



Monitoring and Evaluation Unit



Department of Economic
Development
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KWAZULU - NATAL

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Learning through Action, Monitoring and Evaluation!

ABBREVIATIONS & ACRONYMS

DED - Department of Economic Development

IDP - Integrated Development Plan

ISRDP - Integrated Sustainable Rural Development Programme

KZN - KwaZulu-Natal

LED - Local Economic Development

M&E - Monitoring & Evaluation

TOR - Terms of Reference

INTRODUCTION

The KwaZulu-Natal Department of Economic Development Strategic and Performance Plan 2006-2010 identifies the role of the Local Economic Development Programme as to stimulate and support sustainable economic development at local level. Key to this role is facilitating and supporting the development of strategies for sustainable economic development projects that create a better enabling environment for LED and empower local stakeholders (municipalities, business associations, civil society and communities) to plan and manage their projects. To this end DED has funded a number of economic development projects across the province. However, the major concern is the extent to which these projects have achieved purposes for which they were funded for, and the impact they had in stimulating local economic development.

Against this background, the M&E unit selected certain projects that have been funded by the Department of Economic Development for evaluation purposes. In this report, findings of evaluation of Umdoni LED Plan project conducted by the M&E unit are presented. The report covers the project background, objectives of the evaluation, research methodology, key research questions, analysis and recommendations.

PROJECT BACKGROUND

Umdoni Municipality is located within Ugu District, about 50 km south of Durban. Although strategically positioned in an area of high economic potential, with easy access to Durban, well developed coastal amenities and flat beaches, Umdoni Municipality has not exploited these advantages. Its coastal development lags behind that of Southern Coast of Ugu District.

The total population of Umdoni was estimated at 69 249 during the 2004 census, with a 75% black population share. The total labour force was estimated at 60% in 2001, an increase of 10% from 1996. The unemployment rate is 42% and most of the employed people work in the informal and small business sectors. The structure of the economy is mainly primary (agriculture, forestry and fishing) and secondary (services, retail, financial, estate). Dominant economic activities include tourism and agriculture; with sugar cane being the main crop. The population of Umdoni is characterized by low levels of education and income, with only 10% of adults having

post school qualifications and 90% of the population earning less than R800.00 per month respectively.

There is a significant increase in the numbers of professionals and skilled economically active people moving out of the Umdoni Municipality to better-resourced areas with better employment prospects and better school facilities.

Policy Context

Local government has a constitutional mandate to promote, facilitate and implement Local Economic and Social Development. The Municipal Systems Act sets principles, systems and tools for municipalities to carry out this mandate. An integrated development plan (IDP) is one of these tools and usually takes the form of a synthesis of sector plans which can be used for decision making. An LED Strategy is a sector plan in the IDP focussing on identifying and exploiting key economic activities and opportunities.

LED strategies need to reflect the strategic priorities of the provincial and national economic development frameworks including:

- The Provincial Growth and Development Strategy
- The Industrial Development Strategy
- The Tourism Development Strategy
- And the Informal Sector Development Strategy

Furthermore, Umdoni falls within Ugu District which is an Integrated Rural Sustainable Development Programme (ISRDP) Node, Gijima KZN programme learning area and part of the provincial economic regeneration programme.

Given the above socio-economic profile and constitutional mandate of municipalities to implement LED programmes, Umdoni sought to develop a LED plan.



PROJECT OBJECTIVES

As reflected on the terms of reference the aim of LED Strategy was to address the following:

- To conduct a detailed economic analysis with a view to identify key economic sectors, economic trends and key stakeholders in those sectors.
- To develop an LED strategy based on the above, and
- To design a structure within the Municipality that would ensure the effective implementation of the LED strategy, including its functions, approaches and tools to be used in this regard (LED institutionalization).

The overall purpose of this evaluation was to measure the extent to which these objectives have achieved the intended objectives.

