

UNIVERSITY OF KWAZULU-NATAL

**MONITORING AND EVALUATION SYSTEMS ENHANCING CORPORATE
GOVERNANCE IN LOCAL GOVERNMENT: A CASE STUDY OF KWAZULU-NATAL**

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The above student has also satisfied the requirements of English language competency.

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I, Ivan Gunass Govender, declare that:

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Ivan Gunass Govender

DEDICATION

THIS STUDY IS DEDICATED TO MY WIFE, DEVI, WHO ALWAYS SUPPORTS ME IN ALL MY ENDEAVOURS AND TO WHOM I AM FOREVER GRATEFUL; MY LATE MUM, BABY AND MY DAD, LYNKS FOR THEIR SACRIFICES.

ABSTRACT

The study focuses on the effects of Monitoring and Evaluation (M & E) on corporate governance in municipalities in the province of KwaZulu-Natal. It considers the strategic and tactical perspectives of M & E systems in Local government due to South Africa having not fully implemented the Government Wide Monitoring and Evaluation System (GWMES), while the provinces have implemented the Province Wide Monitoring and Evaluation System (PWMES) which are different to each other and not aligned to the GWMES. Municipalities have not progressed to the level of implementing a systemic and holistic Municipal Wide Monitoring and Evaluation System (MWMES) to enhance governance and focus on the management of programmes and projects within various departments and units thus undertaking M & E functions in a fragmented manner. While there is Voluminous literature on country wide, programme, policy and project M & E there is a dearth of information documented on systemic MWMES. Therefore the study reviews the existing literature and adapts it to recommend guidelines and models for the planning, implementation and sustaining of MWMES.

The current state of the municipalities' performance and M & E activities are influenced *inter alia* by the historic, institutional, financial, human resources, capital, leadership and M & E specialist skills. Historically, Local Government was structured according to the apartheid principles which marginalised the previously disadvantaged race groups, created unsustainable local service delivery institutions and service delivery backlogs. The new government instituted a radical transformation of the public sector but was still straddled with these challenges and did not possess the capacity and financial resources to immediately rehabilitate the inequitable service delivery. During the transformation process, citizens were also informed of their rights to basic services and demanded more and better quality services. The communities dissatisfaction with level of service delivery led to service delivery protests in many municipalities that are faced with unskilled and inexperienced staff; political interference; misaligned organisational structure; poor financial management; and poor performance culture. Collectively, these challenges led to poor service delivery and governance requiring the National and Provincial Governments to intervene to protect the legitimacy of Local Government thus creating a demand for M & E systems.

Councillors, Provincial and National Governments; and communities are the main stakeholders that create the demand for M & E systems in municipalities. The inclusion of the following instruments, namely, IDP; SDBIP; operational plans; annual budgets; legislation; and incentives in the M & E system would enhance corporate governance. There is a lack of incentives from both National and Provincial Governments for municipalities to implement an M & E system and to pursue excellence.

The lack of incentives to implement an M & E system could be the key factor for not implementing an M & E system although majority of the municipalities are currently in a position to plan and implement an M & E system. The main challenges faced by the municipalities to implement an M & E system are the lack of M & E specialists; statistical skills; and evaluation capacity development. The National and Provincial Governments, through their oversight roles could support and capacitate the municipalities to overcome these challenges. In conducting their oversight roles in managing the performance of the municipalities, both the National and Provincial Governments interventions were ineffective, although the Provincial Government performed better than the National Government in this regard.

Monitoring and Evaluation systems improve corporate governance through aiding better service delivery; achievement of strategic goals; decision making; financial management; and accountability. The effects of M & E on capacity development are the placement of competent staff; training and motivation of staff; better resource allocation; and participation of all the stakeholders. While there are no incentives for municipalities to achieve excellence, a systemic M & E system should be used as an alternate performance measurement tool to the Balanced Scorecard to pursue excellence in municipalities.

The initial intervention of the National Government was to enact legislation that mandated every state department and organ of state to implement an M &. The Treasury drove the process and focussed mainly on compliance, rather than both M & E, by utilising the logical framework comprising of inputs; activities; outputs; outcomes; and impacts. The components of the logical framework are hierarchical resulting in a linear relationship among the components. The logical framework has limited capacity to explain the multi-faceted causal relationships among the

numerous transactions and entities that interact and are interrelated in the municipal environments. The study recognises the municipality as a complex adaptive system and to overcome the limitations of the Logical Framework a Systemic Performance Analysis Model (SPAM) is proposed where the components of performance are viewed as interdependent and interrelated subsystems that are linked by transfer of knowledge and feedback.

Monitoring and Evaluation initiatives have been criticised for their complexity and misalignment between the GWMES, PWMES and the current municipal M & E activities. The study proposes the Monitoring and Evaluation Alignment Model (MEAM) that clarifies interrelationships among the different municipal environments, namely, the common factor of the three spheres of government; organisational factors required for the planning and implementation of an M & E system; factors required to institutionalise the M & E system; and impacts of the M & E system. The MEAM recognises the municipality as a complex adaptive system; uses a systemic approach for the implementation of an M & E system; and provides a bird's eye view of the micro and macro public management systems environment.

Public and private institutions undertake the generic management functions, namely, planning, organising, leading and controlling to achieve its objectives. Monitoring and Evaluation is considered a higher order management function since it analyses the effectiveness and efficiency with which the organisation undertakes its generic management function. The study proposes the Municipal Wide Monitoring and Evaluation System Model (MWMESM) which incorporates the boundaries, perspectives and interactions between the various systems; among the systems and subsystems; among the subsystems itself; and with the municipal environments. The systems and sub-systems within the municipality should create its own Monitoring and Evaluation System (MES). The information from the individual MESs is combined to create a Political Monitoring and Evaluation System (PMES) and an Administrative Monitoring and Evaluation System (AMES). Information from the PMES and the AMES is incorporated into the Municipal Performance Management Information System (MPMIS) to generate performance reports. The performance reports are submitted to the relevant parties and feedback is captured in the MPMIS.

Due to the absence of MWMES in the KwaZulu-Natal municipalities and the poor performance of municipalities, the study proposes a process for planning and implementation of a systemic MWMES. Since each municipality is unique in terms of size, demographics, organisational culture, socio-economic development, financial viability and political and administrative leadership, the process should be adapted to suite its particular circumstances.

Municipalities in KZN have qualified and experienced senior administrative staff who understand the importance of M & E as a management tool to improve corporate governance and performance of the municipality in pursuit of excellence. There is a great and sustainable demand for M & E systems with a large number of municipalities ready to plan and implement M & E systems. Many municipalities require the National and Provincial Governments to support, capacitate and guide its efforts in implementing M & E systems. Therefore it is incumbent on the National and Provincial Governments, as part of their oversight roles, to provide the necessary leadership and resources to the municipalities for the enhancement of corporate governance through M & E systems.

TABLE OF CONTENTS

	PAGE
TITLE PAGE	i
SUPERVISOR’S PERMISSION TO SUBMIT FOR EXAMINATION	ii
DECLARATION	iii
ACKNOWLEDGEMENTS	iv
DEDICATION	v
ABSTRACT	vi
ACRONYMS	xxviii
LIST OF FIGURES	xxix
LIST OF TABLES	xxxi
LIST OF APPENDICES	xxxii
LANGUAGE CERTIFICATE	xxxiii
CHAPTER ONE	1
INTRODUCTION AND OVERVIEW OF THE STUDY	1
1.1 INTRODUCTION	1
1.2 AIM OF THE STUDY	2
1.2 OBJECTIVES OF THE STUDY	2
1.4 CRITICAL QUESTIONS TO BE ANSWERED IN THE RESEARCH	3
1.5 PROBLEM STATEMENT	3
1.6 SIGNIFICANCE OF THE STUDY	5
1.7 RESEARCH METHODOLOGY	7

1.7.1 Research design	7
1.7.2 Literature survey	8
1.7.3 Empirical study	9
1.7.4 Sample for the study	9
1.7.5 Statistical analysis used in the study	10
1.7.6 Limitations of the study	10
1.8 CLARIFICATION OF TERMINOLOGY	11
1.9 OVERVIEW OF THE CHAPTERS	13
1.9.1 Chapter One Introduction and overview of the study	13
1.9.2 Chapter Two Governance and performance management in municipalities	13
1.9.3 Chapter Three The influence of Monitoring and Evaluation on governance and the municipalities' performance management.	14
1.9.4 Chapter Four Systems and environments that influence excellence in municipalities.	15
1.9.5 Chapter Five Local, regional and global experiences with Monitoring and Evaluation.	15
1.9.6 Chapter Six Research design and methodology	16
1.9.7 Chapter Seven Data analysis and interpretation	17
1.9.8 Chapter Eight Conclusions and recommendations	17
1.10 CONCLUSION	17
CHAPTER TWO	18
MONITORING AND EVALUATION IMPACTING GOVERNANCE, PERFORMANCE MANAGEMENT AND CAPACITY DEVELOPMENT IN LOCAL GOVERNMENT	18

2.1 INTRODUCTION	18
2.2 GOVERNANCE	19
2.2.1 Conceptualising governance for municipalities	19
2.2.2 Corporate governance in municipalities	22
2.2.3 Sustainable governance and service delivery	25
2.2.4 Agency governance	25
2.2.5 Co-operative governance	27
2.2.5.1 Intergovernmental relations	27
2.2.6 The influence of Monitoring and Evaluation on governance	31
2.3 PERFORMANCE MANAGEMENT	34
2.3.1 Definition of performance management	34
2.3.2 Components of performance management	35
2.3.4 Performance management and organisational culture	37
2.3.5 Factors affecting performance in municipalities	38
2.3.5.1 Wicked problems affecting the performance of municipalities	40
2.3.6 The influence of Monitoring and Evaluation on performance management	41
2.4 CAPACITY DEVELOPMENT	44
2.4.1 Conceptualising capacity and capacity development	44
2.4.2 Evaluation capacity development	47
2.4.3 The influence of Monitoring and Evaluation on capacity development	49

