also state that the research community co-ordinator of RTM Human Resources, Funi Shabalala, could assist the consortium. The published curriculum released in March 2000 states that Shabalala co-ordinated the curriculum development project. She also wrote the section on the curriculum for IMPD's 1999/2000 annual report and is listed as a member of IMPD's research unit.

After the completion of the curriculum, details about the implementation part of the curriculum process were advertised by RTM Human Resources Consultants and the Peace Initiative in April and May 2000. The tender required that workshops were held throughout the province between August 1, 2000 and November 30, 2002. One tender was supposed to be awarded for each of the six modules and successful tenderers were told that they would have to send their trainers or facilitators to a training workshop that would be organised and paid for by the KwaZulu-Natal Peace Initiative. Tenders were to be submitted by June 23, 2000 along with a non-refundable tender processing fee of R200. Although a document detailing the tender states that cheques should be made out

Perspectives on KwaZulu-Natal was published by Profile KwaZulu-Natal cc in 2001 and 2002. All rights reserved. No editorial material published in Perspectives on KwaZulu-Natal may be reproduced in any form without prior written permission from, and acknowledgement to, Cheryl Goodenough.

Perspectives on KwaZulu-Natal was proofread by Donna Hornby from Absolute Proof.

Copyright Profile KwaZulu-Natal cc, 2001, 2002

to the KwaZulu-Natal provincial government, one organisation said that its cheque was never cashed after it refused a request to make the cheque out to 'cash'.

According to a provisional budget, the allocation for the rollout of this project was to be R84 million. Although no statements were made publicly, the IMPD consortium was allegedly also chosen to implement the curriculum, but provincial government stopped work on the project. The first infrastructure-related phase was also simultaneously suspended for a second time pending discussions between the government and Msomi.

In his budget speech in the Pietermaritzburg legislature in March, Premier Lionel Mtshali announced that the Cabinet had "after much deliberation" decided to stop all activities related to the second phase of the KwaZulu-Natal Peace Initiative. The new director-general Richard Sizani says that Cabinet "felt that peace education could be dealt with by non-governmental organisations and other organisations". According to Mtshali, R10 million would instead be used for the establishment of trauma centres, R25 million by the Department of Housing for the rehabilitation of houses destroyed by violence and another R25 million would be reallocated to the Office of the Premier "to continue with promotion of peace-related projects". Sizani says that the Premier's allocation will be used for youth empowerment.

The director-general is unsure how much money has already been spent on the peace education curriculum because financial officers are still reconciling expenditure. Such a process is probably made more difficult because some of the money allocated to the first phase was spent on expenses related to the education curriculum in the second phase. Sizani says that R18.6 million of the original R80 million has been reallocated to complete the first phase of the peace education project.

In the hope that the curriculum will not be completely abandoned, the director-general says that he has asked for the curriculum, which is the property of the provincial government, to be brought to his office so that he can discuss its use by the Department of Education.

In the meantime renewed efforts are being made to complete the first phase of the Peace Initiative. Sizani said that he is working together with Msomi as a number of infrastructure projects are near to completion. Six projects - in Umbumbulu, Umlazi, Ndwedwe, Pietermaritzburg, Pongola and Paulpietersburg - have, however, been abandoned. Business plans for these projects have either not been submitted or signed. Construction work is yet to start on a number of other projects.