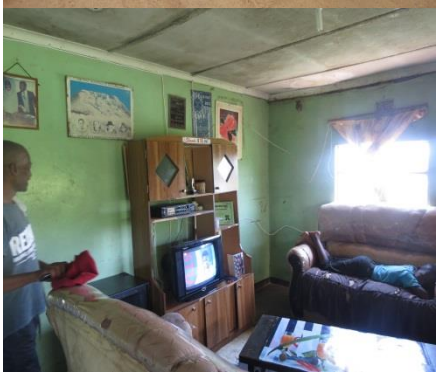
cogta

Department:
Cooperative Governance and Traditional Affairs
PROVINCE OF KWAZULU-NATAL



IMPLEMENTATION EVALUATION OF CAPITAL PROJECTS FUNDED IN 2015/2016 FINANCIAL YEAR

SOUTHERN REGION

February 2018

The Evaluation Directorate

CONTENTS

1. INTRODUCTION

The Evaluation of capital projects aims to assess the value for money in the capital projects that the Department had invested in over the years. The evaluation of the capital projects within the 2015/2016 financial year will be a two part report, which will cover two regions of the Province of KwaZulu-Natal being the Northern region which covers projects within Umkhanyakude, Zululand, King Cetshwayo and Umzinyathi districts. While the Southern region cover projects within Ilembe, Uthukela, Ugu and Harry Gwala districts. This evaluation report presents the findings of 2015/2016 funded capital projects of the Southern region.

2. REPORT OUTLINE

This report presents the findings of the evaluations conducted on ten Capital projects within the Northern region. Considering the magnitude of information produced on the analysis of each project, it was deemed fit that the findings include the use of indicators, to enable the reader to obtain as much detail as to the project and factors that influence or inhibit the success of the projects that had been supported. Each project report covers 6 assessment areas as per the Capital projects value chain which is as follows.

Area 1: Project conceptualisation

This area will consider the conceptualisation and design process of the project and aims to establish if this process was conducted. The following indicators will be used to assess this area.

Area of assessment	Indicator	Good	Bad
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100%
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**

Area 2: The support application process

This area assesses the relevance and the efficiency of the support application process and how it influences the projects that are being supported. The following indicators are used to assess this area

Area of assessment	Indicator	Good	Bad
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1
Period of support application	Period of support application process	**N/A**	**N/A**

Area 3: Project inputs and expenditure

This area presents the funds received and establishes if the deliverable costs had deviated and if expenditure challenges had been experienced.

Area of assessment	Indicator	Good	Bad
Funding arrangement	Funding transferred in full or in tranches	N/A	N/A
Funding requested against funding received	Funds received against funds requested	100%	Below 100%
Cost per deliverable	Cost per deliverable	N/A	N/A
	Subsequent changes in the cost per deliverable	0%	1% and above
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure

Area 4: Project implementation

This area considers the implementation of the projects as assess project implementation in terms of time and scope. This area will also consider challenges experienced in project implementation and working relations between project stakeholders. The following indicators are used to assess this area.

Area of assessment	Indicator	Good	Bad
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place
	Meeting frequency	Monthly & quarterly	Not meeting
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1
Challenges experienced	%Challenges are internally focused: % Challenges are externally focused	**N/A**	**N/A**
Working relations internally and externally with stakeholders	%Good working relation internally: %Bad working relation internally ratio	100%:0%	0%:100%
	%Good working relation externally: %Bad working relation externally ratio	100%:0%	0%:100%

Area 5: Project outcomes

The outcomes of the project are measured by project utilisation. This area looks into the functionality of the project utilisation and level of usage by project end users. The following indicators are used to measure this area.

Area of assessment	Indicator	Good	Bad
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%

Area 6: Value for money summary

This provides a summary of the project status according to the value for money elements being Economy, Efficiency and Effectiveness. The findings would assist in establishing which areas needed to be optimised to ensure that the project would be implemented effectively.

