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EFFECTIVENESS EVALUATION OF PROJECT MANAGEMENT UNIT

EVALUATION REPORT

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PREPARED BY

DIRECTORATE: EVALUATION

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LIST OF ACRONYM

Acronym	Definition
COGTA	CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
KZN	KWAZULU NATAL
NDP	National Development Plan
PMU	PROJECT MANAGEMENT UNIT
APP	ANNUAL PERFORMANCE PLAN
IDP	INTERGRATED DEVELOPMENT PLAN
DPSA	DEPARTMENT OF PUBLIC SERVICE DMINISTRATION
MIS	MUNICIPAL INFRASTRUCTURE SYSTEM
SMS	SUPPLY CHAIN MANAGEMENT
MPAC	MUNICIPAL
MEC	MEMBER OF EXECUTIVE COMMITTEE
MIG	MUNICIPAL INFRASTRUCTURE GRANT
KZN	PROVINCE OF KWAZULU-NATAL
KZN COGTA	KWAZULU-NATAL CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
PRC	PRESIDENTIAL REVIEW COMMISSION
GITO	GOVERNMENT INFORMATION TECHNOLOGY OFFICER
GICTF	GOVERNANCE OF ICT FRAMEWORK
HOD	HEAD OF THE DEPARTMENT

1. INTRODUCTION

Evaluation Directorate under Strategic Planning, Monitoring and Evaluation Chief Directorate in the Department of Cooperative Governance and Traditional Affairs undertakes the effectiveness evaluation of Project Management Unit. According to National Development Plan (NDP), the role of the Department is to provide support to Municipalities in the provision of new infrastructure, as well as operational, maintenance and upgrade of existing infrastructure. The Department is also responsible for strengthening the capacity of municipalities to efficiently deliver infrastructure services to the required standard.

The Municipal infrastructure Directorate has recognized that good project management capacity is necessary for project success. In order to improve project management capacity in all KZN municipalities, Municipal Infrastructure Directorate established a unit called Project Management Unit (PMU). PMU is a unit within the Department that is dedicated to manage infrastructure (capital) projects. The reason for establishing this unit is based on limited capacity to provide technical support to all KZN Municipalities. The aim of having PMU is to establish and maintain appropriate technical support at a municipal level and to improve Departmental technical capacity to respond to provincial and municipal service delivery matters.

2. BACKGROUND

During the apartheid era, the then government had no plans to provide basic services in rural communities. After 1994, a number of people moved into cities for better life. This created an increase in demand for service in both rural and urban areas. People in urban areas demanded service delivery as they flocked into cities and in rural areas demanded basic services for better life. Due to lack of infrastructure master plan prior 1994, government is facing a huge backlog of service delivery in the municipalities. The Project Management Unit was established in 2014 and is situated within the Municipal Infrastructure Directorate. The Project Management Unit is responsible for addressing limited capacity to provide technical support to all KZN Municipalities.

PMU is also responsible for facilitating the implementation of government Capital Programmes such as Municipal Infrastructure Grant (MIG) and Massification in 54 Municipalities and 10 District municipalities. The aim of the MIG is to provide all South Africans with at least a basic level of services. PMU ensure that projects are identified and funded as per categories set out in the MIG programme. It also ensures that projects are registered with the IDP and MIG before implementation and encourages capacity building at a municipal level. PMU need 10 project Managers to assume the responsibilities allocated to the Department of Cooperative governance and Traditional Affairs (COGTA) by the Division of Revenue Act such as project planning including project registration, implementation monitoring and support including verification, financial reporting of the MIG.

Often the PMU is seen as temporary structure to supplement capacity in the Municipalities during project implementation. The PMU activities viewed by Municipal Infrastructure Unit as additional to their normal duties and Municipal Infrastructure staff members could not support all KZN Municipalities with PMU functions. For staff members to support all KZN Municipalities with PMU functions would be a need to assign them full time or be taken away from their normal duties. Hence, there was a need for establishment of PMU. PMU has realised that they cannot play this role alone, Municipal infrastructure Directorate had to procure the service provider to support PMU in the implementation of its programme in areas where there is no internal capacity. PMU organogram was approved in 2007, allows PMU to have only 5 project managers, deputy manager and 3 assistant managers with their support staff.

3. PROBLEM STATEMENT

The Municipal Infrastructure unit was given a responsibility to provide PMU services to all KZN municipalities. Municipal Infrastructure Unit realised that it cannot perform its duties as well as PMU duties. Hence, there was a need for establishment of PMU. The PMU structure does not allow the Department to appoint Engineers since their packages are very expensive, and the Department cannot keep engineers they rather contract them. Nevertheless, the Department wants to find out what is cost effective in terms of using the service provider to support the implementation of PMU or change the PMU structure to accommodate the appointment of Engineers. This evaluation, therefore, seek to assess the effectiveness of the Project Management Unit in KZN COGTA.

4. PURPOSE OF THE EVALUATION

The evaluation sought to assess the effectiveness of Project Management Unit in KZN Municipalities.

5. EVALUATION QUESTION

Does the use of the service provider to support the implementation of PMU assist to enhance the effectiveness of the PMU in the Municipalities?

6. OBJECTIVES AND KEY EVALUATION QUESTIONS

- **To determine if PMU is accomplishing its objectives**

  - Is the PMU achieving its intended objectives?

  - Were the planned objectives and outcomes in the PMU document achieved?

  - What results were achieved beyond what was planned?

- **To do comparisons between internal and external PMU?**

  -To determine how effective is the support provided to KZN Municipalities?

  -To determine what contribution has the service provider made to achieve the objectives of the PMU.

7. METHODOLOGY

The evaluation used mixed-methods and secondary data to provide insight into the evaluation objectives. Qualitative approach was used to collect data from both internal and external participants to get their perspective on the effectiveness of PMU in supporting the Department and Municipalities.