2.5 LEGISLATION IMPACTING GOVERNANCE AND PERFORMANCE MANAGEMENT IN MUNICIPALITIES	49
2.5.1 Legislative and policy framework guiding performance of the municipalities	50
2.5.2 Constitution of South Africa Act 108 of 1996	51
2.5.2.1 Developmental Local Government	51
2.5.2.2 Co-operative government	52
2.5.2.3 Public administration and good governance	53
2.5.3 White Paper on Local Government (1998)	53
2.5.4 Division of Revenue Act No 1 of 2010	54
2.5.5 Intergovernmental Relations Frameworks Act No 13 of 2005	55
2.5.5.1 District intergovernmental forums	55
2.5.5.2 Inter-municipality forums	56
2.5.6 Demarcation Act No. 27 of 1998	57
2.5.7 Municipal Structures Act, No. 117 of 1998	58
2.5.8 Municipal Systems Act, No. 32 of 2000	59
2.5.9 Municipal Finance Management Act, No. 56 of 2003	61
2.5.10 Municipal Planning and Performance Management Regulations, 2001	62
2.5.11 Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006	63
2.5.12 The White Paper on Transforming Public Service Delivery, 1997	63
2.6 Monitoring and Evaluation reports	65
2.6.1 Delivery Agreement: Outcome Nine – A responsive, accountable, effective and efficient Local Government system	65

2.6.2 National Treasury Framework for Managing Programme Performance Information	66
2.6.3 Policy Framework for the Government Wide Monitoring and Evaluation System	67
2.6.3.1 Social, economic and demographic statistics	69
2.6.3.2 Programme performance information	69
2.6.3.3 Evaluations of government interventions	70
2.6.3.4 Government Wide Monitoring and Evaluation System (GWMES)	70
2.6.3.5 Legal mandate of Monitoring and Evaluation stakeholders	71
2.6.3.5.1 The Presidency	71
2.6.3.5.2 Statistics South Africa	71
2.6.3.5.3 Public Administration Leadership and Management Academy (PALAMA)	71
2.6.3.5.4 Office of the Public Service Commission (OPSC)	72
2.6.3.5.5 Auditor-General	72
2.6.3.5.6 Provincial Offices of the Premier	72
2.6.6 Impact of legislation on performance management	72
2.7 CONCLUSION	73
CHAPTER THREE	74
IMPACT OF MONITORING AND EVALUATION SYSTEMS FOR EXCELLENCE IN LOCAL GOVERNMENT	74
3.1 INTRODUCTION	74

3.2 MONITORING AND EVALUATION	74
3.2.1 Conceptualising Monitoring	74
3.2.2 Conceptualising Evaluation	75
3.2.3 Interrelationship between Monitoring and Evaluation	77
3.2.4 Benefits of Monitoring and Evaluation	78
3.2.5 Monitoring and Evaluation systems	79
3.2.5.1 Traditional Monitoring and Evaluation systems	79
3.2.5.2 Systemic Monitoring and Evaluation systems	80
3.3 FACTORS DETERMINING THE NEED FOR MONITORING AND EVALUATION SYSTEMS	82
3.3.1 Challenges in the public sector affecting Monitoring and Evaluation	83
3.3.1.1 Legislative compliance	83
3.3.1.2 Donor requirements	83
3.3.1.3 Demand for better governance	84
3.3.1.4 Decentralised power and resources	85
3.3.1.5 International initiatives	86
3.3.2 Challenges in the municipalities affecting Monitoring and Evaluation	86
3.4 READINESS ASSESSMENT AND INSTITUTIONALISING MONITORING AND EVALUATION SYSTEMS IN MUNICIPALITIES	86
3.4.1 Factors affecting the readiness assessment of municipalities to implement Monitoring and Evaluation systems	87
3.4.2 Factors affecting the institutionalisation of Monitoring and Evaluation system	88
3.5 MODELS AND FRAMEWORKS USED TO DEVELOP MONITORING AND EVALUATION SYSTEMS	91

3.5.1 Logical Framework	92
3.5.1.1 Use of the Logical Framework by the South African Government	95
3.5.2 Systemic Monitoring and Evaluation framework	96
3.5.3 Results-Based Monitoring and Evaluation systems	97
3.5.4 Participatory Monitoring and Evaluation systems	99
3.6 PUBLIC SECTOR MONITORING AND EVALUATION IN SOUTH AFRICA	102
3.6.1 Government initiatives in Monitoring and Evaluation	102
3.6.2 Government Wide Monitoring and Evaluation System (GWMES)	104
3.6.3 Province Wide Monitoring and Evaluation System (PWMES)	106
3.6.4 Municipal Wide Monitoring and Evaluation System (MWMES)	107
3.7 RECOMMENDED SYSTEMIC PERFORMANCE ANALYSIS MODEL (SPAM)	108
3.7.1 Inputs sub-system	109
3.7.2 Activities sub-system	109
3.7.3 Outputs sub-system	109
3.7.4 Outcomes sub-system	109
3.7.5 Impacts sub-system	110
3.7.6 Feedback	110
3.8 APPLICATION OF THE SYSTEMIC PERFORMANCE ASSESSMENT MODEL IN THE INTEGRATED DEVELOPMENT PLANNING PROCESS	111
3.9 PLANNING, IMPLEMENTING AND SUSTAINING A MWMES	113
3.10 IMPACT OF MONITORING AND EVALUATION SYSTEMS TO ENHANCE EXCELLENCE IN MUNICIPALITIES	114
3.11 CONCLUSION	115

CHAPTER FOUR	116
IMPACTS OF SYSTEMS IN A LOCAL GOVERNMENT ENVIRONMENT TO ACHIEVE EXCELLENCE IN MUNICIPALITIES	116
4.1 INTRODUCTION	116
4.2 HISTORY OF LOCAL GOVERNMENT IN SOUTH AFRICA	116
4.3 LOCAL GOVERNMENT IN KWAZULU-NATAL	118
4.4 DEVELOPMENTAL LOCAL GOVERNMENT	120
4.4.1 Drivers of change in Local Government	121
4.5 STATE OF LOCAL GOVERNMENT PERFORMANCE IN KWAZULU-NATAL	122
4.6 OVERSIGHT ROLE OF THE THREE SPHERES OF GOVERNMENT	125
4.7 PRINCIPAL THEORIES INFORMING THE STUDY	128
4.7.1 Systems Theory	129
4.7.1.1 Conceptualising systems	129
4.7.1.2 Complex Adaptive Systems	130
4.7.1.3 Systems Thinking	131
4.7.1.4 Municipalities as Complex Adaptive Systems	134
4.7.2 Public Management Systems Theory	136
4.7.3 New Public Management (NPM) Theory	138
4.7.4 South African Excellence Model	141
4.8 CONCLUSION	148

CHAPTER FIVE	149
LOCAL, REGIONAL AND GLOBAL BEST PRACTICES IN MONITORING AND EVALUATION	149
5.1 INTRODUCTION	149
5.2 THREE APPROACHES TO BEGIN A RESULTS-BASED M & E SYSTEM	149
5.2.1 Whole government	149
5.2.2 Limited or enclave	150
5.2.3 Focus on a particular group or intervention	150
5.3 LEVELS FOR MONITORING AND EVALUATION SYSTEMS	150
5.4 APPROACHES TO EVALUATIONS	150
5.4.1 Goal – oriented evaluation approaches	151
5.4.2 Theory based evaluation approach to evaluation	151
5.4.3 Responsive and participative approach to evaluation	151
5.4.4 Utilisation focussed evaluation	152
5.5 SUB-SAHARAN AFRICA	153
5.5.1 Uganda	153
5.5.1.1 Public administration reform	154
5.5.1.2 Improving the delivery of primary education	154
5.5.2 Tanzania	155
5.5.3 Ghana	157
5.6 SOUTH AFRICA	159
5.6.1 Monitoring and Evaluation system for the implementation of Integrated Waste Management Plans (IWPM) in Local Government	159
5.6.2 Programme evaluation: HIV and AIDS	160

5.6.3 A framework for Monitoring and Evaluation of Pro-Poor Local Economic Development	163
5.7 INTERNATIONAL EXPERIENCES	167
5.7.1 India	167
5.7.2 Chile	168
5.7.3 Australia	169
5.8 CONCLUSION	171
CHAPTER SIX	172
RESEARCH DESIGN AND METHODOLOGY	172
6.1 INTRODUCTION	172
6.2 RESEARCH DESIGN	172
6.2.1 Quantitative research design	173
6.2.2 Qualitative research design	173
6.2.3 Mixed method research	174
6.2.4 Triangulation	174
6.2.5 Validity	175
6.2.6 Reliability	175
6.2.7 Questionnaire as a measuring instrument	175
6.2.7.1 Structure of the mailed questionnaire	177
6.2.7.2 Structure of the questionnaire used in the interviews	178
6.3 RESEARCH METHODOLOGY	179
6.3.1 Sampling	179

6.3.2 Probability sampling	179
6.3.3 Non-probability sampling	180
6.3.4 The target population and sampling	180
6.3.5 Interviews	181
6.3.6 Pilot studies	181
6.3.7 Data collection	182
6.3.8 Data analysis	183
6.3.8.1 Descriptive statistics	183
6.3.8.2 Inferential statistics	183
6.4 RESEARCH ETHICS	183
6.5 LIMITATIONS OF THE STUDY	185
6.6 CONCLUSION	185
CHAPTER SEVEN	186
DATA ANALYSIS AND INTERPRETATION OF RESULTS	186
7.1 INTRODUCTION	186
7.2 RELIABILITY	186
7.3 DEMOGRAPHIC AND BIOGRAPHICAL PROFILE OF THE RESPONDENTS	188
7.3.1 Composition of sample by post held	188
7.3.2 Gender composition by qualification and age group	189
7.3.3 Length of service of respondents	190
7.4 GENERAL MONITORING AND EVALUATION INFORMATION	191