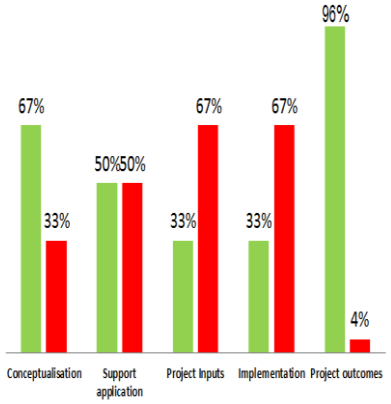
3. SUPPORT PROVIDED PER SUPPORT PROGRAMME IN THE SOUTHERN REGION

A brief profile of the projects supported in the Northern region

Support programme	**Massification**
Total investment in the 2015/2016 financial year	R 60 956 000
Projects supported	4 projects
Projects supported	Electrification of 352 HH in Ward 6 Mandeni (Mathunzi, Izimpohlo, St Cyprian & Abashumi)
	Okhahlamba electrification of 500HH in Sandlwane
	Ubuhlebezwe electrification of 1058 HH in Ufafa, Mahehle and Umkunya
	Umzumbe electrification of 322 households in Amen Creche-Ekubusisweni and KwaMgayi

3.1. THE MASSIFICATION PROGRAMME

Electrification of 352 HH in Ward 6 Mandeni (Mathunzi, Izimpohlo, St Cyprian & Abashumi)		
Funding received	**R8 000 000**	
	Planned	**Actual**
Deliverable	352 functional electrified households	337 households with functional connections. 13 households waiting for energizing process.
Project commencement	December 2015	March 2016
Completion	May 2016	Project still in progress
Planned project duration	8 months	19 months
Expenditure	R8 000 000	R9 400 000 or 17% over expenditure
Actual progress	In progress	In progress
Date of visit	6 February 2018	



Need for the project	Also known as the Evutha electrification Project, this project was implemented in response to community protests. The municipality asked ESKOM for assistance, to which It was understood that the project was already being implemented in the Evutha area. A partnership with ESKOM was created where the Municipality would work within the deep rural areas and ESKOM would work on areas where infrastructure was easy to install.

ELEMENT 1: PROJECT CONCEPTUALISATION

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0 %	0%:100 %	100%:0%	Informed as a result of community protests.
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	0:1	Project not within IDP
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	Conducted feasibility study but not thoroughly due to pressure from community protests
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	The municipality used ESKOM's designs

ELEMENT 2: SUPPORT APPLICATION PROCESS

Area of measurement	Indicators	Good	Bad	Actual	Explanation
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	-3 months	Project was supposed to commence in September 2015, but municipality submitted documentation to the Department in November 2015. As a result funds were transferred in December 2015.
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	0	Municipality noted that funding was transferred in time before the budget adjustment.

ELEMENT 2: SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	When the project went to tender it was realised during surveying that an extra R1.4 million was needed to fund the project. This was a result new households moving in the areas after the premarketing phase. Other cases related to houses being built in inaccessible areas, increasing costs per connection. This delayed the project as a result
Period of support application	Period of support application process	**N/A**	**N/A**	21 working days	
ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Full	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	100%	
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R 21 448 Per connection	
	Subsequent changes in the cost per deliverable	0%	1% and above	R25 201 or 17% variance	An extra R1.4 was needed to fund the project. This was discovered when conducting the surveying after the premarketing phase.
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	-17%	R9 400 000/R8 000 000 or 17% over expenditure.
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	4 months	Project was supposed to commence in December 2015 but commenced in April 2016.
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cash flow reports (in months)	0 and +ve figure	-ve figure	-19 months	Project was supposed to take 8 months but took 19 months.
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	12 months	22 months
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	A project Steering Committee consists of the Municipality, Consultant and the Department.
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	
	How Quality of the deliverable is ensured	Deliverables are verified by the consulting engineer, councillor, induna and CLO. PSC is also used to confirm numbers			

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	1: Additional funds were sourced for implementation of project before going to tender 2: Meters which were brought to Eskom for encoding in February 2017 were only brought back in September 2017
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	0:1	There was an addition of 21 households to the initial scope.
Project implemented/com pleted in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	0:1	An additional R1.4 million was needed for the project, to which funds were sourced from savings from another project was used to fund the shortfall. Realised underestimation of costs when surveys are conducted.
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	33%:67%	• Sourcing of R1.4 million before going for tender. • Working relations with Eskom. Not participating in project processes • Community protests when delays are experienced
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100%:0%	
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	0:100%	Working relations with Eskom. Not participating in project processes.
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%	96%:4%	Out of the 4 households visited, all had functional connections.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	96%:4%	Only 13 households in the area are waiting for the energising process.
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%	96%:4%	Communities were highly satisfied with the project.

