

MONITORING AND EVALUATION UNIT



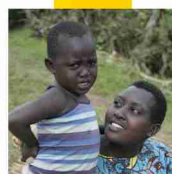
BIG FIVE FALSE BAY LED STRATEGY: PROJECT EVALUATION 2008



Department of Economic
Development
Umnyango Wezokuthuthukiswa
Komnotho
KWAZULU - NATAL

CONTENTS

Introduction	3
Evaluation Objectives	3
Research Methodology	4
Project Context and Project Description	4
KEY FINDINGS	5
Strategies of the KZN DED	5
Project Initiation	6
Project planning	6
Project Implementation	6
ANALYSIS	9
Relevance	9
Efficiency	9
Effectiveness	10
Impact and Sustainability	11
CONCLUSION AND RECOMMENDATIONS	12
Appendix A: List of Documents Consulted	13
Appendix B: List of People Interviewed	15



Study commissioned to Umhlaba Development Services

ABBREVIATIONS AND ACRONYMS

DED	Department of Economic Development
KZN	KwaZulu-Natal
LED	Local Economic Development
M&E	Monitoring and Evaluation
TOR	Terms of Reference



Introduction

The KwaZulu-Natal Department of Economic Development (DED) is committed to building the provincial economy and reducing poverty. The Local Economic Development Programme of the DED strives to fulfil this by stimulating and supporting sustainable economic development at local level. This is approached primarily through planning, resourcing and implementing projects. The DED is committed to learning from past mistakes so as to improve future implementation, effectiveness and impact. This project evaluation forms part of these efforts, to learn from its experience and improve its performance towards achieving its strategic goals.

This project evaluation focuses on the project to develop an LED strategy in the Big Five False Bay Local Municipality in Umkhanyakude District in northern KwaZulu-Natal. The project was supported by DED's LED sub programme. The project complied with regard to the DED's criteria in selecting projects for evaluation which had been in existence for a minimum of 18 months, thereby providing sufficient basis for meaningful evaluation.

The evaluation was conducted by Umhlaba Development Services.

The report begins by identifying the key findings related to the DED's strategies and internal project management processes vis-à-vis the needs of the community. Secondly, based on these key findings, the report provides analysis and conclusions according to the above evaluation parameters. Linked to these findings, the report concludes with proposed recommendations intended to improve the current performance of the DED.

Evaluation Objectives

The objectives of the study are to evaluate the project according to the following primary evaluation parameters:

- The relevance of the project by assessing the objectives against problems to be solved.
- The efficiency of the project by assessing the relationship between activities or inputs and outputs.
- Reviewing the effectiveness as reflected in the relationship between the results (outcomes) and the purpose of the project.
- The impact of the project in terms of contributing to broader departmental and sectoral goals
- The sustainability of the benefits flowing from the project



Research Methodology



The evaluation field-team conducted face-to-face interviews with officials of the DED and the Big Five False Bay Local Municipality. A questionnaire was developed to extract information about the project background and profile, its envisioned impact and its actual outcomes. In addition, participants were invited to share their learnings with researchers.



In order to frame the background of this project, researchers scanned copies of documents obtained from the DED Project Manager directly related to the history and processes of the project.

Initial contact was made with the DED Project Manager to make an appointment for an interview and to solicit his support to arrange for interviews with the municipality's stakeholders. An interview with the service provider was arranged directly by Umhlaba.



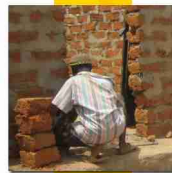
Project Context and Project Description

The Big Five False Bay Municipality centres on the small town of Hluhluwe and forms part of the Umkhanyakude District Municipality which is classified as a Presidential Node under the Integrated Sustainable Rural Development Strategy. The region has been hampered by political and infrastructural neglect and is reported to be one of the poorest and most underdeveloped areas in southern Africa. It has large income discrepancies, low levels of literacy, a high population growth rate, a high incidence of HIV/AIDS, high dependence on migration to urban centres, high unemployment rate and decreasing formal and increasing informal employment. The poverty profile of communities living in the area is indicated in the figures for households with total income less than R600 per month in the five local municipalities of Umhlabuyalingana, Jozini, Big Five False bay, Hlabisa and Mtubatuba, totalling some 72,344 households. Women head more than half of these households.

The Big Five False Bay Local Municipality participates in Project Consolidate, which was initiated to provide support and capacity building for under-resourced and under-performing municipalities and which is managed by the KwaZulu-Natal Department of Local Government and Traditional Affairs. Service delivery levels are low due to inadequate capacity, including human capital and financial resources. The major economic activities have been mainly in the areas of agriculture, tourism, trade and retail and services, but relatively few of the local population are employed or benefit directly from these activities.

The Terms of Reference (TOR) for the Big Five False Bay LED Strategy project set out the overall objectives of the project as follows:

- To facilitate the formation of the LED Unit
- To develop a local economic development plan
- To develop and implement projects and capacitate existing LED staff of the Big Five False Bay Local Municipality



KEY FINDINGS

Strategies of the KZN DED

One of the main strategies of the KZN DED is to ensure that previously disadvantaged individuals are assisted to access the mainstream economy within the province, through either forming partnerships and/or joint ventures with private companies or accessing business opportunities resulting from government's supply chain management framework.