EVALUATION OBJECTIVES

The DED commissioned its Monitoring and Evaluation Unit to undertake an evaluation of this project, with a view to learn from its implementation processes and improve its approaches and systems. The broad objective of this evaluation was to specifically assess the relevance, efficiency, effectiveness, outcomes and sustainability of the project. The evaluation process was undertaken during the period of October 2006 to March 2007. Specific objectives were to:

- To investigate the purpose and background for which the project was funded.
- To investigate processes and stakeholders who were involved in the planning and execution of the project.
- To find out whether the project achieved the results for which it was intended for, and if not reasons for non-achievement, and
- To understand challenges and learnings identified from execution of this project

METHODOLOGY

A combination of research methods were used in evaluating this project, including:

Semi-structured interviews:

The LED Manager, LED Officer and Councilor were interviewed. The evaluation team

were not able to conduct interviews with the project steering committee or the Municipal Manager, but their views were captured through the LED unit and at the evaluation workshop.

Preparatory meetings:

Two meetings were attended with Umdoni LED Unit. The purpose of these meetings was to explain the purpose and process of the evaluation. It was also to plan the programme and logistics for the evaluation workshop.

Participatory evaluation workshop:

Thirty-five participants attended the evaluation workshop. Based on a request from Umdoni LED unit, the evaluation team first made a presentation on M&E basic tools and approaches. Objectives of the workshop were highlighted and participants were then separated into three groups to engage with evaluation questions. This was then followed by a report back and an open discussion session.

Documentary analysis:

Selected relevant documents from Umdoni Municipality were analyzed. These included LED Plan, IDP and LED annual report.

Feedback workshop:

The aim of this workshop was to present findings of the evaluation, with a view to confirm them with key stakeholders before compiling a final report. The workshop was held on 2nd March 2007 and attended by nineteen participants. Participants expressed their appreciation of the feedback and stated that this was not a common practice from researchers, especially from government. Generally, they are never informed about results after participating in information gathering processes such as these.

KEY RESEARCH QUESTIONS

- What prompted this project (problem), and how did the project address the problem?
- What was the duration of the project? Was it completed within the set timeframe, and if not why?
- What was the budget for the project, and was it sufficient for the planned activities?
- Did the project achieve the purpose for which it was intended?

- What processes and approaches were followed in implementing the project, and what guiding principles were followed?
- Who was involved in the process of developing the LED Plan, and what was the criteria for their selection? Was there a management structure for the project, and if so what was its mandate and was it fulfilled?
- What were the key success indicators for the project?
- What are the visible or measurable outcomes that can be attributed to the LED Plan? Can you identify existing projects that you feel have resulted from the development of the LED Plan, and motivations for this conclusion.
- What lessons have been learnt from the process of developing this Plan (gaps, challenges, strengths) and what recommendations can be made to DED for similar projects in future?

KEY FINDINGS

Achievements

One of the main achievements of the project was that an LED plan was completed, and was being used by the municipality as the basis for allocating resources. The other main achievement was the establishment of the LED unit and the appointment of dedicated LED staff.

Project Handover

According to the LED Officer the process of developing the Umdoni LED Plan was completed within the planned time frame. Reports from consultants were handed over to Umdoni Local municipality and are available in the LED section of the Department of Economic Development Library. There was a smooth handover of the project both from consultants and DED Project Manager to Umdoni Municipality. The DED Project Manager worked closely with Umdoni LED Unit before the project was handed over. This ensured that the LED Unit took ownership of the LED Strategy and had the confidence to take the process forward. As a result, the LED unit is well informed about all processes that have been undertaken to develop the LED Plan.

Implementation

The Umdoni LED Plan was presented and approved by Executive Council of the Municipality. It has now moved from being a strategy to be an economic sector plan of the IDP. Subsequent to the development of the LED Strategy, municipality has initiated a number of projects. Some of the projects are still at the planning phase whilst others are currently being implemented. A successful funding application was made to Gijima KZN for the development of a Tourism Development Plan. Phase 1 of this plan has been completed and Phase 2 is in its inception. Two further funding applications, to investigate the feasibility of rehabilitating existing arts and craft, and agricultural centres, have also been submitted to Gijima KZN and the municipality is awaiting a response.

Other project spin-offs that are attributed to the LED Plan include plans to develop the Scottburgh beachfront area, upgrading the beach area, museum development, tourism database, and the establishment of a chamber of business.

LED Capacity and Understanding

The LED Unit seems to have reasonable capacity and understanding of LED. They understand their role as coordinating and facilitating a conducive environment rather than implementing LED projects. The LED unit also seems to have a clear understanding of LED and are able to distinguish between poverty alleviation and economic growth projects. However, this understanding seems to be different from that of other Umdoni officials, who often do not make such a distinction. There seems to be insufficient communication opportunities between the municipality and LED stakeholders with some business sectors feeling they have been, and continue to be, excluded from consultative LED processes.