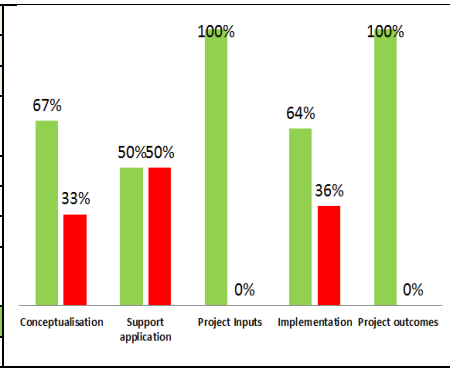
ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS		
Cost of maintenance of the project	Project will be handed over to Eskom	
Recommendations	• The Department must be proactive and not be reactive. This will minimise protects challenges. • Improve communication between the municipality and the Department. • Also consider the funding of O&M in areas under the Municipal electricity grid.	
ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Not Economical	Project experienced117% expenditure.
Efficiency	Not efficient	Project was not implemented in time, scope and budget
Effectiveness	Effective	Out of 4 households visited, all had functional connections.

Above: Infrastructure installed in Mathunzi and a meter installed in one of the households

Above: One of the households with fully functional connections in the St Cyprian area

Above: Households electrified in the Izimpohlo area and a meter installed in one of the households

Okhahlamba electrification of 500HH in Sandlwane		
Funding received	**R20 000 000.00**	
	Planned	**Actual**
Deliverable	**500 functional connections**	Est 500 functional connections
Project commencement	November 2015	June 2016
Completion	June 2016	November 2017
Planned project duration	8 months	17 months
Expenditure	R20 000 000.00	R17 400 000 or 87%
Actual progress	Complete	Complete
Date of visit	8 February 2018	
Need for the project	Okhahlamba was nearing 100% universal access, in which the areas neglected in terms of connecting electricity infrastructure were prioritized. There were also protests in the area which resulted in the project being prioritized.	



ELEMENT 1:PROJECT CONCEPTUALISATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100 %	100%:0%	Project also informed by protests in area which resulted in the project being prioritized
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	0:1	Project not in project list.
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	In 2013 a service provider was appointed to conduct a study and develop a sector plan
ELEMENT 2:SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	-1 month	1 month behind. Business plan states that project to commence in November but Department received Business plan for processing in December 2015.
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	0	Municipality noted that funding was transferred in time before the budget adjustment.
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	Funding initially enough, but with people moving in after the premarketing & surveying phase, there was an increased demand. This escalated the costs and affecting funding received
Period of support application	Period of support application process	**N/A**	**N/A**	15 working days	

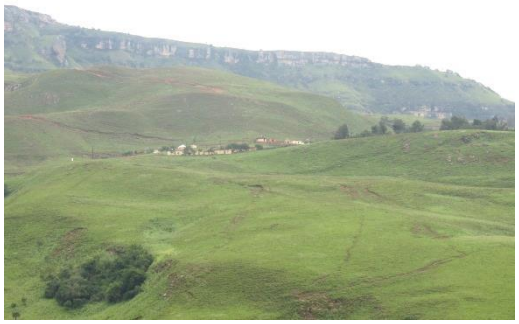
ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Full	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	100%	
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R40 000 per connection	
	Subsequent changes in the cost per deliverable	0%	1% and above	0%	R34800 or -13% variance
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	0%	R17 400 000 or 87%
ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	4 months	The project was supposed to commence in November 2015 but commenced in March 2016.
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-9 months	The project was supposed to take 8 months but took 17 months
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	0 months	
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	Technical meetings and Project Steering Committees in place that consisted of the municipality, the service provider and councillors.
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	Using the monthly project steering committees, the municipality was able to check the specifications against the actual deliverables.			
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	1: Increasing number of households, increasing demand. 2: Delays in planned outages/energizing from Eskom. 3: Delays were experienced in procurement processes that resulted in the consulting engineer not being appointed on time. 4: Delays experienced by the contractor in obtaining materials
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	1:0	On scope there were a lot deviations as the initial scope was 440 at premarketing and had but estimates of 500 HH allowed us to make provisions.
Project implemented/co mpleted in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	1:0	Below budget. Experienced a R2.6 million saving.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted
Challenges experienced	%Challenges are internally focused: % Challenges are externally focused	**N/A**	**N/A**	0%:100%	1: Increasing number of households, increasing demand. 2: Delays in planned outages/energizing by ESKOM 3: Delays in procurement processes resulting in the consulting engineer not being appointed on time. 4: Delays in contractor in obtaining materials 5: Reports submitted to CoGTA are not reconciled and does not give accurate information on the status of the project
Working relations internally and externally with stakeholders	%Good working relation internally: %Bad working relation internally ratio	100%:0 %	0%:100 %	100:0%	Good internal working relationship
	%Good working relation externally: %Bad working relation externally ratio	100%:0 %	0%:100 %	0%:100%	Working relations with Eskom. The Municipality to push Eskom to give a date for outages
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%	100%:0%	Households are electrified however as a result the neighbourhood is prone to lighting strikes.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	100%:0%	
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%	25%:75%	Yes, but not fully as they have experienced lightning strikes while using electricity.