8. SAMPLING

Currently there are 54 municipalities in the province, and in each of the ten districts, there are at least five local municipalities. All ten districts municipalities were sampled; three local municipalities were sampled in each district. A non-probability sampling was employed using purposive sampling to select Departmental Staff from Project Management Unit, and Municipal Infrastructure Unit, Service Provider who provides Technical support in the District and Local Municipalities. Purposive sampling is based on the evaluator's own knowledge of the population. This assisted the evaluator to select the most productive sample to answer the evaluation question. The on-going interpretation of data during the development of the evaluation plan indicated who should be interviewed, including identification of missing voices. Then, the evaluator chose a sample that was knowledgeable about PMU because of their personal experience with the programme.

9. DATA COLLECTION METHODS

A combination of data collection methods was used during the evaluation. These methods included the review of relevant documents, in-depth interviews with PMU implementers in the provincial departments, key officials of the selected both district and local municipalities. Two different types of interview guides developed to serve as a data collection tools. Each of these tools focused on particular implementers that represented in the sample of the evaluation. The development of the interview guides was informed by both the objectives of the PMU and objectives of the evaluation. The evaluation used the following instruments: (i) **documents review**; with the use of secondary data from existing documents such as Departmental guidelines, legislations, APP, Strategic plan, project performance reports and project completion reports. The information gathered during this stage was used to assess whether the planned objectives and outcomes in the PMU document has been achieved and informed the development of the data collection techniques.

(ii**) In-depth interviews** with open-ended questions were used as data collection methods. An in-depth interview was the actual primary data collected from the participants to inform the evaluation findings and recommendations. An interview guide was used to conduct in-depth interviews with all participants. This method assisted to determine what results were achieved beyond what was planned. To determine what contribution has the service provider made to achieve the objectives of the PMU. To determine how effective is the support provided to KZN Municipalities.

A figure below shows data collection processes used for the evaluation

10. LIMITATIONS

Although the evaluation has achieved its aims, but there were some unavoidable limitations. First, evaluation scheduled to interview 30 municipalities but only 24 successfully interviewed. Secondly, non-availability of key implementers in the municipalities and some of the implementers agreed to be interviewed but postponed, others cancelled the interviews at short notice.

11. FINDINGS

11.1 IMPLEMENTERS PERSPECTIVE

This session presents the key findings of the evaluation, based on the objectives of the evaluation, which are presented according to four evaluation deck criteria: relevance, efficiency, effectiveness and sustainability. Through these evaluation themes, it was possible to provide an overall perspective of the Department on the effectiveness of Project Management Unit as the implementers of PMU support.

11.1.1 Relevance

National Development Plan (NDP), states that the role of the Department is to provide support to Municipalities in the provision of new infrastructure, as well as operational, maintenance and upgrade of existing infrastructure. The Department is also responsible for strengthening the capacity of municipalities to efficiently deliver infrastructure services to the required standard.

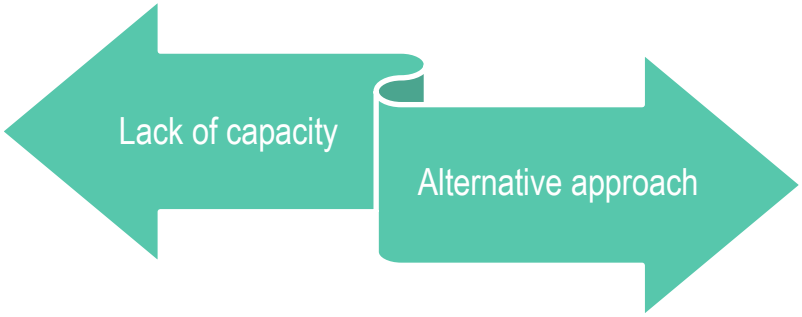
The evaluation sought to establish the role of the PMU in the Department, all implementers mentioned that the role of PMU is to support municipalities to conduct their functions well, to provide expertise that is not available in the municipalities such as engineering and project management. The support starts from project planning, budgeting, implementation, capacity building, assist them to manage Municipal Infrastructure Grant (MIG) project as per MIG regulations, also assisting them to monitor MIG MIS system as well as assessing what was planned versus what has been executed in order to accelerate service delivery. Through these functions listed above the department seek to achieve increased service delivery by ensuring that municipalities comply to grant frameworks such as MIG, Massification and DORA regulations, improve performance, ensure 100% MIG expenditure, and ensure that Council prioritise project list in relation to IDP.

PMU was meant to address lack of capacity, which led to poor project planning, lack of public participation before project implementation, non-spending of MIG grants hence the municipalities were failing to report on MIG funding. All implementers interviewed noted that Project Management Unit is highly relevant and appreciated by the Municipalities. The findings suggest that PMU has succeeded in realising its key role in the municipalities by developing capacity, assisting municipalities to eradicate infrastructure backlogs, and assisting them to provide basic service to their communities. In terms of spending, all implementers mentioned that most municipalities are spending 100% of their MIG grants. One of the challenges faced by the project managers is that their role is to support municipalities to conduct their function, however due to lack of capacity they ended up doing the actual job themselves. In some instance the municipalities know what is expected of them but they do not do it, they need an enforcement in order to do what is required.

11.1.2 Efficiency

The evaluation has found that PMU services are efficient to the municipalities hence the progress is evident and the level of professionalism has started to step out with an assistance of using the consultants as temporary arrangement. Implementers have noted that even though PMU services are efficient in municipalities, however there is still a room for improvement. PMU structure needs to improve in order to accommodate more people. The following challenges found to be the reasons that affect PMU efficiency:

A figure below shows challenges that hinders PMU efficiency



a) Lack of capacity

All Implementers have cited that since the department has adopted the approach of using the consultants with an aim to address the issue of lack of capacity, as a result PMU support has made a difference in how municipalities render their services. One of the challenges the department has faced is to employ new consultants, when the new consultants come the implementers has a responsibility to train them on how local government works. Once they begin to grasp the concept of local government then the contract ends and the department will have to go through the same process of training new consultants, which is time consuming. Another challenge that PMU is facing is that when the consultants leave, PMU will collapse because the department will have no capacity to provide support to the municipalities.

