



Department of Economic
Development
Umnyango Wezokuthukiswa
Komnoto
KWAZULU - NATAL

CONTENTS

INTRODUCTION.....	3
EVALUATION OBJECTIVES.....	5
METHODOLOGY.....	5
KEY EVALUATION QUESTIONS.....	6
KEY FINDINGS.....	6
Achievements.....	6
Interviews.....	6
Workshop.....	8
ANALYSIS.....	11
Project Relevance.....	11
Project Efficiency.....	11
Project Effectiveness.....	11
Sustainability.....	12
RECOMMENDATIONS.....	12

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Learning through Action, Monitoring and Evaluation!

ABBREVIATIONS & ACRONYMS

DED - Department of Economic Development

KZN - KwaZulu Natal

LED - Local Economic Development

M&E - Monitoring & Evaluation

EXCO - Executive Committee

NGO - Non-government Organisation

INTRODUCTION

Project description: The Zululand District Municipality crafted Siyaphambili LED Strategy in 2003 to provide guidelines and direction for a coordinated and integrated LED process. The project was funded by USAID with Iyer Rothaug appointed as a consultant to facilitate the process. Following the development of Siyaphambili LED Strategy, the Department of Economic Development allocated R588 000 over a period of eighteen months to provide implementation support to the Zululand District Municipality in the form of an LED officer. The intention was to facilitate a process of institutionalizing LED within the Zululand District Municipality through the creation of a permanent LED unit and post. The institutionalization process also involved supporting local municipalities in implementing LED. Skhonza Nxasana was appointed to facilitate the initial implementation of Siyaphambili LED Strategy and then later hand over to the LED unit once established.

The Siyaphambili LED Framework and Strategy document identified the following four broad strategic areas of intervention:

- i. Business sector strategies covering diverse industries ranging from commerce, transport and mining
- ii. Agriculture sector strategies
- iii. Tourism sector strategies, and
- iv. Overall cross-cutting district strategies

This evaluation aimed to determine if the implementation support provided by DED was effective in assisting Zululand District Municipality in the implementation of Siyaphambili LED Framework and Strategy and in enhancing capacity at local municipal level. The beneficiaries of this project were Zululand District Municipality and its “family” of local municipalities – Ulundi, Nongoma, eDumbe, Phongola and Abaqulusi Local Municipalities.



EVALUATION OBJECTIVES

The objectives of the evaluation are:

- To determine if support for the implementation of Siyaphambili strategy matches the LED priorities within the district
- To investigate whether the strategy contributed towards building LED capacity within local municipalities.

METHODOLOGY

An initial meeting was set up with the Zululand District Municipality with the purpose of introducing the evaluation team and outlining proposed approach and methodology. This meeting took place on the 25th January 2007 at the Zululand District Municipal offices and was attended by Bongani Sibiya, the ZDM LED Officer and Skhonza Nxasana. This meeting was also used as an opportunity to explore economic and other challenges faced by the Zululand District.

An evaluation workshop was held with local municipalities on the 20th February 2007 at the ZDM offices. Only eDumbe and Ulundi Local Municipalities attended the workshop out of five municipalities within the Zululand District Municipality. A feedback session was also organized to present and verify key evaluation findings.

The evaluation workshop had the following objectives:

- To gain the perspective of the five municipalities on LED challenges that they are facing
- To gain an understanding of their views on the project
- To gain an understanding of their relationship with the Zululand District Municipality

The workshop took the form of a participatory card exercise in which the following three questions were asked to participants:

- What is LED?
- What are major obstacles to LED in each local municipalities?
- What can the district do to overcome those obstacles?

The responses to these questions were used as a basis for further discussion with participants.

KEY EVALUATION QUESTIONS

- How do you coordinate LED activities of different Local Municipalities?
- How do you ensure the sustainability of different projects that you are involved with?
- What sort of assistance are you giving to local Municipalities?
- Do you think the programme has achieved its purpose it was intended for? And why?
- What has been the biggest success of the programme
- What lessons have been learnt from the project and what recommendations can be made to Department of Economic Development for similar projects in the future?

KEY FINDINGS

Achievements

The following goals were achieved as set in the terms of reference.

- District Municipality LED unit has been established and permanent LED officer appointed
- LED forum has been established and is operational
- A number of financial proposals emanating from the LED strategy have been made to Gijima KZN

Interviews

Local Municipalities generally have limited LED capacity, with most having no LED units or being in the process of establishing them. This factor has contributed to limited implementation of LED projects and programmes. Furthermore, the district is characterized by a few large-scale industries and commercial operations. Consequently the tax base is limited and there is a high level of dependency on intergovernmental transfers to fund local government programmes. Limited capacity also means that municipalities battle to solicit alternative funding from donors such as the European Union or USAID.



Limited dedicated funding has resulted in proliferation of small projects focused on poverty alleviation rather than the development of the local economy. Infrastructure projects dealing with water and sanitation backlogs tend to receive priority over LED initiatives. A distinction needs to be made between projects such as food gardens which focus on poverty alleviation and are backed by provincial departments such as Social Welfare and Agriculture department and those that lead to more direct economic outcomes such as higher incomes and higher levels of employment. There is a feeling that former projects are less sustainable than the latter.

