

Monitoring and Evaluation Unit



Department of Economic
Development
Umnyango Wezokuthuthukiswa
Komnoto
KWAZULU - NATAL

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Compiled by:

Bridget Katundu

Edited & Formatted by:

Bheki Nowele, Tim Hadingham & Sihle Mkhize

Learning through Action, Monitoring and Evaluation!

ABBREVIATIONS & ACRONYMS

DBSA - Development Bank of Southern Africa

DED - Department of Economic Development

IDP - Integrated Development Plan

KZN - KwaZulu-Natal

LED - Local Economic Development

M&E - Monitoring & Evaluation

NPRF - National Poverty Relief Fund

PSC - Project Steering Committee

INTRODUCTION

The KwaZulu-Natal Department of Economic Development is committed to boosting the economy of the province. The Department achieves this by stimulating and encouraging initiatives that boost economic development at local levels, thus creating an enabling environment for LED in which various stakeholders such as municipalities, business associations, civil society and communities are empowered to initiate, plan and manage their projects. This is in accordance with the department's 2006-2010 Strategic and Performance Plan.

In order to measure if funded projects are achieving the purposes for which they were funded, the KwaZulu-Natal Department of Economic Development commissioned evaluations for selected projects. These evaluations are used to assess the extent to which the purpose of the funded projects has been achieved and the impact that these projects have had in stimulating and growing economic development at a local level.

In light of this, the Monitoring and Evaluation (M&E) unit of the KwaZulu-Natal Department of Economic Development selected the Ingwe rail project for evaluation purposes. This report presents findings of the evaluation of the above project. The report covers the project background, objectives of the evaluation, research methodology used in the evaluation, key research questions, analysis and recommendations.

EVALUATION OBJECTIVES

The objectives of the evaluation are:

- To investigate the purpose and back ground for which the project was funded.
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- To identify stakeholders who were involved in the planning and execution of the project.
- To investigate the processes of stakeholder selection.
- To examine the extent to which the project has achieved its intended objectives.
- To identify the reasons for achieving or not achieving the objectives.
- To understand challenges and lessons learnt as a result of the implementation of the project
- To give recommendations for future improvements.

METHODOLOGY

A combinations of research methods were used in evaluating this project. These included:

- Semi-structured interviews with selected key stakeholders (Ingwe Municipality LED Manager, Mr. Julian Perreira (Consultant) and Mr. Andre Van Wyk (DED Project Manager) were conducted. They were selected because of their knowledge of the project and their availability. Interviews were held on 27th February 2007.
- Documentary analysis: Documents which provided information on the project were identified and scrutinized. These included the terms of reference, the project proposal, service level agreements, and progress and closure reports.
- Feedback session was held with Ingwe Municipality LED Manager, Mr Smith.

PROJECT DESCRIPTION

The Ingwe rail project is situated in the Ingwe Local Municipality, which falls within the Sisonke District Municipality. With an area of 1970 km² the Ingwe Municipality is the third largest local municipality in the district. It includes the towns of Creighton, Bulwer and Donnybrook. The economy is dominated by agricultural and informal trade sectors. Unemployment in the Ingwe Municipality is high, with agriculture (29%), social services (20.4%) and the informal trade (12.8%) sectors making the biggest contributions to employment. Most employees in these sectors are not skilled. Although Ingwe municipality is predominantly rural and has a large unskilled labour force, there is potential to address this through the development of the tourism industry. The rail project was identified as a catalytic project which would generate income and create employment .

The tourism sector in the municipality is further boosted by a number of annual events such as steam rides in May, the Aloe Festival train ride in June and the white water canoe race (where the train races with paddlers along a section of river adjacent to the railway line).



EVALUATION 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 its scheduled timeframe? If not, why?
- What was the budget for the project?
- Was it sufficient for the planned activities?
- Did the project achieve the purpose for which it was intended?
- Who were involved in the process of developing the LED plan?
- What was the criteria for the 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 visible or measurable outcomes that can be attributed to the LED Plan?
- Could existing projects be identified as a result of the LED Plan, and motivations for this conclusion?
- What lessons have been learnt from the process of developing this Plan (gaps, challenges, and strengths)?
- What recommendations can be made to DED for similar projects in future?