7.4.1	Monitoring and Evaluation policy in municipalities	191
7.4.2	Resources currently dedicated to Monitoring and Evaluation functions in the municipalities	192
7.4.3	Challenges in planning and implementing a successful Monitoring and Evaluation policy	193
7.4.4	Critical factors that would shape the future of Local Government	195
7.4.5	Benefits of a Monitoring and Evaluation system to the municipalities	197
7.4.6	Disadvantages/limitations of Monitoring and Evaluation systems in municipalities	198
7.4.7	Monitoring and Evaluation of policies, programmes and projects in municipalities	199
7.5	FACTORS THAT DETERMINE THE NEED FOR A MONITORING AND EVALUATION SYSTEM IN MUNICIPALITIES	201
7.5.1	Incentives for municipalities to plan and implement an effective and efficient Monitoring and Evaluation system	202
7.5.2	Stakeholders creating the need for implementing a Monitoring and Evaluation system in municipalities	203
7.5.3	Instruments creating the need for implementing a Monitoring and Evaluation system in municipalities	205
7.5.4	Inclusion of the instruments in the Monitoring and Evaluation system enhance governance	206
7.5.5	Additional comments with regards to the need for a Monitoring and Evaluation system to enhance governance	207
7.6	READINESS ASSESSMENT FOR PLANNING AND IMPLEMENTING MONITORING AND EVALUATION SYSTEMS IN MUNICIPALITIES	208
7.6.1	Organisational factors impacting the planning and implementation of Monitoring and Evaluation systems in municipalities	208

7.6.2	Requirements for planning and implementing a Monitoring and Evaluation system in municipalities	209
7.6.3	Provision of resources by the municipality for planning and implementing a Monitoring and Evaluation system	211
7.6.4	Availability of resources in the municipality for planning and implementing a Monitoring and Evaluation system	212
7.6.5	Current readiness of municipalities to plan and implement a Monitoring and Evaluation system	213
7.6.6	Additional comments with regards to the readiness assessment	214
7.7	IMPACT OF MONITORING AND EVALUATION TO ENHANCE CO-OPERATIVE GOVERNANCE IN MUNICIPALITIES	214
7.7.1	Co-operative governance among the municipalities; National; and Provincial spheres of government	214
7.7.2	Co-operative governance requirements of the municipalities from the Provincial and National Governments	216
7.7.3	Co-operative governance support received by the municipalities from Provincial Government	217
7.7.4	Co-operative governance support received by the municipalities from National Government	218
7.7.5	Additional comments of the impact of Monitoring and Evaluation systems enhancing co-operative governance in municipalities	219
7.7.6	Qualitative data from the interviews with municipal staff	220
7.8	THE INFLUENCE OF MONITORING AND EVALUATION ON CORPORATE GOVERNANCE	221
7.8.1	Current level of corporate governance in municipalities	221
7.8.2	Impacts of Monitoring and Evaluation systems on corporate governance	222
7.8.3	Additional comments with regards to Monitoring and Evaluation systems improving corporate governance	223

7.9 CAPACITY AND CAPACITY DEVELOPMENT	224
7.9.1 Capacity and capacity development ratings in the municipalities	224
7.9.2 Impacts of Monitoring and Evaluation systems on capacity development	225
7.9.3 Additional comments with reference to the role of Monitoring and Evaluation systems to enhance capacity development in municipalities	226
7.9.4 Measuring the impact of the Monitoring and Evaluation system on governance and capacity development	226
7.10 SYSTEMS APPROACH TO IMPLEMENTING A MONITORING AND EVALUATION SYSTEM	226
7.10.1 Implementing a Monitoring and Evaluation system in municipalities	227
7.10.2 Municipal department responsible for Monitoring and Evaluation	229
7.10.3 Monitoring and Evaluation Unit having the primary responsibility of ensuring good governance in the municipality	230
7.10.4 Planning and implementing the Monitoring and Evaluation system in municipalities	230
7.10.5 Achievements of an effective and efficient Monitoring and Evaluation system	232
7.11 ACHIEVEMENT OF EXCELLENCE IN MUNICIPALITIES	233
7.11.1 Performance rating of municipalities	234
7.11.2 Overall assessment of the current municipal Performance Management System	235
7.11.3 Performance management tools used to manage performance of the municipalities	236
7.11.4 Incentives for municipalities to pursue and achieve excellence	237
7.11.5 Enabling factors in municipalities for achieving excellence	238
7.11.6 Factors that are constraints to pursue excellence in municipalities	240

7.11.7 Impact of the Monitoring and Evaluation system on achieving excellence in municipalities	242
7.11.8 Additional comments with regards to Monitoring and Evaluation systems achieving excellence in municipalities	243
7.12 ANALYSIS AND INTERPRETATION OF THE DATA FOR THE INDEPENDENT GROUP	244
7.13 FINDINGS OF THE IDASA RESEARCH PROJECT TO ASCERTAIN THE STATE OF LOCAL GOVERNANCE IN SOUTH AFRICA	244
7.14 CONCLUSION	245
CHAPTER EIGHT	246
CONCLUSIONS AND RECOMMENDATIONS	246
8.1 INTRODUCTION	246
8.2 SUMMARY OF THE MAJOR FINDINGS PERTAINING TO THE KEY RESEARCH QUESTIONS	246
8.2.1 Factors driving the need for creating a Monitoring and Evaluation system in municipalities	246
8.2.2 Requirements for planning and implementing a Monitoring and Evaluation in municipalities	247
8.2.3 Co-operative governance roles and responsibilities of National, Provincial and Local Government spheres affecting municipal performance management	248
8.2.4 Monitoring and Evaluation system directly supporting better governance and capacity development	248
8.2.5 Factors serving as a basis for excellence in municipalities	249
8.2.6 Monitoring and Evaluation system achieving its full value in a public management systems environment	249
8.3 OTHER FINDINGS OF THE STUDY	249
8.4 GENERAL CONCLUSIONS	250

8.4.1 The need for a Monitoring and Evaluation system in municipalities is compliance driven	250
8.4.2 Majority of the municipalities in KZN are ready to implement a Monitoring and Evaluation system	250
8.4.3 Oversight role of National and Provincial Governments to monitor performance of municipalities in KZN is not efficient and effective	251
8.4.4 Monitoring and Evaluation systems have great impact to improve corporate governance and capacity development in municipalities in KZN	251
8.4.5 Monitoring and Evaluations systems can be used as management tool for pursuing excellence in municipalities in KZN	251
8.4.6 Broad based and systemic Monitoring and Evaluation model would assist in enhancing the performance of municipalities	251
8.5 RECOMMENDATIONS	252
8.5.1 Need for Monitoring and Evaluation systems within the Local sphere of government in KZN	252
8.5.2 Planning and implementation of Monitoring and Evaluation systems in municipalities	252
8.5.3 Improving oversight role of National and Provincial Governments to monitor performance of municipalities	252
8.5.4 Enhancing corporate governance and capacity development in municipalities	253
8.5.5 Monitoring and Evaluation systems utilised to pursue excellence in municipalities	253
8.5.6 Broad based and systematic Monitoring and Evaluation models for municipalities	254
8.5.6.1 Systemic Performance Analysis Model (SPAM)	254
8.5.6.2 The Monitoring and Evaluation Alignment Model (MEAM)	254
8.5.6.2.1 Three spheres of government	256

8.5.6.2.2 Key organisational factors required for the institutionalisation of M & E systems	256
8.5.6.2.3 Requirements for the institutionalisation of Monitoring and Evaluation systems	257
8.5.6.2.4 Impacts of the Monitoring and Evaluation systems	257
8.5.6.3 The Municipal Wide Monitoring and Evaluation System Model	258
8.5.6.3.1 Municipality	260
8.5.6.3.2 Political, Administrative and Community subsystems	260
8.5.6.3.3 Components of the municipal systems environment	261
8.5.6.3.4 Integrated Development Plan	261
8.5.6.3.5 Service Delivery Budget Implementation Plan	261
8.5.6.3.6 Systemic Performance Analysis Model	262
8.5.6.3.7 Political Monitoring and Evaluation Systems	262
8.5.6.3.8 Administrative Monitoring and Evaluation Systems	262
8.5.6.3.9 Municipal Performance Management Information System (MPMIS)	262
8.5.6.3.10 Reports	262
8.5.6.3.11 Feedback	263
8.5.6.4 Planning, Implementing and Sustaining a MWMEs	263
8.5.6.4.1 Planning a MWMEs	263
8.5.6.4.1.1 Develop a Monitoring and Evaluation Policy	263
8.5.6.4.1.2 Undertake an organisational assessment	264
8.5.6.4.1.3 Determine the scope; purpose and components of performance programme	264
8.5.6.4.1.4 Resource management	264

8.5.6.4.1.5 Information Management	264
8.5.6.4.1.6 Formalising the Monitoring and Evaluation initiative	265
8.5.6.4.2 Implementing a Municipal Wide Monitoring and Evaluation System (MWMES)	265
8.5.6.4.2.1 Monitoring and Evaluation Capacity Development	265
8.5.6.4.2.2 Undertaking Monitoring and Evaluation Tasks	265
8.5.6.4.2.3 Information Management	266
8.5.6.4.2.4 Information and knowledge sharing	266
8.5.6.4.2.5 Change management	266
8.5.6.4.2.6 Reporting and Feedback	266
8.5.6.4.2.7 Documenting findings and learnings	266
8.5.6.4.3 Sustaining a MWMES	267
8.6 DIRECTIONS FOR FUTURE RESEARCH	267
8.7 CONCLUSION	268
9.0 BIBLIOGRAPHY	269