To address the challenge mentioned above the department has further made plans to employ more project managers; as a result, a new structure with 10 project managers has been approved. Furthermore, implementers cited that it becomes easy to work if there are specific people who deal with projects hence the PMU need internal capacity to manage day-to-day activity. Currently, PMU have 10 project managers who support each district, 4 of them are employed by the department and 6 of them are employed by the consultants. However, with the current arrangement it is easy for project managers to manage one district rather than managing many districts at a time. Implementers also noted that PMU can improve by attracting other expertise such as engineers in order to have professionals in house that could assist PMU to cut costs and refrain from using consultants for such skills.

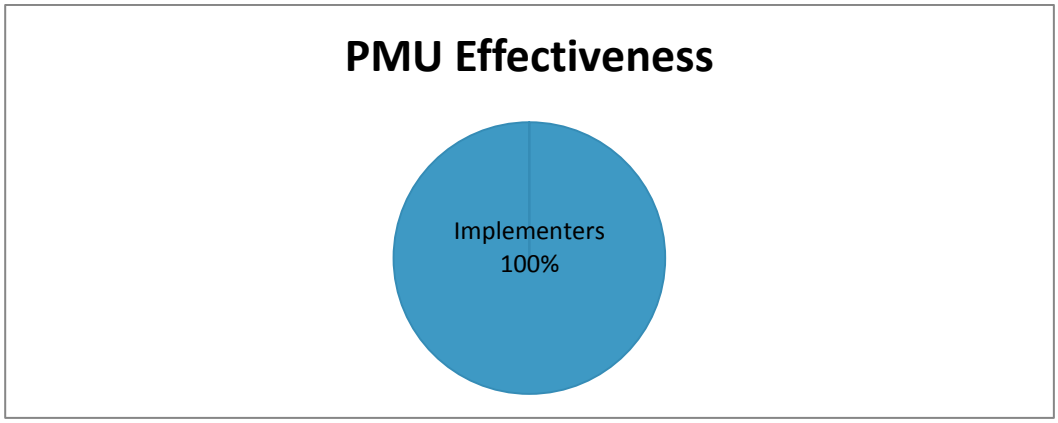
Implementers noted that capacity is still a challenge in the municipalities; it is difficult to support municipalities if there is no PMU ideal structure. They further cited that municipalities who do not have PMU should establish the PMU unit using the MIG grant in order for the department to capacitate them to be independent through skills transfer. They further cited that most vacant Technical Service posts are not filled in the municipalities due to salary packages that are below the standard. Some mentioned that the department has planned to develop Shared Services per each district to address the challenge of capacity in the municipalities hence most of them cannot afford to attract different expertise such as engineers. This will assist municipalities to have such skills through the implementation of shared services. Implementers also cited that some municipalities have warm bodies who do not comply with timeframes or MIG framework and they expect the implementers to do their work. It has been recommended that there is a need for municipalities to employ different expertise for different projects such as water, electricity engineers etc.

b) Alternative approach

All implementers highlighted that the alternative way for the department to achieve the same results at the lowest cost is to absorb project managers who are already supporting the districts, that could save a lot of money for the department hence outsourcing or using consultants is very costly. Some noted that even municipalities have adopted the same approach of using consultants and some of these consultants fail to deliver as per required standard. When municipalities appoint consultants as per agreement, consultants are also expected to build capacity and transfer skills to the municipalities, however skills transfer seem to be impossible. It was recommended that municipalities should employ their own project managers for continuity in order to take responsibility and refrain from depending on the district that poses a risk of accountability.

11.1.3 Effectiveness

All implementers agreed that some objectives of PMU have been achieved, even though there is still room for improvement because changing the mind-set takes time hence some municipalities are still resistant to change. Furthermore, they cited that PMU has been effective in supporting the municipalities in some areas, for example, municipalities has improved in terms of planning, project registration and reporting, submission of non-financial reports, presenting quality of work during MBPAC meeting, developed assets register and asset management, implementation of electrification project, and drought intervention.



Implementers noted that PMU support has benefited the municipalities a lot in terms of project planning, provision of electricity, some municipalities now has a Masterplan that their project emanate from, most municipalities comply with DORA requirements, and they commit on what the council has priorities. However, some implementers felt that even though the municipalities had benefited a lot from PMU support, political interference has negative impact on how PMU operate and this affects how council works. Furthermore, they felt that public participation is not done properly by the municipalities hence the municipalities complains that they are providing service to the communities but they are not getting feedback from the communities. They further cited that the municipalities assume that their priority list is what the community needs. PMU do not dictate what project should be implemented in the municipalities but only advise them, then municipalities decides which project to be implemented using the council priority list.

Implementers mentioned that sometimes they clash with the councils, for example, when the council want to implement the project that is not feasible and PMU advises them not to implement such project based on the feasibility study but the councils force to implement such project even if financial resources do not allow them to. Then the project will be implemented regardless because a political head has made a commitment to the community to implement such project. It was recommended that PMU should meet with municipalities together with planners who develop IDP to give PMU a feedback on support provided, municipalities should also meet with their communities to discuss the council's priority list versus community needs in order to prioritise what the community needs rather than assuming what the community wants.

The majority of the implementers have rated the PMU services as effective. The support that the municipalities have received from the PMU has assisted a lot to improve in terms of MIG expenditure, project planning, implementation and reporting. Implementers feel that even though PMU support has been effective in the municipalities, but there is still a room for improvement. For instance, some municipalities do not comply with DORA and MIG framework in terms of timeframes and reporting, and there is no sense of urgency. Some municipalities is either they have no PMU personnel or have staff members who are always not available. It is difficult for the implementers to provide support in such municipalities. Some municipalities produce work that is poor or below the standard.