KEY FINDINGS

Project background

The Ingwe Rail project is part of the broad KwaZulu-Natal Tourism Development Strategy and Sisonke Rail Tourism Development Plan (KwaZulu-Natal Tourism Authority Annual Report, 2004/2005; Environmental & Rural Solutions, 2003). As part of developing the KZN tourism market, Tourism KwaZulu-Natal (TKZN) identified potential areas with a view to developing infrastructure which would compliment the KZN tourism mix. The Ingwe rail project was identified as a catalytic project that would enhance the development of the area by improving rail infrastructure on the Ingwe Cape-Natal line, upgrade the Underberg and Creighton Stations and Patton's Express.

After the Sisonke District Municipality identified rural tourism as a mechanism for achieving its local economic development objectives, a feasibility study was undertaken, which in turn led to the formation of the Sisonke District Tourism Development Plan. Based on these developments, the Ingwe rail project featured in and received priority attention in the Ingwe municipality's 2004 Integrated Development Plan (IDP) and its 2005 IDP review (Isikhungosethu Environmental Services, 2005).

Funding

In order to achieve its objectives for the project, Ingwe Municipality applied for funding from various agencies including:

- The Development Bank of Southern Africa (DBSA)
- National Poverty Relief Fund (NPRF)
- KZN Department of Economic Development (DED).

The Municipality received R4 000 000 and R1 000 000 respectively from the National Poverty Relief Fund and Department of Economic Development . Ingwe municipality initiated a plan to convert the Creighton railway station into offices, in order to create a tourist attraction. According to the Ingwe Local Municipality LED Manager, Ingwe Rail Tourism Project is part of the municipality's broad Local Economic Development Plan. DED funds were specifically used for the following:

- To build the rail triangle (turning point for the locomotive at the station)
- To create a train maintenance and inspection workshop
- To build a water tank for the workshop maintenance.

Leadership and governance

A project steering committee (PSC) was formed to oversee the implementation of the DED funded project. Committee members included:

- Mr. Dudley Smith (Ingwe Municipality LED Manager)
- Andre Van Wyk (Department of Economic Development Project Manager)
- Julian Perreira (PCNR)
- Derrick Price (Spoornet)
- Zandile Sithole



Principles of good governance were applied to the management of this project and built on the consultative processes that formed part of the development of the Sisonke Tourism Strategy and the Ingwe IDP. However, there seems to have been no involvement of community stakeholders in the component of the Ingwe Rail project that was supported by DED funding. If local communities are to accrue significant benefit from public investment in economic development projects, it is important that they are consulted and participate in all phases of the project, from planning to implementation.

Implementation

As indicated earlier, the DED's funding was part of a bigger project and was only intended to be used for building the rail triangle (turning point for the locomotive at the station), the construction of the train maintenance and inspection workshop, and the installation of a water tank for the workshop maintenance. Given this scenario, it is difficult to assess the impact of the DED funded part of the project in isolation of the project as a whole. However, interviewees pointed out that the parts of the project funded by the Department were critical to the running of the project.

In a discussion with the LED Manager for Ingwe Municipality, it was mentioned that the municipality has major tourist attraction resources. These attractions include beautiful scenery as well as heritage sites, mountains and rivers. There was a need to develop a catalytic intervention mechanism for making the most of those resources which resulted in the establishment of the rail project. Currently, there is a proposal to establish a rail-bike project with a view to increase access to other tourist attractions in the municipality.

The DED's contribution to the overall project clearly added value to the project, which boasts the following achievements:

- A train ride trip organized by Oprah Winfrey for her competition winners. This helped to market Ingwe tourism initiatives worldwide.
- The construction of the train workshop, triangle and water tank, which are critical to the overall operation of the project.
- The establishment of an annual tourist photographic steam engine ride festival.



Challenges

Some of the implementation challenges facing the Ingwe Rail project include the following:

- High operational costs for the stream train. The cost of the operational rate charged by Spoomet exceeds cost per ride charged by train operator, resulting in a loss rather than profit. Spoomet was charging R60/km fee for using the railway line, which Ingwe Local Municipality could not afford. At the time of the evaluation negotiations with Spoomet were taking place with a view to reduce train operation rates.
- Need for capital to establish and run the rail-bike project. The Ingwe Municipality has submitted a funding application to Gijima KZN in this regard.
- The high rate of unemployment and poverty in the municipality, which cannot be fully addressed by the proposed project.
- A train operator was temporarily deployed from New Zealand by an overseas company to train the local operator. At the time of this evaluation, the overseas operator was preparing to return to New Zealand as the Municipality had not yet secured a local operator to train.