ACRONYMS

AG	Auditor-General
CFO	Chief Financial Officer
DCGTA	Department of Corporate Government and Traditional Affairs
DLTGA	Department of Local Government and Traditional Affairs
DoF	Department of Finance
DPSA	Department of Public Service and Administration
ECD	Evaluation Capacity Development
GWMES	Government Wide Monitoring and Evaluation System
HOD	Heads of Department
ICT	Information Communication Technology
IDP	Integrated Development Plan
IEG	Independent Evaluation Group
IGR	Intergovernmental Relations
KPA	Key Performance Area
KPI	Key Performance indicator
KZN	KwaZulu-Natal
LED	Local Economic Development
LFA	Logical Framework Approach
M & E	Monitoring and Evaluation
MDG	Millennium Development Goals
MEAM	Monitoring and Evaluation Alignment Model
MEC	Member of the Executive Council (Local Government and Traditional Affairs)
MES	Monitoring and Evaluation Systems
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSA	Municipal Systems Act
MWMES	Municipality Wide Monitoring and Evaluation System
NGO	Non-Governmental Organisation
NCBFLG	National Capacity Building Framework for Local Government
NT	National Treasury
OECD	Organisation for Economic Co-operation and Development
PCM	Project Cycle Management
PGDS	Provincial Growth and Development Strategy
PME	Participatory Monitoring and Evaluation
PMS	Performance Management System
PPP	Public-Private Partnership
PRS	Poverty Reduction Strategy
PSC	Public Service Commission
PT	Performance Targets
PWMES	Provincial Wide Monitoring and Evaluation System
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget implementation Plan
SNA	Social Network Analysis
SONA	State of the Nation Address
SPAM	Systemic Performance Analysis Model
TR	Treasury Regulations
USAID	United States Agency for International Development

LIST OF FIGURES

Figure 1: Critical elements of intergovernmental relations effectiveness	31
Figure 2: Relationship among performance, capacity development and governance	36
Figure 3: Legislative framework for the management of municipalities	50
Figure 4: The Government Wide Monitoring and Evaluation system	68
Figure 5: Components of a Monitoring and Evaluation system	80
Figure 6: Logical framework indicating the key performance information concepts	92
Figure 7: Alignment of the National, Provincial and Local Governments Monitoring and Evaluation system	104
Figure 8: Recommended Systemic Performance Analysis Model (SPAM)	108
Figure 9: Application of SPAM in the municipal planning process	111
Figure 10: Map of the KwaZulu-Natal province with the location of the municipalities	120
Figure 11: Root causes of municipal performance failures	123
Figure 12: Key interventions to improve municipal performance	124
Figure 13: Public management systems model	137
Figure 14: South African Excellence Model	143
Figure 15: Composition of sample by post held	188
Figure 16: Length of service of the respondents	190
Figure 17: The number of municipalities that currently have a Monitoring and Evaluation policy.	191
Figure 18: Resources dedicated to Monitoring and Evaluation functions	192
Figure 19: Challenges in implementing and planning a successful Monitoring and Evaluation policy	193
Figure 20: Factors that shape the future of Local Government	195
Figure 21: Benefits of Monitoring and Evaluation system to the municipality	197
Figure 22: Disadvantages/limitations of having a Monitoring and Evaluation system in the municipality	199
Figure 23: Composite ratings of Monitoring, Evaluation and Monitoring and Evaluation activities in the municipality	200
Figure 24: Incentives to plan and implement a Monitoring and Evaluation system	202
Figure 25: Stakeholders that create a need for Monitoring and Evaluation systems	203
Figure 26: Instruments that create a need for implementing a Monitoring and Evaluation systems in the municipality	205
Figure 27: Impacts of the instruments on the Monitoring and Evaluation system to enhance governance	207
Figure 28: Organisational factors affecting the planning and implementation of a Monitoring and Evaluation system	208
Figure 29: Requirements for planning and implementing a Monitoring and Evaluation system	209
Figure 30: Provision of resources for the planning and implementation of a Monitoring and Evaluation system	211
Figure 31: Resources currently available for planning and implementing a results-based Monitoring and Evaluation system in Local Government present?	212
Figure 32: Current readiness for the planning and implementation of a Monitoring and Evaluation system	213
Figure 33: Ratings for co-operative governance between the municipality and the National and Provincial spheres of government	215
Figure 34: Requirements for co-operative governance	216
Figure 35: Provincial support to municipalities	217

Figure 36: Support received from National Government	218
Figure 37: Current levels of corporate governance in municipalities	221
Figure 38: Impacts of M & E systems on corporate governance	222
Figure 39: Capacity and capacity development ratings for the municipalities	224
Figure 40: Impacts of Monitoring and Evaluation on capacity development	225
Figure 41: Level at which Monitoring and Evaluation system should be implemented	227
Figure 42: Department responsible for the Monitoring and Evaluation functions	229
Figure 43: Responses for the Monitoring and Evaluation unit to be responsible for ensuring good governance	230
Figure 44: Preferences on the involvement of stakeholders' to plan and implement the Monitoring and Evaluation system	231
Figure 45: Achievements of an effective and efficient Monitoring and Evaluation system	232
Figure 46: Overall rating of the municipalities' performance	234
Figure 47: Assessment of the municipal performance management system	235
Figure 48: Performance management tools used in municipalities	236
Figure 49: Incentives to pursue and achieve excellence	237
Figure 50: Enabling factors to pursue excellence	238
Figure 51: Constraints to pursue excellence in municipalities	240
Figure 52: Monitoring and Evaluation systems assisting municipalities to achieve excellence	242
Figure 53: Monitoring and Evaluation Alignment Model (MEAM)	255
Figure 54: Municipal Wide Monitoring & Evaluation System (MWMES)	259

LIST OF TABLES

Table 1: Characteristics of Monitoring and Evaluation systems and good governance	33
Table 2: Outcomes of performance management and Monitoring and Evaluation system	43
Table 3: Complementary roles of Monitoring and Evaluation	77
Table 4: Advantages and disadvantages of participatory Monitoring and Evaluation Systems	101
Table 5: Oversight functions of the three spheres of government	127
Table 6: Command-and-control versus systems thinking	132
Table 7: Actions and consequences in respect of New Public Management	139
Table 8: Elements of the South African Excellence Model	144
Table 9: Monitoring and Evaluation framework or pro-poor local economic Development	166
Table 10: Advantages and disadvantages of using questionnaires	177
Table 11: Cronbach Alpha Values	187
Table 12: Gender composition by qualification and age group.	189
Table 13: Correlation between Monitoring, Evaluation and the Monitoring and Evaluation system	201
Table 14: Frequency and percentage ratings for the various instruments	206

LIST OF APPENDICES

Annexure 1: KwaZulu-Natal Municipalities and District Councils	286
Annexure 2: Contact Details of Municipalities in KZN	288
Annexure 3: Mail Questionnaire	294
Annexure 4: Structured Interview Questionnaire	312
Annexure 5: Permission to Conduct Research	317
Annexure 6: Ethical Clearance Certificate	318

LANGUAGE CERTIFICATE

This is to confirm that I have reviewed the grammatical and technical use of language in this dissertation, and am satisfied that with the recommended amendments. It meets the requirements of academic writing at this level.



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CHAPTER ONE

INTRODUCTION AND OVERVIEW OF THE STUDY

1.1 INTRODUCTION

Citizens around the globe are demanding better and more services from their government to maintain or improve their quality of livelihood. The provision of such services requires the government to allocate more resources and develop the capacity to deliver the additional services. Unfortunately, governments have limited resources that have to be equitably distributed to satisfy the unlimited wants of its citizens. Therefore there is great pressure on governments to manage their performance by undertaking their tasks in an effective, efficient and economical manner. This can only be achieved if good governance is practised and the appropriate performance management tools are utilised.

South Africa faces similar challenges of satisfying its citizens service delivery demands with constrained human; financial; and capital resources and capacities. The problem is compounded due to service delivery practices of the apartheid government, which created dysfunctional local service entities and a backlog in basic service delivery. Since 1994, the current government had to transform the structure of government and also the manner in which services are provided to all its citizens to comply with the constitutional mandate.

The Constitution of the Republic of South Africa, Act 108 of 1996 (Constitution) and its enabling legislation guided the transformation of restructuring the government and the principles of service delivery to all citizens. A key element of the restructured government was the decentralisation of power and the creation of the National, Provincial and Local governments as separate spheres of government which are interdependent and interrelated. In terms of service delivery, the constitutional principles of human dignity, equality and community engagement must be complied with. The Constitution also introduced good governance principles of professionalism, accountability, effectiveness, efficiency and economy which are applicable to all government departments and organs of state.

The local sphere of government consists of the Category A, B and C municipalities that are defined as organs of the state. To implement good governance values, the municipalities had to undertake its developmental objectives, be accountable to the public it serves and deliver on its mandates. Monitoring and Evaluation (M & E), as a management tool, can assist the municipalities to track its progress on the achievement of its policies, programmes or projects. This would improve accountability, transparency, effectiveness and efficiency leading to good governance. This study is based on the premise that a systemic, sustainable and effective M & E system would enhance governance and lead municipalities to achieve excellence as service providers.

1.2 AIM OF THE STUDY

The aim of the study is to ascertain the influence of M & E systems in enhancing corporate governance in Local Government in the province of KwaZulu-Natal.

1.3 OBJECTIVES OF THE STUDY

This study was explored through the following objectives:

- Investigate the factors that determine the need for an M & E system within the local sphere of government in KZN.
- Assess the readiness of the municipalities in KZN to implement an M & E system.
- Evaluate the oversight role of National and Provincial Government to monitor performance of municipalities in KZN.
- Evaluate the impact of a M& E system to improve corporate governance and capacity development in municipalities in KZN.
- Determine the role of M & E systems in pursuing excellence in municipalities in KZN.
- Recommend a broad based and systematic M & E model for municipalities.

1.4 CRITICAL QUESTIONS TO BE ANSWERED IN THE RESEARCH

The following critical questions will be addressed in this study:

- What are the factors that are driving the need for creating an M & E system within Local Government?
- Are the requirements for planning and implementing a results-based M & E system in Local Government in place?
- What are the co-operative governance roles and responsibilities of National, Provincial and Local Government spheres that affect performance management?
- How will the M & E system directly support better capacity development and governance?
- What are the factors that serve as a basis for excellence in municipalities?
- How can an M & E system achieve its full value in a public management systems environment?