Establishment of an LED Unit

One of the objectives for DED's funding of the Umdoni LED Plan was the establishment of a LED unit within the Umdoni Municipality. However, the TOR was not specific about the organizational structure and number of staff members for this unit. The findings of this evaluation revealed that the unit has been established with two staff

members namely the LED Officer and LED Manager. The LED Manager also holds the portfolio of IDP Manager. Both the LED Manager and LED Officer strongly feel that LED demands a focused attention and suggested that LED staff should be solely dedicated to LED activities. They also feel that the LED unit needs to be beefed up in order to meet the service demands of the Umdoni communities.

Budget

In the previous financial years there has not been specific budget for LED. However, for the first time there is a specific budget commitment for 2007/2008 financial year, according to the LED Officer, even though the amount could not be confirmed. It seems that the LED Plan has influenced management and decision-making processes such as planning and budgeting. The LED Plan has legitimized LED activities and resulted in their prioritization.

Governance and Leadership

Effective implementation of LED Programmes demands strong leadership and governance, including political will, commitment and co-operation among all key stakeholders. It also includes common vision, ownership, meaningful stakeholder and public participation, effective co-ordination and integration, transparency and trust among stakeholders.

Given the constitutional mandate of municipalities to implement LED, within a developmental framework that calls for consultative and participatory governance, the LED Strategy provides a platform for strong governance and leadership in the implementation of LED initiatives. There seems to be a political will and management commitment for implementation of LED from Umdoni Municipality. This is evident from approval of the strategy and budget for its implementation. The LED Unit also facilitates and co-ordinate processes for stakeholder consultation and participation. These include economic sector forums such as tourism, agriculture, craft and arts.

The Project Steering Committee established to oversee the development of the LED Strategy was dissolved at the end of the process.

However, there seems to be a lack of co-operation, unity and trust within the business sector. This was expressed both during evaluation workshop and feedback sessions. Some business people felt that other business owners were not committed to the local economic development of Umdoni if it does not serve their interests. There is also a plan to enhance business participation through establishment of a business chamber.

Participants in the evaluation workshop also expressed a sense of mistrust towards Umdoni local municipality leadership. Some felt that councillors often fail to commit themselves in decision-making forums and processes. For example, they often leave meetings in the middle or before critical decisions are taken.

There is a general lack of follow-up on decisions that have been made. One of the participants expressed that the municipality is good at promising but the people of Umdoni wanted to see implementation.

ANALYSIS

Based on the above findings and observations, the following analysis and conclusions were drawn with regard to project relevance, efficiency, effectiveness and sustainability. It is still early to judge and attribute impact of the project at this stage, given that implementation is at the initial phase. However, there are certain immediate outcomes that can be attributed to the project.

Project Relevance

Project relevance can be judged based on a number of factors. Firstly, it can be based on the needs and priorities of beneficiaries. Secondly, relevance can be based on strategic priorities of the funder, in this case the Department. Intervening in the case of a pressing or urgent need is another basis for assessing relevance.

This project scores a high degree of relevance at three levels. Firstly, at the level of Umdoni Municipality, the constitutional mandate requires that the municipality put in place an LED strategy which would form the basis for decision making around LED activities. Part of the process of developing the strategy was to conduct a situational analysis that would ensure that the strategy is informed by and responds to the real economic challenges facing the municipality.

Secondly, the project was relevant at the level of the Department of Economic Development (as a funder), which has a provincial mandate to facilitate and support both public and private sectors to implement LED interventions. It is logical an LED strategy is developed before support is given to LED projects that address critical and priority areas. Also, funding a strategy rather than piecemeal economic development projects would ensure a strategic shift from poverty alleviation (welfarist development approach) to LED approach (investment and growth).

Thirdly, the project was relevant in that it responded to real needs and challenges of the residents of the Umdoni Municipality, as expressed through the IDP processes, the Labour Force Survey, and the 2001 census. These studies revealed that there was a need to develop a plan that would ensure economic transformation and address the economic challenges of the Umdoni Municipality such as poverty, unemployment and entrepreneurship skills. Therefore, it can be concluded this project is relevant at the level of DED as a funder, Umdoni municipality as an implementing agency and community as beneficiaries.