All implementers have noted that PMU support to the municipalities has been a success that can be used as an example for best practise. For instance, PMU has managed to address the issue of drought in the province, has provided electricity to municipalities even though most municipalities do not have electrical engineers such as uNquthu, uMsinga, UMkhanyakude, Zululand, uPhongola, KwaSani and Ubuhlebezwe. Implementers assisted municipalities to report as per PMU requirements because no reports were coming from the municipalities before PMU support was provided. Municipalities had a challenge of spending their MIG due to late appointment of service providers and poor planning but due to PMU support, most municipalities spend 100% of MIG grants, also managed to achieve KwaZulu Natal MIG expenditure of 95% per year, and KZN is the best in the country in terms of MIG spending.

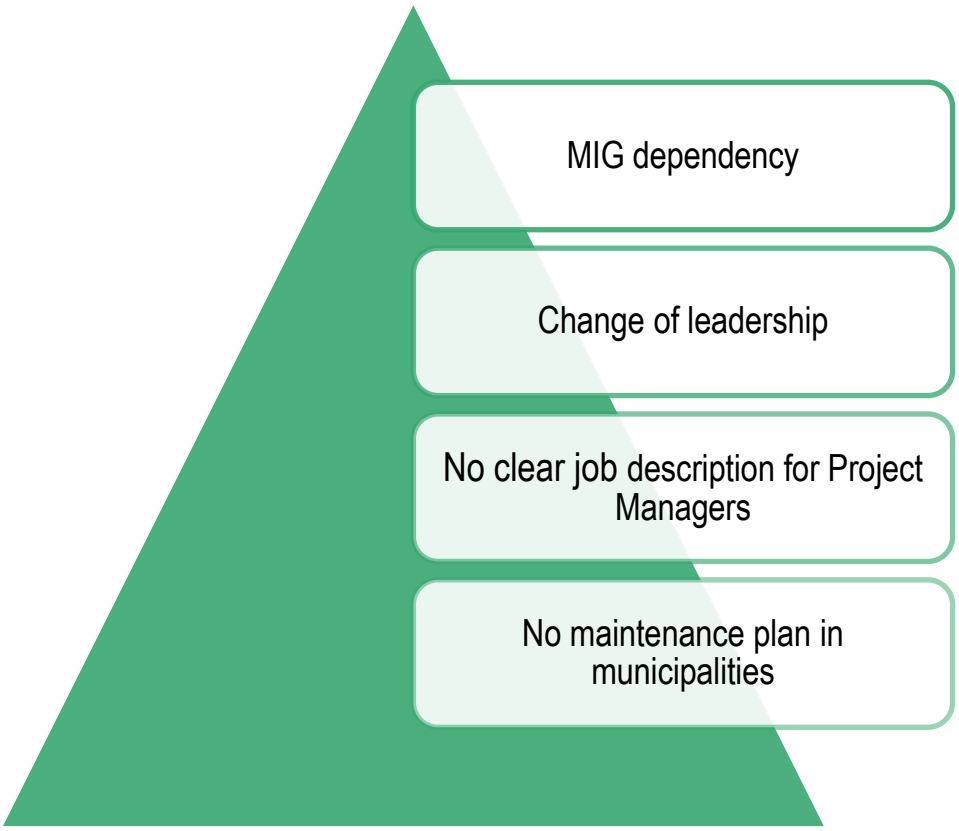
Nevertheless, some implementers felt that, PMU have been successful in providing support to the municipalities, however, there are some areas where PMU has not been successful. For instance, in some cases PMU support is not realised due to challenges caused by the service providers, either they produce poor quality of work or do not adhere to timeframes.

Implementers further noted that, in most municipalities there is no collaboration between finance department and PMU as a results slow SCM processes affect PMU effectiveness. For example, if the Chief Financial Officer does not approve on time

PMU is blamed for that. Despite all the challenges the PMU is facing with municipalities, PMU has its strengths, which are to ensure that municipalities use the MIG funds as planned in terms of providing support, planning and implementation. PMU have capable project managers to support the municipalities, they ensure municipalities adhere with DORA regulations, and most municipalities have spent 100% of their MIG grants. Furthermore, they cited that PMU support also has its weaknesses for instance PMU might fail to achieve their targets in the department due non-compliance of municipalities, might fail to ensure that municipalities use MIG 5% slice to employ PMU staff as MIG allow them to.

The ability to provide the support effectively is however hindered by the following challenges alluded as the elements of success if they can be resolved:

A figure below shows challenges that hinders PMU effectiveness



a) MIG dependency

The majority of implementers highlighted that some municipalities cannot attract different expertise because they are depending on the Municipal Infrastructure Grant, they cannot implement projects on their own. It is difficult for these municipalities to increase salary packages to match other municipalities. Although some municipalities have benefited a lot from the MIG funding but eradication of infrastructure backlog is still behind.

b) Change of leadership

A number of implementers mentioned that change of leadership has a great negative impact in most municipalities, because when a new Council elected, they will want to develop a new priority list for the projects to be implemented during their term

and refuse to use/ improve the project list developed by the past Council. Then the new Council will instruct administration to cancel projects planned. This has a negative impact on municipalities' expenditure without bearing in mind that once the project list is presented on the MBPAC Committee, as per MIG framework, municipalities are not allowed to change the project list. Every 5 years new council is elected that requires the implementers to address and train the new council about what is expected from them. Some implementers noted that political interference has affected badly on how municipalities operate; and sometimes they do not know when to stop.

d) No maintenance plan in municipalities

Implementers noted that most municipalities are still faced with a challenge of ageing infrastructure, this cost municipalities a lot money when they found themselves being forced to refurbish infrastructure due to negligent of non-maintenance of the existing infrastructure. Some municipalities still fail to provide water services to their communities due to lack of infrastructure maintenance. It was recommended that municipalities should make a priority to allocate a specific funds to cater for maintenance to avoid fruitless expenditure.

e) No clear job description for Project Managers

Implementers also raised a concern regarding their job descriptions that sometimes they find themselves doing functions that take them away from their core functions such as distributing food parcels, addressing community queries and land disputes.