Workshop

The participants in the workshop raised the following issues:

Very few workshop participants knew about Siyaphambili LED Framework and Strategy despite the participatory nature of the process that resulted in its formulation. Staff turnover in local municipalities is quite high and it appears that very little knowledge of the Siyaphambili LED Framework and Strategy was passed on to current staff.

Local municipalities felt that ZDM is acting as a gatekeeper for LED funding and their view is that implementation should be devolved from district municipality to local municipalities.

Another issue constraining growth of the local economy is low levels of infrastructure provision including basic services such as water, roads and electricity. Basic infrastructure is desirable to investors and limited availability of these services tends to deter investors.

Monitoring and evaluation of projects is inadequate and contributes to poor sustainability of projects.

Profits from successful enterprises are not ploughed back into projects but are used in non-productive activities.

Implementation of LED is also limited by poor alignment of Integrated Development Plans and Spatial Development Frameworks (SDF). Local municipalities felt that the ZDM has a big brother attitude and that alignment of IDPs and SDFs between the district and local municipalities is not undertaken in a reciprocal manner.



Ongoing conflict over who owns land and who can confer development rights is another factor limiting development of the local economy. This conflict is particularly bad in municipalities with significant amounts of land falling under the control of Ingonyama Trust.

The workshop participants also highlighted the fact that a high degree of economic leakage is taking place and is having a detrimental effect on the local economy.

Some of the key themes that emerged in the course of the workshop were:

Limited LED capacity in local Municipalities:

Most municipalities either do not have a dedicated LED Officer or are in the process of appointing one. Where LED officers are present they have only recently been appointed and are still finding their feet.

Limited understanding of LED:

The LED arena is a complex one that covers a wide range of activities and interventions, including job creation, poverty alleviation, local economic and demographic information, support to commercial activities, a friendly regulatory regime, investment promotion and the provision of hard infrastructure. In many of the municipalities understanding of LED is limited to job creation and poverty alleviation and this has contributed to limited success of LED programmes in these areas.

LED not a municipal priority:

The LED function is often the responsibility of the LED officer. The emphasis placed on the IDP as the key tool for management of development activities by all municipal departments means that LED is often given a lower priority, particularly where responsibility for both IDP and LED vests in the same post. Furthermore, interventions in infrastructure provisions and the reduction of services backlogs are considered more of a priority as their impact is more immediate and visible.

High dependency on the public sector for LED funding:

LED interventions tend to be piecemeal and *ad hoc* because funding made available for LED is piecemeal and *ad hoc*. There is a heavy reliance on national and provincial (including Gijima KZN) government for funding and LED officers are not proactive in identifying and accessing other sources.

ANALYSIS

Based on the above findings and observations, the following analysis and conclusions were drawn with regard to project relevance, project efficiency, project effectiveness and sustainability.

Project Relevance

There is a clear need to create employment and fight poverty in the ZDM and LED is one of the tools that can be used to achieve this objective. The support for implementation provided by the DED is a good way of capacitating Municipalities. However, further buy-in is needed from local municipalities, as is greater engagement between local and district municipalities on LED and broader issues of development.

Project Efficiency

At the time of evaluation this project was still in the process of its implementation. Based on observations of the already completed activities, it can be concluded that the project is generally efficient. There is a counterpart arrangement between DED consultant (Mr Nxasana) and LED Officer (Mr Sibiya) that appears to be working well. According to project terms of reference the consultant is expected to transfer skills and eventually handover the programme to the LED Officer. However, local municipalities have indicated that the support that they receive from the District Municipality is still inadequate.

Project Effectiveness

Municipalities are increasingly becoming aware of the importance of LED as is evidenced by the fact that municipalities are beginning to hire dedicated LED officers. However, there is little evidence that Siyaphambili LED Framework and Strategy has been taken on board by local municipalities and used as a basis for their LED activities. In defense of the ZDM, this process is still in its infancy and it could be argued that it is too soon to accurately evaluate the impact of its efforts to promote Siyaphambili LED Framework and Strategy at the local municipality level.

Sustainability

As more local municipalities hire LED Officers specifically trained in LED, implementation is likely to become more sustainable and have a greater impact. However, some activities such as monitoring and evaluation, which contribute to sustainability, are not present and need to be put in place.

RECOMMENDATIONS

Some recommendations can be made on the basis of the above analysis and conclusions:

- LED Officers need to be active in pursuing funding sources outside provincial and national government. The DED could assist with identifying these opportunities.
- Capacity building needs to take place, particularly in respect to what LED encompasses so that projects have a broader impact on the local economy and do not only deal with poverty alleviation at household level.
- Municipalities need assistance in setting up participatory monitoring and evaluation systems that build capacity both among beneficiaries and project staff at the local municipality.
- Alignment of district and local IDPs and SDFs needs to become a priority. This needs to be done in a spirit of partnership in which the district and local municipalities make an equal contribution.