ANALYSIS

The ensuing analysis was based on findings and observations regarding project relevance, efficiency and effectiveness. From these, the following conclusions were drawn:

Project relevance

A project can be considered as relevant if it meets the needs and priorities of the direct and indirect beneficiaries. Project relevance can also be measured in terms of whether or not the strategic goals of the funder were met. Finally, a project may be considered relevant if it addresses the emergent or pressing needs of the target group.

This project is relevant in as far as it addresses the priorities of the Ingwe Municipality, identified through a series of consultative processes undertaken as part of the development of the Tourism KwaZulu-Natal Strategy, the Sisonke District Municipality Tourism Plan and the Ingwe IDP.



However, it is still too early to judge the relevance of the project in terms of addressing community needs given that it has not been fully implemented. In an interview with Ingwe Municipality LED Manager, it was mentioned that the rail project is targeting to create full-time employment for twenty-six people. This number includes train operation staff and tour guides. It could be argued that the number of jobs created is low in comparison to employment demand in the area. However, the project is expected to have major economic spin offs for nearby communities, especially in the area of craft sales and performance art. The secondary economic spin off relates to employment that could be created through business growth within the municipality.

Project efficiency

Project efficiency deals with the management of a project and the use of resources (inputs) in order to realize desired outputs. It can be assessed in terms of management processes, timeousness of planned activities and quality of services. This project seems to have been efficiently undertaken considering the above-mentioned points. It was completed within the agreed time frame. Funded project constructions are working and are of good quality. This is an indication of the professionalism of all the stakeholders and tight project monitoring. The existence of the maintenance workshop contributes towards the efficiency of the rail tourism project by ensuring timeous operation of the steam train. Train maintenance is dealt with efficiently on site without delaying the train schedules.

Project effectiveness

Effectiveness is judged on the extent to which the project has achieved its desired outcomes. Three levels of results for project effectiveness can be identified as output, outcome and impact level. Output is concerned with the immediate results; outcome with intermediate results; and impact with long-term results. This project scored high on the output level since the interventions funded are in place and operational.

The project has also resulted in some positive outcomes including the donation of coaches to the municipality by Spoomet, funding being accessed from other sources such as Gijima KZN, and the establishment of foreign train tours and photogenic festivals.



Project sustainability

Given its dependence on other elements of the project it was not easy to assess the sustainability of the DED funded component of the project. The project as whole has potential for sustainability, if all elements are effectively implemented. Sustainability of a project is based on its capacity to operate over a long time beyond its capital and start-up funding. This includes capacity to accumulate income and profit for self-maintenance. Concerns for the sustainability of this project at the time of evaluation include factors that have been identified in challenges mentioned earlier in this report including:

- High operational costs for the steam train. The operational cost rate charged by Spoomet exceeds cost per ride charged by the train operator, resulting in a loss rather than a profit.
- The New Zealand government set a condition that a local individual was to receive training and mentoring by their train driver and in time take over the function; this person could, however, not be found. However, instead of training a train operator, a community member has been trained as a fire fighter. At the time of this evaluation there was an indication that the train operator was returning to New Zealand and this implied that there would be no one to operate the train, which raises questions about the continuity of the project .

While there are concerns about sustainability of this project it can also be argued that, given prioritization of rail tourism for leveraging further economic development by a wide range of stakeholders, this project will attract necessary resources to make it viable and sustainable.

RECOMMENDATIONS

Based on the findings, the following recommendations are made:

- There is a need for greater involvement of communities, especially the poor, both in planning and implementation. Communities tend to be involved at the planning phase through IDP processes, but not during implementation and evaluation.

- The department should undertake a detailed analysis of projects before funding. This will help to assess contributions funded projects and the effect it could have on the entire project and outcomes anticipated. Such analysis should include issues of relevance, efficiency, accountability and sustainability. This could then become part of the Service Level Agreement and a performance measurement tool for the project, which could help to deal with project problems while in progress rather than discovering such problems during evaluation, which takes place post implementation phase.

CONCLUSION

Ingwe municipality has been highly creative and innovative in using their local assets as levers to attract further investment and create employment opportunities. As such the overall project is a good model for rural economic development and the use of local economic competitive advantage from existing resources.