13. 1.3 Sustainability

All implementers noted that they would recommend PMU services to other departments because the current approach that has been used by PMU, has made a huge difference in the municipalities. However, some implementers cited that there are some elements of PMU services that need to be improved in order for the PMU services to be sustainable. Both the municipalities and department should take an initiative to ensure that they build capacity, ensure that project managers do what are employed to do. They further cited that the department should absorb and capacitate project managers who are already on the job to ensure sustainability rather than employing the service provider who will leave the department with the information. This could motivate them to perform better because they will have job security. Furthermore, they noted that service providers should be there to nature the existing skills and transfer skills rather than leaving with all the information.

Some implementers felt that in order for the PMU services to be effective in the municipalities, MEC, Head of Department and Senior Management, should take into cognisance the challenges PMU is facing. Political interference affects the effectiveness of PMU in the municipalities, sometimes PMU fail in their level to enforce municipalities to deliver. Some implementers have cited that once the council has prioritised on the project list, council should not interfere with SCM processes, should not tell PMU what service providers to use or not to use. They further mentioned that municipalities should also communicate/ update

the community about how the project is progressing. For PMU services to be sustainable, municipalities should employ Technical services staff members in order to capacitate them and transfer skills.

12. RECOMMENDATIONS BY IMPLEMENTERS (PROJECT MANAGERS)

These recommendations made by implementers point out the following themes: strengthening capacity building and skills transfer, Public participation of PMU in IDP processes, Maintenance funding for the existing infrastructure should be allocated, and municipalities' compliance with DORA and MIG requirements should be promoted.

12.1 Strengthening capacity building and skills transfer

PMU have adopted the approach of using consultants / service providers to address the issue of capacity and to build capacity and transfer skills to the municipalities during project implementation, however capacity building and skills transfer seem to be impossible, the department should pay more focus. To strengthen the effectiveness of PMU, implementers recommended that both municipalities and department should appoint their own PMU personnel and attract other expertise such as engineers. This will allow the department to have permanent employees who will be equipped with skills and knowledge to support municipalities in order to build capacity and transfer skills. This will encourage continuation of progress if municipalities appoint permanent personnel for PMU. Furthermore, developing internal capacity to capacitate PMU should be encouraged to ensure strong, efficient and effective PMU's.

12.2 Public participation of PMU in IDP processes

The municipalities have raised a concern about the lack of getting a feedback from the departmental PMU and communities on the ground about the projects taking place in their communities. The implementers recommended that municipalities should promote the involvement of PMU and communities during IDP processes to give a feedback on support provided. This will ensure that all relevant stakeholders take a responsibility for service delivery and promote transparency of project information in the municipalities. This will ensure that the municipalities meet with their communities to discuss the priority list versus community needs in order to prioritise what the community needs rather than assuming what the community wants. Feedback and transparency of project information will reduce the number of service delivery protest taking place in the municipalities. Project priorities need to be revised.

12.3 Maintenance funding for the existing infrastructure should be allocated

The majority of municipalities still faced with a challenge of ageing infrastructure, this cost municipalities lot of money when they found themselves forced to buy new infrastructure equipment due to negligent of non-maintenance of the existing infrastructure. Some municipalities still fail to provide water services to their communities due to lack of infrastructure maintenance. Implementers recommended that municipalities assigned with a responsibility to allocate funding for maintenance of the infrastructure. This will address the challenge of ageing infrastructure, avoid fruitless expenditure, and cutting costs of buying new infrastructure due to negligent of non-maintenance of the existing infrastructure.

12.4 Municipalities compliance with MIG and DORA framework should be promoted

Some municipalities do not comply with DORA and MIG requirements in terms of timeframes and reporting, and there is no sense of urgency, is either they have no PMU personnel or have staff members who are always not available. It is difficult for the department to provide support in such municipalities. Implementers recommended that current measures to comply with DORA and MIG framework should be strengthened to ensure that all municipalities comply as per DORA and MIG framework and are reporting in details.

13. MUNICIPALITIES PERSPECTIVE

This section presents the key findings of the evaluation based on the objectives of the evaluation, which are presented according to four evaluation deck criteria: relevance, efficiency, effectiveness and sustainability. Through these evaluation themes, it was possible to provide an overall perspective of the Municipalities on the effectiveness of Project Management Unit as the recipients of the provided support.

13.1 Relevance

The evaluation wanted to establish the role of PMU in the municipalities. All municipalities noted that PMU support is relevant, highly appreciated by municipalities and has assisted the municipalities a lot in terms of accelerating service delivery. They further cited that their role is to manage MIG projects, play a role in terms of IDP, ensure that MIG funding is use properly, ensure 100% expenditure and monitor MIS system. The role of the department is to give support and guidance with project registration, planning and implementation, ensure 100% expenditure of MIG funding, assist municipalities to execute MIG projects, development of Business Plans, implementation plan, ensure projects are implemented accordingly, approval of MIG projects, project reporting as per MIG framework and manage MIG & capital projects.

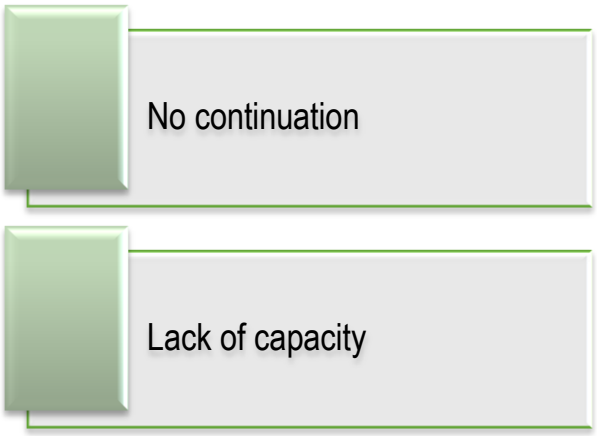
Through these functions listed above municipalities, seek to achieve the following outcome, which is to have a functional PMU office, to observe visible changes in the community in terms of service delivery such as roads, sports grounds, community halls, and provision of basic services etc. Furthermore, they cited that PMU support was meant to address or eradicate infrastructure backlog in the municipality such as water, electricity and sanitation. Few municipalities noted that PMU support is relevance and has assisted them a lot but currently their municipalities has capacity and they are utilizing the 5% slice of MIG funding to build in house capacity.