Another of the DED's strategies is the provision of economic development support to municipalities in order to assist them to fulfil their development mandates. The LED support that is being provided to the Big Five False Bay is in line with this strategy.



The primary role of the DED projects at local level is threefold, namely to facilitate processes with relevant stakeholders, to build capacity in beneficiaries and to allocate resources commensurate with the planned project outcomes. Once these roles are accomplished, the DED takes on the responsibility to assess the quality of the services and to monitor the outcomes and impact of the project, including the changes it creates within the economy.

Project Initiation



Although initial meetings were held between the DED and the municipality, the limited involvement of the municipality in the development of the TOR for the project created conflicting expectations between the DED and the municipality. The municipality expected the DED to fund the LED personnel, but this was not included in the TOR or the intervention deliverables.

Project planning



There was no formal plan to develop the capacity of the staff of the client/partner municipality to carry out their LED functions.

Project Implementation

The DED provided inputs in the form of human and financial resources. The DED contracted an external service provider to deliver outputs as specified in the TOR. An amount of R 200 000.00 was allocated to the project, with a contract value of R 175 000.00 for the service provider. The DED staff person allocated to the project managed the relationship between the service provider and the Municipality. He was available to provide guidance for implementation of the project.

The Big Five False Bay Municipality has extremely limited resources for implementing the LED function, as required by the Constitution and related local government and sectoral legislation. The LED function is placed within the Development Planning Unit of the municipality which is also overstretched. The Development Planning Unit has two staff persons, namely the Development Planning Director and the LED Officer.

Capacity building for the LED officer, when it occurred, was ad hoc and hands on and mainly provided by the DED staff person allocated to the Project. The DED provided no supportive reading material for the LED officer, except for an LED manual.

The DED found this project was given a lower priority than competing activities of the municipality, resulting in non-availability of municipal staff for meetings. This in turn resulted in certain issues and objectives not being

addressed, and in-tension between the DED and the municipality. Outputs that fell away include a structured capacity building programme for the LED officer, and the establishment of a LED unit. This is the only municipality within Umkhanyakude District Municipality that does not have a LED unit.

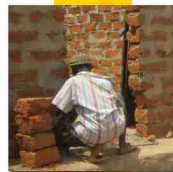
There was no Project Steering Committee to guide the project. In addition, there is no LED Forum, which is a critical support structure for ensuring public participation in informing and shaping LED drives and ensuring ownership and sustainability.

The Project has been closed, although the municipality has not yet formally adopted the LED strategy. It is expected that the municipality will adopt the strategy after the service provider has incorporated their final comments which include aligning the strategy with the municipality's Integrated Development Plan.

The TOR specifies that the following deliverables come out of the project:

- Situational, Sector and SWOT Analysis
- Strategic Development Framework
- Database of Economic Development Opportunities
- A suitable LED Unit and a plan for the Municipality

Review of the draft LED strategy reveals that above identified outputs have been included.





ANALYSIS

Relevance

Relevance is about designing an intervention that responds to a particular context at a given time and targets appropriate people.

The Constitution of South Africa and the White Paper on Local Government provide that local government should promote social and economic development centred on working with communities to find sustainable ways of meeting their needs and to improve quality of life. This includes the promotion of local economic development, which is a relatively new area of programmatic work in South Africa. To achieve this, municipalities need to establish fully-fledged local economic development units capable of formulating and implementing LED strategies at local level. Capacity in terms of human and financial resources is imperative in the realisation of this.

As noted above, the Big Five False Bay Municipality has limited capacity to facilitate local economic development in the area in terms of both human and financial resources, and given the economic conditions, where there are limited opportunities of formal employment, there is a great need for employing programmatic vehicles like a local economic development unit to support the community in fighting against poverty and underdevelopment.

In view of this situation, an initiative that seeks to develop capacity of the Big Five False Bay Municipality to promote and facilitate local economic development, including the establishment of a LED Unit, is highly relevant.

Efficiency

The efficiency of a project is mainly concerned with the use of the project resources (inputs) in order to produce the outputs.

The DED staff person allocated to the project was efficient in managing relationships and ensured the delivery of deliverables. He evidently tried as far as possible to be available to the municipality, and he continues to do so, including being available to share and impart LED knowledge to the municipal LED staff. Stakeholders accredit him for this, both in the municipality and the service provider.

In terms of supply chain, DED was able to pay the service provider within a month of invoicing.





The contrasting expectations between the municipality and DED constrained the efficiency of the Project. The contract provided for a project life span of six months. Given the time allocated and the scale of the project, the delivery of the project needed to be hands on for maximum benefits to be derived. The capacity-building component did not deliver the planned outputs of the project. At time of the evaluation, the municipal council had not yet adopted the LED Strategy, pending incorporation of their comments into the strategy. No LED Unit was established in the municipality, although the service provider did deliver a document with a detailed plan to establish the LED Unit. There was no structured capacity building for the LED officer in the municipality.