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Project will be handed over to Eskom
Recommendations	• The Department must be more involved in implementation of projects at ground level. District officials need to at least go on site instead of having district meetings. Their Terms of Reference of the support officials needs to be clarified. • Provincial level engagement sessions need to be revived so as to allow for engagements between high level role players such as ESKOM and DOE on implementation bottlenecks that are relate to them

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Economical	Project did not experience over expenditure
Efficiency	Not efficient	Project experienced implementation delays
Effectiveness	Not effective	Out of 4 households visited all had functional connections. However 3 of the households were not satisfied because of lightning strikes when using electricity.

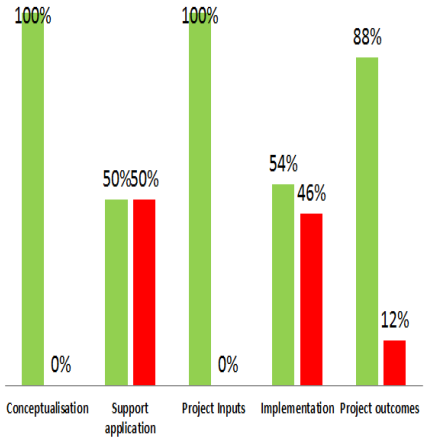
Above: Infrastructure installed in Isandlwana. Even though households have fully functional connections, households are prone to lighting strikes to a point that appliance such as televisions are damaged.



Above: Households located in inaccessible areas and the first time installation of infrastructure made the project expensive, connecting 500 households with R18 million.

Above: Electricity infrastructure installed in the Isandlwana area.

Ubuhlebezwe electrification of 1100HH in Ufafa, Mahehle and Umkhunya		
Funding received	**R34 956 000 over 2 years**	
	Planned	**Actual**
Deliverable	• An 8km powerline between Mkhunya and Ofafa • Contribution to connections in Ofafa, Mahehle and Mkhunya	• An 8km powerline between Mkhunya and Ofafa • Estimated 931 households connected
Project commencement	November 2015	January 2016
Completion	March 2016	August 2016
Planned project duration	5 months	6 months
Expenditure	R24 956 000 (2015/2016)	R24 956 000 or 100%
Actual progress	Complete	In progress
Date of visit	13 February 2018	
Need for the project	Umkhunya in ward 5 was initially prioritized for this project. Protests were however experienced in Ufafa and Mahhehle to which these areas were added to the project scope as part of the Premier's 100 day targets. Funding received of R35 million was the Department's contribution to the estimated R130 million projects. R35 million funding aimed to connect 1100 HH in the Ufafa, Mahehle and Umkhunya and fund the Mkhunya Ofafa powerline.	



ELEMENT 1: PROJECT CONCEPTUALISATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100%	100%:0 %	• Community of Mkhunya were engaged to which project prioritized this area • The municipality was also being reactive to the protests in Mahehle and Ufafa
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	1:0	Project within project list but amounts not apparent.
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100 %	Premarketing was conducted by KZNCoGTA. A service provider was appointed to conduct surveying.

ELEMENT 2: SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100% compliance	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	-1 month	Municipality submitted business plans stating that project would commence in November 2015. But business plans were submitted to the Department in 24 November and 3 December 2015
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	0 months	Municipality noted that funding was transferred in time before the budget adjustment.
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	Municipality noted that R35 million funding was not enough to fund 1100 households and its respective infrastructure, but made a difference.

ELEMENT 2: SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Period of support application	Period of support application process	**N/A**	**N/A**	55 working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Tranches	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	100%	R24 956 000.00 (2015/16) R10 000 000.00 (2014/15)
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R23 589 per connection	
	Subsequent changes in the cost per deliverable	0%	1% and above	0%	
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	0%	R24 956 000 or 100% for the 2015/2016 financial year