13.2 Efficiency

All municipalities felt that PMU approach is efficient in terms of the oversight role the department play in the municipalities, verification of project through site visits keep them in their toes, some get extra funding if they request it, proper project planning, provide one on one support depending on the municipalities need, and always available to assist. The municipalities know exactly who to contact, PMU also assist the struggling Municipality to achieve expenditure targets and PMU support assist municipalities to comply. However, some municipalities feel that even though the approach is good, nevertheless the PMU implementation is not good. For instance, some municipalities noted that PMU should at least visit the municipalities once a month just to get a feeling of what is happening in their respective municipalities. For instance, if the municipalities do a claim form and the claim is rejected, departmental PMU cannot defend the claim query during the meeting, because they are not aware of what is taking place in the municipalities. Some departmental project managers do not conduct site visits in the municipalities or even request a technical report to verify if the projects really exist. They further explain that some project managers are always looking for wrong things instead of assisting them, PMU should stop policing the municipalities month to month, but should

also ensure that there is an alignment of projects between the district and the locals. District should improve in terms of coordination. The following challenges are found to be the reasons that affect PMU efficiency:

A figure below shows challenges that hinders PMU efficiency in the municipalities



a) No continuation

Some municipalities indicated that one of the challenges is that PMU changes project managers all the time and that has a negative impact in their performance because when a new person comes in one could tell that there was no proper handover from the department. They have to start with this new person from the beginning that means there is no continuation of progress, when municipalities engage with the new person, it shows that this new person has not been workshopped on MIG processes. Furthermore, they cited that how can a project manager support municipalities if a project manager do not understand MIG processes. This has a negative impact on the municipalities performance.

b) Lack of capacity

All municipalities indicated that capacity is still a major challenge in most municipalities, especially in small municipalities who fail to attract different expertise due to low salary packages. Some municipalities cited that capacity is still a challenge in the municipalities, and most municipalities do not have enough funding to employ PMU staff. Municipalities get an opportunity to apply for 5% slice of MIG funding to use to employ PMU staff but most municipalities do not have dedicated PMU personnel, because sometimes municipalities use 5 slice funding to do other projects rather than employing dedicated staff for PMU and is difficult for them to get support from the department. They further cited that the department could not support the municipalities if there are no dedicated PMU personnel. It has been recommended that municipalities should use this opportunity to apply for 5% slice of MIG funding to address the challenge of capacity. Municipalities who do not have PMU services should consider developing this unit in order to get PMU support from the province to accelerate service delivery.

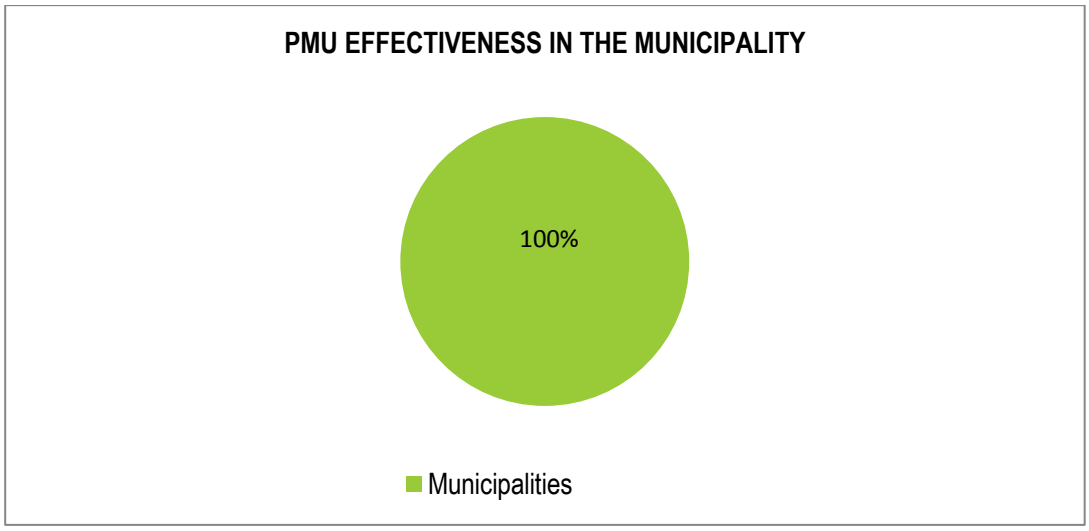
All municipalities cited that the funding they receive from the department is not enough to eradicate the entire infrastructure backlog in the municipalities. For instance, if municipality get R20 millions from MIG funding and have 14 wards, and in these wards are expected to build 50 km roads as per priority list which is impossible to implement projects in all 14 wards in a financial year unless they get an alternative funding. However, some municipalities cited that due to lack of capacity or expertise, they have taken an initiative to use service providers to address this challenge, moreover instead of the service

providers to solve the problem they become the problem themselves because they do not keep timeframes and they produce poor quality of work.

Most municipalities cited lack of capacity as a major challenge in the municipalities that hinders the effectiveness of the PMU, sometimes municipalities do not get enough support because some municipalities do not have technical staff as a result PMU find it difficult to provide support if there are no personnel dedicated for PMU. Some municipalities have one dedicated person for PMU that makes it difficult to implement and monitor all projects. Municipalities find themselves employing service providers to address the issue of capacity also bring challenges to the municipalities because Service Providers fail to deliver as per agreement yet they demand to be used as sub-contractors in their wards. Some municipalities noted that lack of capacity is due to high staff turnover who leave small municipalities to join bigger ones due to low salary packages.