Project Efficiency

Efficiency can be judged on the basis of management processes, timeousness of planned activities, quality of service and availability of project information. It is concerned with the use of resources (inputs) to produce planned outputs. The evaluation findings showed that project processes were efficiently managed.

The Umdoni LED unit indicated that there was a smooth handover process to the unit by DED. The DED project manager worked closely with the LED unit, which ensured that they could confidently take the process forward. The project was completed within the agreed time frame. It is also evident that service providers were well monitored and there was constant feedback in terms of project progress. As a result, there was transparency in all processes undertaken during execution of this project.

There is evidence of professionalism on the side of service providers who carried out the project judging from the quality and sequence of their reports. Documents for this project including CDs which were available both at DED and Umdoni Municipality.



Project Effectiveness

Project effectiveness is concerned with the ability of the project to achieve desired and planned goals. It is also concerned with the achievement of planned outcomes of the project, based on produced outputs. Generally, efficient projects are more likely to yield effective results. Though still early to determine the impact of this project in terms of addressing the needs of people of Umdoni, it can be argued that the project scored high on effectiveness, based on its outputs and immediate associated outcomes. In terms of output achievements, a situational analysis was conducted, the strategy is in place and the LED unit has been established. However, there were no clear indicators and specifications for the LED unit in terms of human and financial resources requirements.

At the outcome level, it can be argued that the LED Plan has influenced a number of planning and decision making processes. Subsequent to its approval by the Council, the LED plan moved from being a strategy to being an action plan, which was integrated into IDP as an economic sector plan. As a result, a number of pipeline projects have emanated from this plan including development of the beach front, rehabilitation of agricultural and craft centres and establishment of a business chamber. The LED Plan has served as a strong and legitimate mechanism for mobilizing LED resources for the municipality both from the council and other stakeholders such as government departments and private sector.

To this end, a number of funding applications have been made to Gijima KZN, with one (tourism plan) already been approved. At a Council level, a budget has been allocated for the facilitation of LED projects for the first time. Another outcome of this project is that it has kick-started communication processes between municipality and local economic development stakeholders such as the business sector. The process of developing LED strategy has stirred interest in participating in local economic development debates and action.

Sustainability

Sustainability is concerned with the capacity of the project to achieve intended results (effectiveness) over a long time. It is also concerned with the competitiveness of the project within the broader social, economic, political, technological and biological

environment in which it exists. Precondition indicators for project sustainability may include governance, professional capacity, access to markets, infrastructure, gender awareness, health issues, and political support. Although the project is still at an early stage of implementation, the combination of the interest of local economic factors, political will and constitutional mandate for municipalities to facilitate LED implementation suggests that the project is likely to be sustainable. Although LED still seems to be government driven (municipality), the current practice of continuous engagement with private sector is likely to reverse the situation in the near future.

Given that LED sustainability also depends on a number of factors, including investor confidence and comparative advantage, it can be predicted that Umdoni LED programme is more likely to grow from strength to strength, due to its geographic location and strategic positioning. Certain sectors are more likely to thrive compared to others. Such sectors are tourism, agriculture, craft and arts.

CONCLUSION AND RECOMMENDATIONS

Lessons from this evaluation can be drawn both for DED and Umdoni municipality. It can be concluded that this project was relevant, efficiently managed and effective in terms of what it has achieved. All intended deliverable outputs were achieved, such as situational analysis, strategy development and establishment of the LED unit. Other unintended benefits of the project included creation of a platform for dialogue and participation of LED actors, capacity enhancement on LED issues, legitimisation of LED programmes and fuelling the interest of municipality on LED issues. There was close monitoring and communication between DED project manager, service providers and Umdoni municipality. It can therefore be safely concluded that the project was a good investment based on its achievement of intended objectives and spin-off outcomes. Smooth exit and handover of the project to beneficiaries is another best practices that can be drawn from this project.

Recommendations:

- There is need to develop a trustful relationship with stakeholders through transparent and trustworthy communication channels. The Municipality needs to facilitate, encourage and coordinate stakeholder participation.

- There is need for capacity building of key stakeholders on LED issues such as councillors and members of the business sector.
- Establishment of a well-recognized Chamber of Business.