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	2 months	Project was supposed to commence in November 2015 but commenced in January 2016.
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	1 month	Project was supposed to take 5 months but instead took 6 months.
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	19 months	While the project is complete in Mahehle and Ufafa, construction is still in progress in uMkhunya
Structures in place to monitor scope and quality	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	Project Steering Committees between the municipality, the service provider and the Department. Department stopped attending or providing support after funding was exhausted.
	Meeting frequency	Monthly & quarterly	Not meeting	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	Monthly meetings with the Project Steering Committee also assess issues quality. All deliverables are also passed by ESKOM as per set standard			
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	• The municipality noted if funds were readily available the project would have been completed on time. • The project usually experienced 1 to 2 month delays due to needed funds not being available when needed. The municipality as a result had to reduce the pace of projects to prevent riots and vandalism. • ESKOM change technicians just as progress is picking up. New technicians often delay project implementation as they have to bring them to speed in project's operations.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	0:1	• As a result of limited funds the municipality had to do portions of project. • Limited funds were as a result of increased demands because for electricity. People move in after the premarketing phase. • Other cases included households with 2 wives and the heads of these households would demand that houses of the 2 wives be connected. • ESKOM wanted new standard of split metering in Mkunya. The project as result delayed for 6 months.
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	1:0	
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	0%:100%	1. People move in after the premarketing phase. 2. Households with 2 wives and the heads of these households would demand that houses of the 2 wives be connected. 3. ESKOM wanted new standard of split metering in Mkunya. The project as result delayed for 6 months. 4. ESKOM change technicians just as project is at its ultimate momentum. New technicians often delay project implementation as they have to bring them to speed in project's operations.
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100:0%	Good internal working relationship
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	0%:100%	1. Working relations with ESKOM changing standards during project implementation. This escalates project costs and new standards must be factored in. 2. Changing of technicians at peak of project implementation. This results in the loss of momentum and delaying the project.

ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%	88%:12%	• Fully functional connections in Mahehle and Ufafa. • Some households are fully connected in Mkunya, there is cable theft to connect illegal connections (Izinyoka). This has also caused interruptions in usage and has delayed project implementation.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	88%:12%	
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%	78%:22%	Households satisfied, except those not connected as they are concerned with delays due to zinyoka.

ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS	
Cost of maintenance of the project	Project will be handed over to Eskom
Recommendations	• The Department needs to communicate more closely with municipalities. • The Department needs to intervene in addressing implementation bottlenecks and provide specialised skills such as the clerk of works. • Eskom standards need to be uniform and should not change during implementation as this escalates costs and affects the project being completed on time. The Department needs to intervene in this matter

ELEMENT 7: VALUE FOR MONEY INDICATORS		
Vfm element	**Finding**	**Explanation**
Economy	Economical	The project did not experience over expenditure challenges
Efficiency	Not efficient	The project experienced implementation challenges which has as resulted in its delay
Effectiveness	Effective	Out of 8 households on 1households had no functional connection.

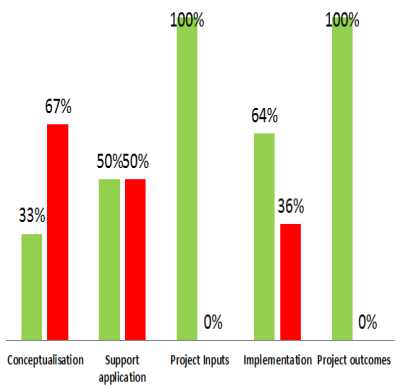
Above: Part of the Umkhunya-Ofafa powerline. One of the households in Mkhunya which did not have functional connections due to the advent of cable thieves or izinyoka

Above: Illegal connections in Mkhunya. One of the functional connections in Mkhunya

Above: One of the households that have fully functional connections in Mahehle. Infrastructure installed in the Mahehle area.

Above: Connection of households in the Ufafa area.

Umzumbe electrification of 322 households in Amen Creche-Ekubusisweni and KwaMgayi		
Funding received	**R8 000 000**	
	Planned	**Actual**
Deliverable	322 households with functional connections	Estimated 322 functional connections
Project commencement	December 2015	February 2016
Completion	June 2016	May 2017
Planned project duration	6 months	16 months
Expenditure	R8 000 000	R7 590 849.83 or 94% expenditure
Actual progress	Complete	Complete
Date of visit	15 February 2018	
Need for the project	The Municipality aimed to assist ESKOM in electrification so as to hasten service delivery. The municipality planned to connect households that have not been connected to which they requested funding	