13.3 Effectiveness

All municipalities mentioned that PMU support has been effective and has benefited them a lot. The majority of municipalities cited that slow SCM processes has a negative impact on their performance, some of them are not sure whether they will be able to spend MIG funding since nothing has been done so far in terms of planning due slow SCM processes. They further cited that, sometimes municipalities fail to achieve their targets not because they are not performing but due to slow SCM processes. Some municipalities noted that though they have benefited a lot from MIG funding, but they found themselves in a situation where MIG funding get taken away from them if they fail to spend as per MIG regulations due to slow SCM processes. It has been recommended that the department should intervene with SCM in the municipalities in connection with payments, SCM should fast track their processes to allow municipalities to keep timeframes and comply as per MIG and DORA regulations.



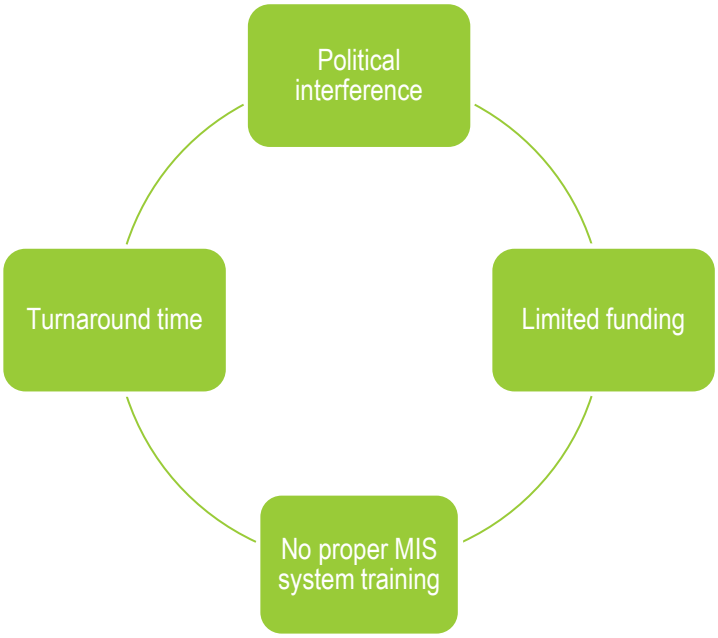
The majority of municipalities reported that although PMU support has been effective in assisting the municipalities to accelerate service delivery, however there is still a room for improvement in terms of addressing the issue of capacity and lack of communication between departmental PMU and municipalities. The majority of municipalities noted that PMU support has

been effective and it has assisted them a lot in terms of making application for 5% slice of MIG funding. Through this funding, some of them have managed to build in-house capacity, employ engineers and attend trainings in order to have a better understanding of PMU as well as to fast track service delivery in their communities.

The majority of municipalities indicated that a lot has changed in how they do their work because of newly acquired skills they etc. However, some municipalities' feels that they have not gained much skill through PMU support because PMU send project managers who are not well experienced, who are still new in the field of PMU to support them. They further cited that PMU should bear in mind that some project managers in the municipalities have been in the field long enough, they are well experienced than other project managers in the department that makes their support ineffective to such municipalities. A recommendation was made that, PMU should employ people who have been exposed to PMU and ensure that they have a better understanding of PMU processes before going out to support the municipalities.

The majority of municipalities noted that although PMU has been effective but it has strengths and weakness. The strength of the PMU is to manage projects from the beginning until they get approved, monitoring of MIS system, give positive response when municipalities need assistance, PMU has managed to pull resources at National level close by, have been hands on, and have skilled people who knows what the MEC wants. The weaknesses of PMU is poor project planning, MPAC meetings should be cascaded to district level instead of province to allow municipalities to present project appraisal in their own districts rather than sitting the whole day in the province waiting to present their projects. Another weakness is that, there is non-implementation of PMU recommendations. They further noted that funding allocation is not enough because small municipalities always get small funding with list of projects in their priority list that need to be implemented. This is the reason why they ended up having to implement their projects in two/three years due to limited funding. It was recommended that when MIG allocate funding, they should allocate funds according to the number of projects / population of the municipalities. PMU effectiveness is hindered by the following challenges:

A figure below shows challenges that hinders PMU effectiveness in the municipalities



a) Political interference

Another challenge that most municipalities have noted is political interference that has a great negative impact on how they operate. In some instances, politicians go as far as to influence SCM processes to decide who should get a job in their wards. Some municipalities cited that political interference during Bid Committee delays project implementation where contractors feel that tender processes was not fair, this hinders the effectiveness of PMU support. They further noted that, councillors sometimes demand that the priority list should include projects in their own wards irrespective of what the community need as long as they implement a project in their wards during their time in the office.

d) Limited funding

Another challenge that municipalities have cited is limited funding, grant allocation from MIG funding is never enough especially for small municipalities as a results they fail to complete their projects in a financial year and ended up having a multi-year projects. In some instances funds are diverted to do other municipalities needs instead of being used for infrastructure projects. Limited funding impacted badly in some municipalities who do not have an alternative funding because they fail to do infrastructure master plan, sector plan and maintenance plan.

e) No proper MIS system training

One more challenge, some municipalities highlighted that they have never receive a proper training on MIS system which lead to poor performance and there is a lack of communication between departmental PMU and these municipalities.

f) Turnaround time

They further mentioned that the tool used for monitoring and supervision is too standard and municipalities are not given enough time to respond to PMU requirements, turnaround time is never enough as a result they ended up producing poor quality of work.

13.4 Sustainability

The majority of municipalities believe that PMU would be sustainable if they have fully functioning units who are capacitated consistently through support they receive from departmental PMU in order to build in house capacity and transfer skills. That is not a case with most municipalities due to lack of capacity that hinders the sustainability of PMU services in the municipalities. A recommendation was made for PMU to assist and encourage municipalities to apply for 5% slice of MIG funding in order to use such money to employ their own staff members as well as to build in house capacity to ensure sustainability. On the other hand, some municipality reported that they have capacity and are in a process of employing young people from their communities, capacitate them in house so that they will have fully functioning units.