1.5 PROBLEM STATEMENT

Traditionally evaluation systems focused on the outputs and neglected the outcomes and impacts. Outputs are the results while outcomes are the medium term experiences of the service beneficiaries and impacts are the long term relevance of the services provided. For example, the output of a financial management programme would be the level of expenditure which neglects to consider the challenges experienced by the service providers or the experiences of the service beneficiaries. Ina Cronje, the MEC for Finance in KZN, stated that at the end of March 2010, the municipalities had under spent by R3.8 billion which deprive the people of service delivery and increases the current backlogs (The Mercury, 30 July 2010). Reasons given for the under-expenditure were a lack of planning, project management, discipline and streamlining of supply chain management processes. This occurred despite the Minister of Co-operative Governance and Traditional Affairs stating that backlogs in the delivery of basic services was R495 billion (The Mercury, 2 April 2010). One of the consequences of only focussing on the outputs was the undesirable incidents of violent protests by communities dissatisfied with the poor level of service delivery in some municipalities.

The violent township protests and the Department of Co-operative Governance and Traditional Affairs (DCGTA) Report on the State of Local Government (Sunday Tribune, 25 October 2009) have propelled the government and the ruling party to intervene in an attempt to resolve poor service delivery. The National Government responded by developing turnaround strategies for the poorly performing municipalities as it acknowledged that there are trends and signs undermining the success of the municipalities and listed the root causes for poor municipal performance as follows (DCGTA: 2009):

- Systemic factors;
- Policy and legislative factors;
- Political factors;
- Weaknesses in the accountability systems;
- Capacity and skills constraints;
- Weak inter-governmental support and oversight; and
- Issues associated with the inter-governmental fiscal system.

The above causes of poor performance highlights the complex environment in which municipalities operate and each cause singularly and collectively contribute to poor governance in municipalities. The above list of causes for poor performance also indicates that every aspect of local governance is adversely affected.

Other interventions by the Provincial and National Governments included the dismissal of political and administrative office bearers and the appointment of administrators to manage the local municipality. In KZN, the Msundizi Municipality's operations were adversely affected due to serious cash flow problems and inability to fully meet its monthly commitments for July and August 2010 (Business Day, 15 June 2010). Consequently, Cabinet appointed an Administrator who stripped the mayor and city manager of their executive powers. Three other municipalities in KZN where the Cabinet had to intervene due to poor performance are the uMhlabuyalingana, Indaka and the uKhahlamba Municipalities (The Mercury, 4 August 2010).

Despite the transformed legislative framework, the Government Wide Monitoring and Evaluation System (GWMES), the introduction of the Ministries of Strategic Planning and

Performance, Monitoring and Evaluation and increasing budgets, the performance level of municipalities to administer and produce basic services, to the satisfaction of its communities, is decreasing. Legislative non-compliance, corruption, incompetence, lack of capacity and poor financial management have been key factors that resulted in the poor performance of municipalities. The above causes of poor performance are evident due to the lack of sustainable M & E systems which assists to track performance and take corrective action timeously to improve governance.

1.6 SIGNIFICANCE OF THE STUDY

Governments throughout the world have recognised the increased importance of M & E systems to monitor performance or by being forced by circumstances to implement an M & E system. In this regard, Kusek and Rist (2004:17) add that as the needs for accountability and demonstrable results have grown, the applications of results-based M & E have also included the following:

- Project, programme and policy;
- Local, Provincial and National levels of government;
- Knowledge capital; and
- Transparency and accountability.

Therefore, M & E systems are key to manage performance, future policy development and good governance in every activity of the municipalities.

Municipalities are increasingly encountering issues such as poverty; unemployment; urbanization trends; rural land development; lack of skills; and the poor institutional frameworks that adversely affect their performance to deliver basic services. Kusek and Rist (2001: 17) highlight the following as the challenges that a developing country is likely to experience when planning and implementing an M & E system:

- Lack of agreement on national or sector wide outcomes due to a lack of political will, a weak central planning agency or a lack of capacity in planning and analysis;
- Lack of accurate and reliable information due to the lack of the skills base in the government agencies; and

- Government departments work independently and do not have strong administrative culture resulting in poorly administered financial systems.

The Local Government Turnaround Strategy Report (2009: 2) states that the country faces a great development risk if Local Government fails. In his budget speech on the 24 June 2009, the Minister of Performance, Monitoring and Evaluation reported that the state can only be successful if there is an efficient M & E system to monitor the quality and standard of the services provided to the people. The M & E system therefore is a tool to enhance the developmental functions of the municipalities, and simultaneously improve its performance and governance by formulating clear performance indicators, targets and evidence based corrective action.

In light of the above challenges prevailing in South Africa, the GWMES was implemented to align the National, Provincial and Local Governments developmental goals and provide reliable and accurate data. Provincial Governments had to then implement the Provincial Wide Monitoring and Evaluation System which should align itself to both the GWMES and the Municipal Wide Monitoring and Evaluation System (MWMES). The GWMES has not been successfully implemented. The provinces formulated and implemented their own M & E systems which are not fully aligned to the GWMES. Municipalities monitor their activities at the department or unit level and there is no holistic MWMES in any municipality in the KZN province.

In the above regard, it was incumbent on the National sphere of government to lead the development of the M & E systems to create a central planning agency, reliable information systems, good co-operative governance and financial management. In terms of creating the political will for M & E system development, the political office bearers must be capacitated to fully understand their functions and that of the public administrators. The Parliament of South Africa Research-Unit report on the Role of a Public Accounts Committee in Ensuring Effective Municipal Governance (2008: 2) highlights that governance is essentially a function of leadership and direction within an organisation; appropriate risk management and control over its activities; and the manner in which meaningful disclosure relating to its activities is made to communities. Therefore leadership is critical for good governance and service delivery.

According to the Comprehensive Assessment of Local Government in KwaZulu-Natal Report (DLGTA: 2009) the recent turmoil in Local Government is the result of serious limitations of effectiveness and impact in pursuit of service delivery and governance programmes. Mackay (2007: 9) asserts that M & E systems support sound governance by:

- Supporting evidence based policy decisions in allocating resources to a project or programme;
- Assisting government in policy development and analysis;
- Helping government to manage activities at sector, programme and project levels; and
- Enhancing transparency and support accountability relationships.

The focus of this study is to identify the core factors required for the planning and implementation of a sustainable MWMES that would propel municipalities to perform better by improving their capacity and governance. The significance of this study is to add new knowledge to the Local Government sphere since municipalities have not yet planned and implemented a systemic MWMES. A strategy would be provided whereby municipalities perform better in terms of their constitutional mandate by correctly planning, implementing and managing the MWMES. A systems model would be developed for the municipalities to better understand its complex environments and ensure the sustainability of the MWMES.

1.7 RESEARCH METHODOLOGY

1.7.1 Research design

Yang (2007: 76) asserts that the purpose of the research design is to define the structure of the enquiry into a research problem that would produce a valid and useful argument for the researchers audience within the material and intellectual resources and time available. Validity is achieved when the researcher measures what was supposed to be measured while reliability produces consistent measurements. O' Sullivan, Rassel and Berner (2003: 107) define reliability as the evaluation of the degree of random error associated with a measure. Threats to validity are reduced by general control procedures; control over subject and experimenter effects; control through the selection and assignment of subjects; and control through specific experimental design (Graziano and Raulin, 1997: 204).

In quantitative research the variables are measured in a predetermined and specific way and the data are numeric, whereas in qualitative research the emphasis is also on the use of verbal communication. This study uses the mixed method design that incorporates both the quantitative and qualitative approach (Leedy and Ormond, 2010: 99). According to O'Sullivan *et al* (2003: 38), when both the quantitative and qualitative approach is used, the researcher manipulation of the situation under investigation is reduced.

A questionnaire is an effective and convenient method of obtaining answers to both structured and unstructured questions. Interviews assist with the understanding of the subject matter as it allows for flexibility, observation and control of the environment. Mailed surveys cost less than other data collection methods and they cause minimal inconvenience to the respondent. However, it takes time for its delivery, response and return. Mail questionnaires normally have a low response rate (Leedy and Ormond, 2010: 189).

Triangulation is used in research when multiple sources of data are collected and analysed to ascertain their convergence to a particular theory (Leedy and Ormond, 2010: 99). It promotes interpretive validity and the extent to which the conclusions based on qualitative data are supported by the quantitative instruments used in the research (Maree, 2007: 39). The research instruments used in the study would be interviews and questionnaires.

1.7.2 Literature survey

The study used both primary and secondary sources of data. Primary data was collected through the quantitative design questionnaire mailed to the municipal managers in KZN and by conducting semi-structured interviews with municipal employees involved in performance management functions. Secondary data would be sourced from books, journals, internet, legislation, government reports, policy documents and newspaper articles.

1.7.3 Empirical Study

This study used the case study approach with the population being the sixty one municipalities in the KwaZulu-Natal province. The questionnaires were developed and piloted to four municipalities. The necessary changes were made and the final questionnaire was then mailed to all municipal managers in KZN. In this manner, control was introduced on the proper questionnaire construction and high construct validity was achieved. The qualitative aspect of this study included interviews with public sector employees involved in the M & E process. Wellman and Kruger (2002: 158) suggest that the advantages of interviews are that it creates great flexibility and adaptability and the interviewer is in control of the interview while, it can also be costly and time consuming.

1.7.4 Sample for the study

A sample is a subset of units selected from a larger set of the same units and it provides data for the use in estimating the characteristics of the larger set (O' Sullivan *et al.*, 2003: 134). The purpose of sampling is to choose a set of units that are representative of a population so that the results can be generalized to the population (Gelo, Brakeman and Benita, 2008: 274). To ensure representativeness of the sample, probabilistic and purposive sampling may be undertaken. In probabilistic sampling, each unit of the population has the same probability to be included in the sample, while in purposive sampling the units are selected on the basis of chosen criteria applicable to the population (Gelo *et al.*, 2008: 274).