ELEMENT 1:PROJECT CONCEPTUALISATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Source of project need	%Project needs based on community engagements & on Government priorities/Legislative prescripts: % with no source of project needs	100%:0%	0%:100 %	0%:100%	The municipality associated themselves with the Eskom project in the affected area.
Project within IDP	Project within 2015/2016 IDP: Project not within 2015/2016 IDP	1:0	0:1	0:1	Project not on project list. Shows R10 million project funded by Department in Nkehlamandla
Feasibility study and design of project	Feasibility study& design conducted: Feasibility study& design not conducted	1:0	0:1	1:0	
	%Feasibility study &design conducted in-house: %Feasibility study &design outsourced	**N/A**	**N/A**	0%:100%	Premarketing was already done by Eskom and the municipality was using ESKOM's plans
ELEMENT 2:SUPPORT APPLICATION PROCESS					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Support application compliance	Extent of compliance in submission of business plans, MoAs & Council resolutions	Below 100%	100%	100%	
Timing of funding transfer	On time indicator=Planned time +/-Actual receipt (Departmental perspective)	0 or +ve figure	-ve figure	-2 months	Business plans submitted to the Department state that the project was to start in December 2015. The business plan was only received by the Department on the 12th of January 2016
	On time indicator=Planned time +/-Actual receipt (Municipal perspective)	0 or +ve figure	-ve figure	0	The Municipality noted that funds were received on time.
Funding adequacy	Satisfaction on funding adequacy: Dissatisfaction on funding adequacy ratio	1:0	0:1	0:1	The municipality noted that funding was not adequate. After design and costing new households moved into the area affecting planned connections.
Period of support application	Period of support application process	**N/A**	**N/A**	22 working days	

ELEMENT 3: PROJECT INPUTS & EXPENDITURE					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Funding arrangement	Funding transferred in full or in tranches	**N/A**	**N/A**	Tranches	
Funding requested against funding received	Funds received against funds requested	100%	Below 100%	100%	R8 000 000
Cost per deliverable	Cost per deliverable	**N/A**	**N/A**	R25 000per connection	
	Subsequent changes in the cost per deliverable	0%	1% and above	0%	
Financial performance	actual expenditure in duration/planned expenditure in duration	0% or +ve figure	-ve figure	94 %	R7 590 849.83 or 94%

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Delays time in commencement of implementation	Implementation commencement delay time in months	0	1 and above	2 months	The project was supposed to commence in December 2015 but commenced in February 2016
Duration in implementation ahead of time on behind schedule	Implementation time in surplus or in deficit as per cashflow reports (in months)	0 and +ve figure	-ve figure	-10 months	The project was supposed to take 6 months but took 16 months.
Deliverable delay from planned completion	Ongoing Completion time beyond planned completion time as of the time of site visit	0	1 and above	0	Project was completed in May 2017
Structures in place to monitor scope and quality Delays time in commencement of implementation	Project Steering Committee in place with relevant stakeholders	In place	Not in place	In place	Project Steering Committees and Technical meetings which met once a month. Consisted of the municipality, Service provider, Eskom, KZNCoGTA and Clerk of works
	Implementation commencement delay time in months	0	1 and above	Monthly	Meetings on a monthly basis.
	How Quality of the deliverable is ensured	Technical committees assess quality and PSC meetings looked into community issues.			

Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/ completed on time	Project implemented/completed in time: Project not implemented/completed in time ratio	1:0	0:1	0:1	1. Delays were experienced with the stealing of cables. 2. Delays were also experienced when the municipality had to wait for ESKOM for outages. Delayed outages resulted in stealing of cables. Eskom need to be more efficient in terms of outages
Project implemented/ completed on scope	Project implemented/completed on scope: Project not implemented/completed on scope ratio	1:0	0:1	0:1	The service provider had to redesign the network some problems experienced.