However, in order for such municipalities to achieve sustainability more funding is needed, limited funding hinders the sustainability of such municipalities. As per most municipalities, there are many factors that contribute to unsustainability of PMU support such as political interference, for instance some municipalities cited that some project managers or Technical Directors follow orders, they do as they are being told by their Superiors in order to sustain their job. They further mentioned that PMU support is not sustainable in the municipalities due to high staff turnover, there is no personnel dedicated for PMU

services in some municipalities. They are supported by different project managers every year and that has negative impact in the performance of the municipalities, there is no continuity of progress had to start from the beginning every year with a new project manager.

14. RECOMMENDATIONS BY MUNICIPALITIES

These recommendations made by municipalities point out the following themes: 5% slice of MIG funding should be used to appoint and capacitate PMU, alignment of municipal SCM payment processes with PMU plans, and MIG funding should be allocated as per number of project / population of the municipalities.

14.1 5% slice of MIG funding should be used to appoint and capacitate PMU

The majority of municipalities still faced with a challenge of lack of capacity, and most municipalities do not have funding to employ PMU personnel. As per MIG regulations municipalities gets an opportunity to apply for 5% slice of MIG funding in order to use the funding to employ PMU personnel, however, some municipalities still do not have dedicated PMU personnel. Sometimes municipalities use 5% slice MIG funding to do other projects not related to PMU rather than employing dedicated PMU personnel and is difficult for those municipalities to get support from the department. Municipalities recommended that 5% slice of MIG funding should be used to address the challenge of PMU capacity in the municipalities. This will ensure that Municipalities establish PMU's and have dedicated PMU personnel who will be capacitated in house to have fully functioning PMU's.

14.2. Alignment of PMU plans with municipal SCM payment processes

The majority of municipalities faced with a challenge of slow SCM payment processes that has a negative impact on their performance, sometimes municipalities fail to achieve their targets or found themselves in a situation where MIG funding get taken away from them if they fail to spend as per MIG timeframes due to slow SCM processes. Municipalities recommended that PMU plans or timeframes should be aligned with municipal SCM payment processes. SCM measures to comply with payment processes should be strengthened to ensure that all municipalities comply as per SCM regulations. This would ensure that SCM payments are made within the 30 days as per requirement, it will allow PMU's to have adequate time to do project planning, and keep timeframes in order to comply as per DORA and MIG regulations. This will ensure that municipalities spend 100% of MIG funding, achieve their targets, and no MIG funding will be taken away from municipalities due to slow SCM processes.

14.3. MIG funding should be allocated as per number of project versus population of the municipalities

Another challenge that municipalities have raised is limited funding, the funding they receive from the MIG is not enough to eradicate the entire infrastructure backlog in the municipalities. The grant allocation from MIG funding is never enough especially for small municipalities as a results they fail to complete their projects in a financial year and ended up having a multi-year projects. For instance, if municipality get R20 millions from MIG funding and have 14 wards, and in these wards are expected to build 50 kms road as per municipality's priority list. This becomes impossible for the municipality to implement all projects in 14 wards within a financial year unless they get an alternative funding.

The National Department assigned with the responsibility to allocate MIG funding to ensure that all municipalities get funding as per MIG regulations. However, to further eradicate the backlog of basic services and improve service delivery on the ground. Municipalities recommended that MIG funding should be allocated as per number of projects / population of the municipalities. This will ensure that all municipalities get MIG funding equally irrespective of whether is a big or small municipality, more projects will be implemented even in small municipalities. This will reduce the number of multi-year projects implemented in small municipalities due to limited MIG funding.

15. EVALUATOR'S OBSERVATION

Through evaluation findings, it became apparent that PMU has made a positive impact in all KZN municipalities. There are challenges that hinder the effectiveness of PMU services indicated as element of success if they can be resolved and most of these challenges are internally focused need to be resolved internally in the municipalities in order for PMU support to be effective and efficient in the municipalities.

16. OVERALL CONCUSION

Overall, the evaluation found that PMU has made a significant contribution to assist municipalities to accelerate service delivery and PMU is accomplishing its objectives. As a result of the support provided most municipalities spend 100% of their MIG funding each year, reporting has improve in such a way that they are complying as per MIG and DORA regulations. Evaluation findings indicated that PMU support is highly relevant and appreciated by the municipalities as it provides them with expertise that are not available in the municipalities such as engineering and project management. However, evaluation also noted that capacity is a challenge in PMU that found to be the reason that affects PMU efficiency and effectiveness.

The evaluation had shown that employing the Service Provider as an attempt for the department to address the issue of capacity has assisted PMU a lot to achieve its objectives. For example, with current arrangement is easy for project managers to support one district effectively rather than managing many districts at a time. There are 4 project managers employed by the department and 6 project managers employed by the service provider. The evaluation findings highlighted that the alternative way for the department to achieve the same results at the lowest cost is to absorb project managers who are already supporting the districts, that could save a lot of money for the department hence outsourcing or using consultants is very costly. The evaluation recommended that both department and municipalities should employ their own project managers for continuity, cost cutting measures, capacity building and skills transfer.

Nonetheless, the findings of the evaluation showed that municipalities are in different stages of development so PMU should bear in mind that support cannot not be provided equally to all municipalities. There are well-resourced municipalities who need light support and those who are not well resourced who need intensive support. Furthermore, the evaluation identified constraints, such as political interference, MIG dependency, change of leadership, no maintenance plan, no clear job descriptions, limited funding as major constraints hampering the effectiveness of PMU services.

17. SIGNATURES

Submitted by :

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Supported by :

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Chief Director : Strategic Planning,
Monitoring and Evaluation .....
Date

Supported by :

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Director : **Date**
Project Management Unit

Supported by :

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Development Planning

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Head of Department : **Date**
Cooperative Governance and Traditional
Affairs