Section 155 of the Constitution of the Republic of South Africa, Act 108 of 1996, established three categories of municipalities, namely,

- | | |
|-------------------|---|
| <i>Category A</i> | Metropolitan municipalities with exclusive municipal executive and legislative authority in their areas; |
| <i>Category B</i> | Local municipalities that share municipal executive and legislative authority in their area with the category C municipality within whose area they fall; and |

Category C District municipalities, having municipal executive and legislative authority in an area that includes more than one local municipality for which the district council is responsible.

The KZN province has one metropolitan region, fifty local municipalities and ten district municipalities. The sample would include the fifty municipalities in the B category, ten district municipalities in the C category and one metropole in the A category. Therefore the population of sixty one municipalities in the KZN province would also be the sample for the study.

1.7.5 Statistical analysis used in the study

Descriptive and inferential statistics was utilised to transform the data into meaningful information. According to Graziano and Raulin (1997: 96), descriptive statistics consists of three groups, namely, frequency counts and frequency distributions; graphical representations of data; and summary statistics. Descriptive statistics include measuring the mean, frequency, range, variance and standard deviation. The Windows SPSS software programme would be used to create frequency distributions and graphical displays. Thereafter the Cronbach alpha would be used to measure internal consistency of the data within a group.

1.7.6 Limitations of the study

- It is restricted to municipalities in KwaZulu-Natal and poses a challenge for extrapolation and generalization across all municipalities in South Africa.
- The municipal officials engaged in performance management functions would be interviewed in municipalities where the municipal manager has provided the contact details of the relevant officials.
- Officials may not have the required level of awareness and understanding of M & E concepts.

1.8 CLARIFICATION OF TERMINOLOGY

For the purposes of this study the key concepts are defined as follows:

Base-line study InVol.ve the assessment of the current status or prior to a development intervention of a measurable object against which progress can be assessed or comparisons made (Organisation for Economic Co-operation and Development (OECD): 2002).

Causal Analysis Attempts to identify the relationship between the cause and result of an intervention. A linear causal analysis considers a hierarchical relationship between the cause and effect on a component of an intervention while a multi-variable causal analysis considers various causes for the result. For example, if an intervention to improve health of citizens through medication was implemented and there were no progress, a linear causal analysis would deduce that the medication is not effective. A multi-variable causal effect could consider the poor housing conditions, insufficient nutrition intake and cultural norms with regards to the consumption of medication (Chaplowe, 2008: 6).

Economy An intervention is economical if there is an absence of waste for a given output, that is, the minimum quantity of the scarce resource was utilised for the achievement of the planned target (OECD: 2002). According to Bekker (2009: 14), economy is measured by the relationship between quantity and quality of inputs and it related costs.

Effectiveness Is the extent the outputs achieve the set outcomes (Bekker, 2009: 14). The Public Services Commission (2008b: 6) defines effectiveness as the organisations achievements in achieving its mission and goals. According to Mathison (2005: 122), effectiveness is the extent to which the intervention produces the desired or intended outcomes and when used alone provides a poor assessment of the overall merit or worth of the intervention. There must also be a causal link between the intervention and the outcomes and not coincidental changes.

Efficiency According to Bekker (2009: 14), efficiency is the relationship between the inputs and outputs. Efficiency is also defined as the provision of good value for money in both qualitative and quantitative terms, in providing services and products (PSC, 2008b: 6). Mathison (2005: 122) describes efficiency as the extent to which outputs and outcomes are produced without wastage of human, financial and capital resources.

For the purpose of the study, effectiveness is considered as municipality's success in achieving its outcomes and efficiency is the achievement of the outputs and outcomes without the wastage of human, financial and capital resources. Both effectiveness and efficiency has to be considered for an accurate reflection of the municipality's performance.

Indicators Provide clear statements of the precise information needed to assess whether the proposed changes have occurred. In terms of the logical framework indicators can be developed for the inputs, activities, outputs, outcomes and impacts for development projects, programmes or strategies (Chaplowe, 2008: 6).

Indicator matrix Identifies the key information requirements for each indicator and summarises the tasks M & E tasks for the project, policy or programme (Chaplowe, 2008: 10).

Interventions Refers to systemic interventions which is defined as planned action by an agent (individuals, teams or organisations) to create change in relation to reflection on system boundaries (Midgley, 2007: 11).

Participatory Methods Engages participants in decision making and creates a sense of ownership for the outputs and outcomes (World Bank, 2004: 16).

Public Expenditure Tracking Surveys (PETS) Track the flow of public funds between the different levels of government and determine the extent to which resources actually reach the target group (World Bank, 2004: 16).

Rapid Appraisal Methods These are relatively quick method to gather the views and feedback of beneficiaries and other stakeholders at a reduced cost, in order to respond to the decision makers need for information (World Bank, 2004: 14).

1.9 OVERVIEW OF THE CHAPTERS

1.9.1 Chapter One Introduction and overview of the study

The overview of the study is presented through the aim, objectives and research questions to be answered. It was then followed by a brief description of the problems experienced in the local sphere of government and the significance of the study. To ensure valid research outputs and outcomes, the research design and methodology was clarified. Terms specific to the M & E field was then provided along with a brief exposition of the various chapters in the study was submitted.

1.9.2 Chapter Two Monitoring and Evaluation impacting governance, performance management and capacity development in Local Government.

Municipalities are public institutions that have to comply with the governance requirements of the public sector. Corporate, sustainable and co-operative governance leads to good governance. Corporate governance involves the municipality complying with the relevant legislation, regulations and its own processes. The core objective of a municipality is to promote socio-economic development to its communities by providing services that are sustainable in terms of the service level and quality. Local Government being a separate sphere of government must co-operate with the National and Provincial Governments through good intergovernmental relationships to ensure good co-operative governance.

Governance is a prerequisite for performance. Performance in a municipality depends on its organisational culture and capacity to undertake its developmental functions. The governance; performance management; and capacity development of a municipality is also influenced by relevant legislations, regulations and policies. The key legislations affecting local municipality performance is briefly explained. The challenge for the municipality is understanding and implementing the stipulations of the numerous legislations with its limited capacity.

Monitoring and Evaluation positively influences governance, performance management and capacity development. The benefits of governance through M & E are improved transparency; evidence-based decision making; accountability; and better service delivery. Monitoring and Evaluation influences performance by increasing the municipality's effectiveness, efficiency and economy. Capacity development is enhanced through the identification of performance gaps and the corrective actions to be taken.

1.9.3 Chapter Three Planning and implementation of Monitoring and Evaluation systems to achieve excellence in Local Government

Chapter Three begins with the conceptualisation of M & E and their complementary roles. The need for M & E systems is described since it is a critical element to a successful M & E system. Since the factors determining the need for M & E systems vary in each municipality due to its specific circumstances, the readiness assessment of a municipality is discussed to ensure the M & E system would be sustainable after its institutionalisation. To gain the maximum value from an M & E initiative the M & E models and frameworks must be evaluated to select the most appropriate model or framework. In this regard the logical framework; systems model; participatory M & E model; and the Results-Based M & E models are discussed. The chapter concludes by investigating the influence of M & E to enhance excellence in municipalities which is the custodian of service delivery and is the communities first direct contact for service delivery. Municipalities therefore represent government as the provider of essential services for the communities.

1.9.4 Chapter Four Systems and performance management in Local Government environments to achieve excellence in municipalities.

Local Government is at the coal face of service delivery and is the initial direct contact of the communities with government. The current structure of Local Government developed through the transformation and legislative guidelines emphasise customer focussed service delivery. The evidence of Local Government performance indicates that the municipalities are experiencing many institutional and structural challenges to deliver on its socio-economic developmental goals. Where performance negatively affected service delivery to the communities, the National and Provincial Governments intervened through its legislative oversight roles.

The municipality is a complex adaptive system consisting of a boundary, with many interdependent and interrelated subsystems that are driven to achieve service delivery goals. Interactions occur between the subsystems itself, the system and the environment and between the subsystems and the environment. The challenges faced by the municipality extend throughout the general and specific environments. Therefore successful interventions need to develop systems thinking approach to address these issues. One of the mechanisms is the New Public Management (NPM) approach that requires the public sector to utilise business methods to effect better effectiveness and efficiencies.

The systems and NPM approach are integrated into the South African Excellence Model (SAEM), which consists of eleven elements. These elements allow the municipality to achieve excellence by monitoring and evaluating each element for their contributions towards achieving the desired outputs, outcomes and impacts. This integrated approach would enable the municipality to utilise the M & E system to enhance governance and achieve excellence.

1.9.5 Chapter Five Local, Regional and Global best practices in Monitoring and Evaluation.

Best practices in M & E enable previous lessons learnt to be utilised in future interventions resulting in the effective and efficient use of resources, time, participant engagement and knowledge acquisition. The success of an evaluation is also dependant on the purpose of the evaluation since it directs the intervention towards specific actions.

In Sub-Saharan Africa, M & E best practices are briefly reported from Uganda, Tanzania and Ghana. Uganda experienced high levels of corruption and poor service delivery from the health and education sector. Tanzania was challenged by poor service delivery and corruption with regards to financial allocations and used the World Bank to undertake the service delivery surveys. Ghana identified the lack of evaluation capacity as partly contributing to poor service delivery and engaged the Ghana Institute of Management and Public Administration to improve evaluation capacity development. Since South Africa also experiences high levels of corruption and poor service delivery; it should use external agents to undertake the surveys and Public

Administration Leadership and Management Academy (PALAMA) to improve evaluation capacity development.

Internationally, the community record card system in India illustrates the advantage of community participation to assess the level of service delivery and to monitor the progress on improvements. South Africa also faces the challenge of poor community participation and service delivery protests. The use of the community record cards should be used to improve both service delivery and community participation. Both Australia and Chile have successfully implanted a GWMES and South Africa can use the lessons learnt to make its own GWMES to be more effective and efficient.