It is suggested that the project funds could have been more efficiently applied through accessing hands on support over a longer period. For example, a consultant could have been employed for six months on a full time contract basis for this purpose, with terms of reference that included stakeholder and community participation and delivery of all of the project outputs.

Effectiveness

The effectiveness of a project is based on the extent to which the project has achieved its intended outcomes.

The project has increased LED consciousness within the municipality. The facilitation of an LED forum has been established, and a political champion from the municipality has been mandated to spearhead this process.

The Terms of Reference for the service provider specify the task as, inter alia, facilitating the establishment of an LED strategy. At the close of the project, a draft LED Strategy had been developed, although it was still subject to adoption by Council. The final report from the service provider includes a marketing plan for the Big Five False Bay Local Municipality.

However, the LED unit is not yet in existence, and there is still a gap in capacity relating to LED on the part of the municipal LED staff. The current LED incumbent still has major limitations on her capacity to perform her LED function. The lack of a capacity-building plan, and competing needs within the municipality, have constrained the achievement of this intervention. The environment within the municipality was not always conducive to the successful implementation of the project.

Impact and Sustainability

Impact is the outcome of this project on the lives of the participants and community in terms of improving their economic livelihoods. Sustainability is concerned with the continuation over time of the project's benefit flows after the project itself has completed its delivery.

It is premature to attempt any assessment of impact of this project in terms of local economic development. However, the project has established some foundations for local economic development through the draft LED strategy that the Big Five False Bay Local Municipality has. This is a contribution towards achieving the DED objective to "Facilitate the development of a conducive environment for economic development".

Although there are still capacity and resource constraints, the draft LED strategy for the Big Five False Bay Municipality is in place, and this should serve as a foundation for allocating more adequate resources for the LED function and improving its performance in LED in future.

With regard to sustainability, again the lack of a well-structured capacity building component has left a gap that may threaten or limit the attention given to LED in the municipality. Participation by community stakeholders was limited and this has the potential to contribute negatively to ownership of the LED strategy.

Another aspect that could enhance sustainability of this project, could be a situation where the DED provides a basket derived across its sub programmes. The Big Five False Bay LED Strategy highlights for example that agriculture is the second most important economic sector. There has been some focus on co-operatives support, and this could be expanded.



CONCLUSION AND RECOMMENDATIONS



The relevance of the Big Five False Bay Local Municipality LED strategy Project is confirmed. However, inadequate planning, consultation and communication with the client/partner municipality at the project's initiation stage reduced the project's efficiency. The project's effectiveness was partial in that only one of its objectives, that of developing an LED strategy for the municipality, was achieved, while other important objectives, in particular establishing an LED unit and implementing a structured capacity building programme on LED for relevant staff of the municipality were not in themselves achieved, although there were in some instances steps towards their achievement (for example in delivering a plan for the establishment of an LED Unit).

It is critical that when DED provides support to a municipality, it ensures that everyone is properly informed and has a good understanding of the intervention. It is recommended that the terms of reference for a partnership project such as this should be developed jointly between the DED and the relevant partner/municipality.

Similarly, a capacity building plan needs to be developed jointly between the DED and the intended municipal beneficiaries. The plan should identify the capacity gaps that need to be filled, and specify the intended outcomes, as well as detailing activities, responsibilities, resource allocation and timeframes for implementation.

A period of not less than six months should be allocated for LED capacity building support for municipalities that are struggling with LED issues, noting that the promotion of LED is a legislative imperative for local government.

The current LED incumbent requires hands on support over a long period. In the absence of a fully-fledged LED Unit and a LED Manager/Director, the capacity challenges will continue and this will compromise the implementation of the strategic plan that has been developed.

Given the fact that the promotion of local economic development in the Big Five False Bay is still in its early stages, the LED Forum should provide an important vehicle for engaging with a wider range of interests and stakeholders. Strengthening the involvement of relevant stakeholders should also contribute to the rooting of LED within the municipality.

Appendix A: List of Documents Consulted

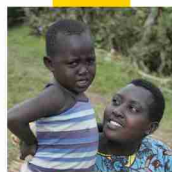
1. Terms of reference for the appointment of Local Economic Development (LED) Support Officer for the Local Municipality of Big Five False Bay
2. Project Proposal: Big Five Municipality LED Support
3. Big Five False Bay Municipality Local Economic Development Strategy
4. Big Five False Bay Institutional Arrangement Report
5. DED Strategic Plan, 2005-2010
6. DED's LED Monthly Programme and Projects Tracking Sheet
7. Local Government White Paper, 1998
8. Constitution of the Republic of South Africa
9. Local Economic Development: A review of its current status in South Africa
10. Big Five False Bay Municipality Profile





Appendix B: List of People Interviewed

Name	Organisation	Role/Position
1.Sandile Shangase	DED	DD, LED
2. Annetjie Van Zyl	Big Five False Bay Municipality	Director, Development Planning
3. Sihle Mdletshe	Big Five False Bay Municipality	LED Support Officer
4. Senzo Ntombela	Sabalala Consulting	Service Provider



Notes