ELEMENT 4: PROJECT IMPLEMENTATION					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Project implemented/completed in budget	Project implemented/completed within budget: Project not implemented/completed on within budget	1:0	0:1	1:0	Spent on budget as this was a turnkey project, to which you have one person to account.
Submission of progress reports to the Department	Municipality submits reports to the Department: Municipality does not submit reports to the Department	1:0	0:1	1:0	Consolidation of monthly reports submitted.
Challenges experienced	%Challenges are internally focused:% Challenges are externally focused	**N/A**	**N/A**	0%:100%	1. Constant electrical outages because of illegal connections (Izinyoka) 2. Delays in planned outages result in the stealing of cables affecting the project. 3.Getting dates from stakeholders to set meetings of PSCs and knowing processes to get approval delays processes
Working relations internally and externally with stakeholders	%Good working relation internally:%Bad working relation internally ratio	100%:0%	0%:100%	100:0%	Good internal working relationship
	%Good working relation externally:%Bad working relation externally ratio	100%:0%	0%:100%	100%:0%	Good working relationships with external stakeholders.
ELEMENT 5: PROJECT OUTCOMES					
Area of measurement	**Indicators**	**Good**	**Bad**	**Actual**	**Explanation**
Planned outcomes against actual outcomes	%Functional connections: % non-functional connections	70%-100%: 0%-30%	0-50% :50%-100%	100%0%	Functional connections. However in most households there have been power outages because of ''izinyoka'' and one household cannot use appliances as they get shocked and suspect that because they live near a powerline.
	% project used by end user: % project not used by end user	70%-100%: 0%-30%	0-50% :50%-100%	100%:0%	
	% Community satisfaction: %Community dissatisfaction	70%-100%: 0%-30%	0-50% :50%-100%	80%:20%	One household cannot use appliances as they get shocked and suspect that because they live near a powerline.
ELEMENT 6: SUSTAINABILITY AND RECOMMENDATIONS					
Cost of maintenance of the project	Project will be handed over to Eskom				
Recommendations	• Have a standardised reporting system. • Professionals should be seconded to municipalities • KZN CoGTA should assist in establishing fully functional electrical units in small municipalities, to enable them to become licencing authorities				
ELEMENT 7: VALUE FOR MONEY INDICATORS					
Vfm element	**Finding**	**Explanation**			
Economy	Economical	Project did not experience expenditure challenges			
Efficiency	Not efficient	The project faced implementation delays over about 10 months			
Effectiveness	Effective	Out of 4 households visited all had functional connections.			

Above: One of the households in Ekubusisweni which find it difficult to use appliance as they experience electrical shocks.

Above: One the households with fully functional connections in the KwaMgayi area. It was noted that households often experienced power outages due to illegal power connections

Above: Illegal connections or izinyoka increase power demand and result in outages

Summary of the Massification Programme support provided in the Southern region

Element	Indicator	Actual Result
Project conceptualisation	**%Project needs based on community engagements & on Government priorities/Legislative prescripts**	75%
	%Feasibility studies and projects designs developed	100%
The above indicators coupled with 25% of projects found within respective IDPs, indicate that the majority of these projects did not pass through formal Municipal planning processes and were as a result of being reactive to community protests. Moreover the community engagements by municipalities occurred to address needs raised from protests.		
Support application	**% transfer coming ahead/or time (Departmental perspective)**	0%
	% transfer coming ahead/or time (municipal perspective)	100%
	%Process within 25 working days	75%
	%Satisfaction on funding adequacy	0%
The above indicators show a common noted trend within the region that Municipal business plans with set dates are submitted to the Department on the month of planned implementation. This results in the Department transferring funds beyond the planned implementation date/month. Why is it that support applications are not submitted on time? If projects were properly costed and were based on feasibility studies, why would the municipality note the inadequacy of funds received?		
Project Inputs	**% received requested amount:**	100%
	% of projects without deviated costs per connections	50%
	% of projects not experiencing expenditure challenges during implementation	75%
The indicators show that while all projects received their proposed amounts, half of them experienced deviated costs per connections. Are feasibility studies and designs done thoroughly to enable the development of a quality product within proper estimated costs?		
Project implementation	**%project commencing as planned**	0%
	Average delay time in project commencement	3 months
	%Project implemented ahead/within duration	0%
	%Projects implemented within scope	0%
	% structures in place to monitor scope quality and progress	100%
	% of projects with no implementation/completion time challenges	0%
	%Internal focused challenges	10%
	%Good working relation internally	100%
	%Good working relation externally	25%
	% progress accurate	75%
	Average delay time in project implementation	8 months
The indicators reveal that all projects experienced implementation delays and were not implemented on scope. It also reveals that all projects commenced on average 3 months late and also experienced implementation delays of 8 months on average. Besides feasibility studies and subsequent designs that resulted in scope changes, are projects well managed to ensure the delivery of resulted within the expected timeframes? Like the northern region, projects had project steering committees with KZNCoGTA officials as part of their constituents; however the majority of the municipalities did not have working relations with Eskom as a result of delayed outage/energising schedules, last minute changes to standards and delayed encoding of meters. Are we as a Department able to assist in addressing implementation bottlenecks relating to external stakeholders? Is the feedback loop between the municipalities and the Department working to enable the smooth implementation of projects on time?		
Project outcomes	**%Functional connections**	96%
	% project used by end user	96%
	% Community satisfaction	67%
The indicators show that while most of the households had functional connections and the project is utilized by the end the end-user, community satisfaction of the projects diverges on the latter mentioned findings. It is noted that issues such as lighting strikes, power outages due to ''izinyoka'' and usage faults, lead to damaged appliances, physically hurt and inconvenienced users, which then resulted in low satisfaction. If the quality of project deliverables were monitored, why are the aforementioned challenges experienced at usage level? To what extent did feasibility studies uncover these issues prior project implementation, and incorporate them into designs and costing of projects?		
Value for money	**% projects economical**	75%
	%Efficient	0%
	% Effective	77%
The indicators show that Efficiency issue mainly contributed to effectiveness of the projects. While the Department transfers funds to municipalities, are they ready to implement projects efficiently to produce effective results?		