Due to the lack of a fully implemented GWMES the focus is on programme best practices in South Africa, namely, Integration of Waste Management Plans; HIV and AIDS programme; and the pro-poor economic development programmes are reviewed. It is evident that the correct planning, implementation and management of an M & E system can introduce significant improvements to the manner in which public sector organisations operate. The M & E interventions aided effective, efficient and economical use of resources; improved accountability and governance; and improved stakeholder participation. The best practices highlighted the success of M & E interventions to enhance good governance in the public sector.

1.9.6 Chapter Six Research design and methodology

The Chapter outlines the research design and methodology for the study. Research design, the selected plan for the research, is presented. The research methodology which entails the execution of the plan to enable the researcher to relate the research findings to the aims and objectives of the study is outlined.

1.9.7 Chapter Seven

Data analysis and interpretation

In Chapter Seven, the data from the questionnaires submitted to the municipal managers' office and the interviews with municipal staff were captured and analysed. The SPSS computer software was used to present the information in the form of tables and graphs. The key findings of the study were then discussed.

1.9.8 Chapter Eight

Conclusions and recommendations

Chapter Eight briefly introduces the content and context of M & E in municipalities in KZN. Broad conclusions are made in terms of the objectives of the study. Recommendations are offered to enhance corporate governance in municipalities in KZN.

1.10 CONCLUSION

The Chapter introduced the aims, objectives and the critical questions to be answered in the study. The problem statement and the significance of the research were briefly discussed to highlight the relevance of the study. To ensure the reliability and validity of the study, an overview of the research methodology was presented. Certain terminologies used were clarified in the context of the study and the Chapter concluded with a brief overview of each of the eight Chapters.

CHAPTER TWO

MONITORING AND EVALUATION IMPACTING GOVERNANCE, PERFORMANCE MANAGEMENT AND CAPACITY DEVELOPMENT IN LOCAL GOVERNMENT.

2.1 INTRODUCTION

Prior to 1994, Parliament was sovereign and adopted laws irrespective of its impact on citizens fundamental rights. The authoritarian apartheid laws adversely affected citizens freedom, equality and human dignity (Van Heerden, 2009: 50). Public administration operated on apartheid principles which excluded the majority of citizens and resulted in severe inequalities in social and economic development amongst the different race groups. The introduction of the interim and later the 1996 Constitutions required public administration to undergo major transformation to comply with the constitutional values of freedom; equality; human dignity; and fundamental rights. To ensure that these values are incorporated into the activities of all spheres of government, a number of legislations were enacted. The legislation and regulations influenced municipal governance and performance by providing guidelines within which the municipality has to operate. Public administrators had to contend with the new constitutional values, new legislation and service delivery inequalities and backlogs.

The service delivery inequalities and backlogs required large amounts of capital expenditure for new basic service and maintenance of the aging infrastructure in municipalities. The capital available to the state was not adequate for the immediate rehabilitation of the apartheid state. The financial constraints required public institutions to utilise resources in an effective, efficient and economical manner to achieve the service delivery targets. Notwithstanding the above, the public expects the best possible management processes and services from public institutions resulting in greater demand for better and more services from the public institutions (Van der Waldt, 1997: 20). According to Fraser-Moleketi (2000: 9), governments greatest challenge for development is the utilisation of the limited resources to satisfy its citizens growing needs and demands for more and better services. Therefore performance management is critical for prioritising service delivery and assisting in better resource allocation which would enable good governance in municipalities.

Good governance results from professional management of the whole organization and supports performance management through the achievement of the required outcomes for the benefit of the communities it serves (www.publicsector.wa.gov.au). A performance management system needs to utilise a systemic view to performance management and the measuring instruments to enhance good governance. According to Ketel and Van der Molen (2008: 65), the strategic objective of the Performance Management System is to improve the effectiveness, efficiency and economy of the municipalities by managing change at all levels in the municipality; develop a culture of best practices; and shared learning among municipalities. Focus on performance management for a particular cluster, department or unit to reflect the performance of the whole system would not provide an accurate picture of the municipality's performance. A systemic approach utilises the varying capacity and capability levels of the different departments or units to provide a synergistic outcome. The M & E system, as a management tool, identifies gaps in the performance of the municipality and provides timeous feedback for corrective action to be taken thus enhancing better performance management and governance.

2.2 GOVERNANCE

2.2.1 Conceptualising governance for municipalities

There are many definitions of governance. Governance is considered as a process of both formal and informal decision making and the implementation of these decisions (<http://www.unescap.org>). According to Bridgman (2007: 14), good governance is the qualitative state of excellence in decision making. Frederickson (2005: 293) citing Krasner (1983), March and Olsen (1995), Keohane (2002) considers governance as a set of principles, norms, roles and decision making procedures around which stakeholders interact in a given public policy arena. In terms of the public sector, Bovaird and Löffler (2002: 316) define public governance as “the ways in which stakeholders interact with each other in order to influence the outcomes of public policies”. Institute for Democracy in Africa (IDASA) (2008: 1) defines governance as the development and stewardship of the rules that regulate the public realm by the state, economic and societal actors interacting to make decisions.

A broader approach to governance, as an analytical framework, is stated in the following model of Lynn, Heinrich and Hill (2001: 15) cited in Frederickson (2005: 286) as follows:

$$\mathbf{O} = \mathbf{f}(\mathbf{E}, \mathbf{C}, \mathbf{T}, \mathbf{S}, \mathbf{M})$$

Where

O = Outputs/outcomes which are the end products of the governance regime.

E = Environmental factors (These can include political structures; levels of authority; economic performance; resource levels and dependencies; legal framework; and the characteristics of the targeted population.)

C = Client characteristics (The attributes, characteristics and behaviour of clients.)

T = Treatments (These are the key processes of the organization and include organizational missions and objectives; recruitment and eligibility criteria; methods for determining eligibility; and programme treatments or technologies.)

S = Structures (These include organizational structure types; level of coordination and integration among the organizations; relative degree of centralized control; administrative rules or incentives; budgetary allocations; contractual arrangements or relationships; and the institutional culture and values.)

M = Managerial roles and actions (This includes quality of leadership; employer-employee; methods of decision making; professional/career concerns; and the mechanisms of monitoring, control and accountability.)

This approach utilises the outcomes based performance management and highlights the sub-systems of the organisation's internal and external environments. The following components, namely, output and outcomes on the environment; client treatment; organisational structures; and management are also components of the South African Excellence Model.

Van Der Waldt (2004: 5) citing Jong Jun (1999: 30) states that the structure of governance consists of four interrelated social systems with interdependent set of roles within each system;;

<i>Government system</i>	Legally controls the administrative organisation and functioning of the state;
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<i>Administrative system</i>	Co-ordinates and controls the structuring of human activities within a nation state;
<i>Political system</i>	Regulates conflict over the control of the state;
<i>Economic system</i>	Promotes and guarantees the accumulation, reproduction, and distribution of wealth within a nation state.

Each system has a critical role in promoting governance through interdependence and interrelationships. For example the political ideology of the ruling party may prefer a specific economic system that would require the government and administrative systems to be accordingly formulated, implemented, monitored and evaluated for achieving better governance. According to Bridgman (2007: 14), conformance, performance and governance can only be achieved when all institutional roles are operating collectively. Schacter (2000: 1) using the Institute of Governance's definition refers to governance as the art of steering societies and organisations through interactions among structures, processes and traditions that determine how power is exercised; how decisions are taken; and how citizens and other stakeholders have their say.

A key element of local governance is the effective engagement of the communities in the matters that affect their quality of life. In terms of the Local Government Municipal Planning and Performance Management Regulations, 2001, monitoring, measurement and review of performance must be done after consultation with the local community to develop and implement mechanisms, systems and processes in respect of key performance indicators and performance targets. The occurrence of civil unrests indicates that consultations with the local communities are not effective in keeping the communities well informed of the government's programmes.

Municipalities are complex open systems with numerous interdependent and interrelated subsystems interacting with both internal and external stakeholders. The broad definition of governance (Lynn, Heinrich and Hill (2001: 15) cited in Frederickson (2005: 286); Van der Walldt (2004: 5) citing Jong Jun (1999: 30) and Schacter (2000: 1)) reflects the complex public

management system environment within which the municipality operates. For the purposes of the study the broad conception of governance is used, since it highlights a holistic approach to governance that is inclusive of all stakeholders and structures existing within and outside of the organisational system. Therefore, a more appropriate definition of governance would be the quality of decisions made, accountability, compliance to legislation and the participation of the communities in the matters affecting them. In response to providing the various needs of the communities, the local municipality has to comply and conform to legislation, regulations and performance targets that would reflect on its corporate governance issues.

2.2.2 Corporate governance in municipalities

According to Fourier (2006: 1), the aim of corporate governance is to ensure public sector organisations undertake its public accountability and conduct its activities according to acceptable ethical standards. Corporate governance promotes organisations to become (Fourier, 2006: 2):

- Effective, efficient; and sustainable focusing on the upliftment of the quality of life of the people it serves;
- Responsive and accountable;
- Recognise and protect stakeholder rights;
- Based on democratic ideals; legitimate participation and representation.

Bekker (2009: 7) citing Fourier (2006) suggests that for effective corporate governance, public sector employees should inter alia have the necessary knowledge, ability and commitment to undertake their responsibilities; understand their purpose and interests they serve; work towards achieving the objectives and strategies of the department; and regularly report the departments activities in terms of effectiveness, efficiency and economy.

The Parliament of South Africa Research-Unit report on the Role of a Public Accounts Committee in Ensuring Effective Municipal Governance (2008: 2) highlights that governance is

“essentially a function of leadership and direction within an organisation, appropriate risk management and control over its activities and the manner in which meaningful disclosure relating

to its activities is made to communities”. Local corporate governance includes processes and systems by which institutions are directed, controlled and held accountable (Department of Public Enterprise, 2002: 3). Bovaird and Löffler (2002: 16) define local governance as the “set of formal and informal rules, structures and processes which determines the way in which individuals and organisations can exercise power over the decisions which affect their welfare at local levels.” This definition assumes the collaboration of all stakeholders to solve problems; the proper use of rules; acknowledges hierarchy; the characteristics of transparency; integrity; and honesty are valuable and it is inherently political.