4. OVERALL ASSESSMENT OF THE SUPPORT PROVIDED IN THE SOUTHERN REGION

Conceptualisation and design

The feasibility study and succeeding project designs are the most important components that make or break a project. A general principle is that feasibility studies inform project designs and project designs inform project costs.

While a majority of the projects were informed by community protests, feasibility studies should have been conducted thoroughly to ensure that subsequent designs commensurate the set environment. This would ensure that after usage challenges experienced such as lighting strikes and electrical shocks are prevented. Most importantly thorough feasibility studies ensure adequate costs are presented for funding and would prevent the risk of deviated deliverable costs.

It is also concerning that Municipalities appoint service providers to conduct such important studies that often result in scope changes and after usage challenges.

Moreover feasibility studies should be more than conducting premarketing exercises of counting needy beneficiaries; they should include environmental scan practices such as PESTLE (Political, Economic, Social, Technological, Legislative and Environmental) analysis and risk assessments, to establish the needed deliverables which communities would be satisfied about.

Support application

It is a common project management principle that time is money and costs escalate when time is misused. A common noted trend within the region was that Municipal business plans with set dates were submitted to the Department on the month of planned implementation. This as a result results in funds being transferred to municipalities after the planned due date. It then delays procurement processes, project commencements and project implementation. Most importantly delays result in escalated costs which affect the project scope and delivery targets. This could also explain why municipalities felt that the funds provided were inadequate.

The Department needs to put in place controls that prevent delays, such as cessation of support applications that arrive at a late period before implementation.

Project inputs and expenditure

Alike to what was noted in the Conceptualisation and design section, project designs inform project costs.
It was noted that half of the projects supported experienced deviated costs per deliverables, while feasibility studies and subsequent designs had been developed. This questions the integrity of the studies and designs to produce deliverables with little error that affects project costs.

The aforementioned issue brings the need for the use of quality assurance agents such as quantity surveyors and other professionals to assure business plans and would ensure the delivery of relevant deliverables without expenditure issues.

Project implementation

While the feasibility study and its resultant design makes or breaks a project, project management is also an important element that determines the success or failure of projects. Delays in commencement, delays in implementation and scope changes are common symptoms of poor project management. This raises the question as to what endeavours have municipalities put in place to coordinate projects before during and after implementation. This also raises the question as to how municipalities manage their project lead times. The aforementioned issues bring the need for the Department to have a readiness checklist that would ascertain if projects are well coordinated before transfers can happen. Moreover it also brings the need for the Department to impart with its project management knowledge in Project Steering Committees when providing guidance.

It was also noted that all projects had Project Steering Committees and had Departmental officials of as part of their constituents. The main purpose of these committees is to report progress, assure deliverables and report implementation bottlenecks. However the projects experienced delays while the Project Steering Committees were in place. Projects experience challenges in working relations with role-players such as Eskom, with the existence of the aforementioned committees and with awareness of the Department. A question is asked as to how effective is the feedback loop between the municipalities and the Department in ensuring that implementation bottlenecks such as poor working relations with role-players are addressed, to ensure the smooth operation of projects.

Project outcomes

One of the major purposes of projects is to solve problems. This is why it's important that feasibility studies are conducted thoroughly so as to ensure that the project design and implementation is adapted to the set environment, and most importantly to solve the set problem. In the Southern region it was noted that issues such as lighting strikes, power outages due to ''izinyoka'' and usage faults, led to damaged appliances, physically hurt users and inconvenienced users, which resulted in low satisfaction. While municipalities would

note that they have delivered to their communities, the lack of thorough studies and their incorporation into project plans often bring such results.

Quality assurance is also an issue. If municipalities have measures in place to assure deliverables, why are households experiencing after usage challenges? Are quality assurance structures within municipalities properly constituted in enabling the passing of quality deliverables, by having relevant professionals?

In light of the above the Department needs to support municipalities in conducting more credible feasibility studies and establishing proper quality assurance structures, to prevent after usage challenges.

Value for money indicators

While the majority of the projects were economical, efficiency challenges such as time and scope management affected the deliverables leading to the noted results.