De Giorgi (1999: 32) cited in Van Heerden (2009: 62) remarks that South Africans are generally unfamiliar with the notion of holding government accountable for their actions or non-actions. In this regard, Finance MEC for KZN reported to the legislature that fraud and corruption had reached alarming proportions in KZN, with a total of more than R1.0 billion fraud and theft being investigated (The Mercury, 23 April 2010). The cause of this high rate of fraud and corruption is the weaknesses in the security and internal control systems. This was further confirmed by the Auditor-General’s report which had identified a lack of controls, mismanagement, and a lack of governance principles as the root cause for the state of despair in municipalities (DCGTA: 2009). However, there was little evidence of the perpetrators being held accountable for their misconducts in terms of the public administration principles.

Section 195 of the Constitution of the Republic of South Africa Act 108 of 1996 stipulates that public administration should adhere to the following principles:

- A high standard of professional ethics must be promoted and maintained;
- Efficient, economic and effective use of resources must be promoted;
- Public administration must be development-oriented;
- Services must be provided impartially, fairly, equitably and without bias;
- People’s needs must be responded to, and the public must be encouraged to participate in policy-making;
- Public administration must be accountable;
- Transparency must be fostered by providing the public with timely, accessible and accurate information;

- Good human-resource management and career-development practices, to maximise human potential, must be cultivated; and
- Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

The Fifth Consolidated Public Service Monitoring and Evaluation Report (2008c: 89) assessed the extent to which twenty two government departments complied with the nine governance principles in terms of Section 195(1) of the Constitution and concluded that:

- There were significant improvement in complying with the development orientation and providing services impartially and fairly;
- Performance in the good human resources management and public administration being broadly representative is inadequate; and
- The performance in the remaining principles experienced a slight improvement.

The conclusions highlight the need for an effective and efficient M & E system to regularly M & E corporate governance of public sector institutions.

According to the Independent Commission on Good Governance in Public Services (2004: 5), good governance means focussing on the organisation's purpose; the communities outcomes; performing effectively; behaving in a moral and ethical manner; decision making that is informed and transparent; making accountability real; managing stakeholders; and ensuring placing people with the necessary skills. Municipalities are part of the public sector and should comply with the above governance principles. Good corporate governance would enable the municipality to operate in an effective and efficient manner by complying with the regulations; legislation; and its own policies and processes. This would assist the municipality to be able to better sustain itself and the services it provides.

2.2.3 Sustainable governance and service delivery

Sustainable governance refers to the durability of service of the required quantity and at a required level of quality over an extended period (Cloete, 2005: 2). It therefore implies an assessment of resources required for service delivery is utilised for the development of medium to long term service delivery plans and budgets to provide the required levels and quality of services. The overall capacity of the organization must enable to sustain the levels of service delivery and also adapt to changing circumstances of its internal and external environments. The current global governance paradigm requires government activities to be accessible and transparent for evidence based policy assessment (Cloete and Auriacombe, 2007: 193). E-Governance could assist in making government activities more accessible and transparent to all the stakeholders.

E-Government is a key strategic tool of the government to improve economic growth and development and assist with sustaining its service delivery. Morris (2006: 1) states that the role of information communications technology (ICT) in development is not clearly defined and documented in M & E systems. In order to increase the learning from the M & E initiatives, a deliberate effort is required for the use of ICT in the M & E processes. Learning from both the corporate and sustainable governance M & E processes enables the achievement of good governance.

Regular media reports indicate government interventions to achieve good governance are not achieving the desired results to reduce corruption and resource wastage. While there are a number of factors that may contribute to the lack of progress made, the strong focus on compliance rather than performance itself could add to this challenge. Therefore there is a need to consider alternate approach to manage governance.

2.2.4 Agency Governance

In rule orientation of management there is great emphasis on the execution of activities in terms of the rules and regulations which could impede the output of the municipality, whereas, performance orientation makes more use of information and controls that are aligned to the organisational vision and mission (Van der Waldt, 2004: 22). The latter approach affords greater

discretion to the administrators while complying only with the rules and regulations that are performance orientated.

However, according to the Report on the African Training and Research Centre in Administration for Development (CAFRAD) and African Capacity Building Foundation (ACBF) Workshop on Performance Measurement and Enhancement in the Public Sector (2003: 9), a public entity cannot enhance governance unless it moves out of the traditional management thinking to the complex field of agency governance. Agency governance rests on the following four pillars (CAFRAD/ACBF, 2003: 9):

- Civil society pressure on government and public institutions;
- The response of the political class to pressure (through exercise of powers);
- The professionalism and integrity of decisions taken by career public service managers; and
- The extent to which the prevailing rules regime supports or hinders service delivery.

At the policy level, the adoption of the agency governance approach includes other stakeholders (besides the executive branch of government): legislative assemblies, political parties, civic bodies, private sector entities, for the monitoring of programme performance (Report on the African Training and Research Centre in Administration for Development (CAFRAD) and African Capacity Building Foundation (ACBF) Workshop on Performance Measurement and Enhancement in the Public Sector, 2003: 5). In this regard, the focus should shift from mechanistic ‘management’ to the organic agency governance approach on conflict and performance. Schiavo-Campo (2005: unnumbered) also notes that civil society can play a catalytic role through provision of assessments for government performance. Civil society can hold government accountable to deliver the correct quantity and quality of basic services. According to Schacter (2000: 15), governance failures could be due, wholly or partly, to the inability of citizens and the organisations that protect citizen interests to impose accountability on government.

Therefore good governance in municipalities could also be achieved by considering civil society pressure, the response of the political class due to pressure, professionalism and integrity and an empowering legislative environment for service delivery. Professionalism and the legislative framework governs the co-operation between the three spheres of government through the co-operative governance principles. Service delivery protests are indicative of civil society pressure that has arose due to the lack of community participation and good co-operative governance between the three spheres of government.

2.2.5 Co-operative Governance

Co-operative governance refers to the relationship and principles underlying co-operation between the three spheres of government as stipulated in Chapter Three of the Constitution. Section 41(1) of the Constitution stipulates all spheres of government and organs of state within each sphere of government must provide effective; transparent; accountable; and coherent government. Each sphere of government must also inform and consult one another on matters of common interest through intergovernmental relations.

2.2.5.1 Intergovernmental Relations

Guidelines for intergovernmental relations (IGR) are provided in the Intergovernmental Relations Framework Act No 13 of 2005. National government cannot achieve its developmental goals without the contribution of the Province and Local governments, therefore, and improving the intergovernmental relations is critical for accelerating service delivery (National Capacity Building Framework for Local Government or NCBFLG: 11). Strong coordination and co-operation between the three spheres of government is needed for effective Integrated Development Plan (IDP) implementation; financial planning for common programmes and projects; and the effective management of integrated service delivery. In the absence of good IGR among the National and Provincial sector departments, municipalities are unable to develop viable plans that could be successfully implemented and completed (NCBFLG: 60).

Intergovernmental relations refer to the vertical and horizontal interactions between governmental institutions. Factors affecting intergovernmental relations include the type of state; political ideology; the extent to which power and authority are devolved to other spheres of government; fiscal relations; and administrative considerations (Du Toit, Van der Waldt, Bayat and Chemanais, 1998: 248). In addition to its co-operative relationship, National and Provincial Governments have considerable powers informed by executive and legislative authority that allow for extensive interventions in the functioning of Local Government (Reddy, 2001: 206). The National Government can sanction the appointment of Administrators to manage the municipality and Provincial Government can assign powers to other agencies or person to undertake specific task in the municipality if it is of the opinion that the municipality cannot undertake its functions (Section 100 and Section 139 of the Constitution).

According to Kuye and Ile (2007: 70), the critical elements for the effective management of IGR are commitment; communication; capacity; planning; policy management; project management; and leadership. Commitment is seen as the will of the political and administrative office bearers to achieve a common goal and the remaining elements are dependent on the level of commitment. Successful IGR management is represented by Kuye and Ile (2007: 70):

Intergovernmental relations (IGR) = C + 3C + 3P + L, where

C = Commitment

3C = Communication, co-ordination, capacity

3P = Project management, policy management, and planning

L = Leadership.

Kuye and Ile (2007: 70) also add that Commitment is a critical element and hence stands alone. However, they have also argued that the other critical elements are dependent on Commitment for their influence to managing intergovernmental relations effectively. The above formula does not reflect this interdependence among Commitment and the remaining factors.

According to Rapoo (1999: 2), the following factors influence intergovernmental relations:

- History of the country;
- Divisions among political groups conceptions of power, authority and purpose;
- Nature and identity of the political parties at National and Provincial government; and
- Economic strength of the Provincial and Local spheres of government and its institutions;

The above factors contribute to conflict that is endemic in multi-sphere intergovernmental relationships and cannot be eliminated but strategies have to be developed to manage IGR conflicts.

The study proposes the main aim of IGR is to ensure that there is an effective, efficient, coherent and democratic government rather than commitment as proposed by Kuye and Ile. To achieve these outcomes, both transformational and transactional leadership are required to develop the commitment of administrators and politicians towards achieving these goals. Intergovernmental relations can be effectively managed through the stakeholders' regulatory compliance and not necessarily requiring the commitment of the participants which differs from the suggestion of Kuye and Ile (2007: 70). The remaining factors contributing towards effective management are, joint planning and co-ordination; communication for collaborations and conflict management; M & E of joint policies, programmes and projects; governance principles; leadership; capacity; information management and the degree of decentralization.

For the purpose of the study effective management of IGR is dependent on leadership, decentralization, governance, capacity, planning, engagement, M & E and information management. The outcomes and impacts of IGR are effective; efficient; coherent; and democratic government which is dependent on all other factors. The relationship is represented as:

$$E_{IGR} = f(L, D, G, C, P, E, M\&E, I)$$

Where

E_{IGR} = Effectiveness of IGR (Resulting in effective, efficient, coherent and democratic government)

L = Leadership

D = Decentralisation

G = Governance

C = Capacity

P = Planning

E = Engagement

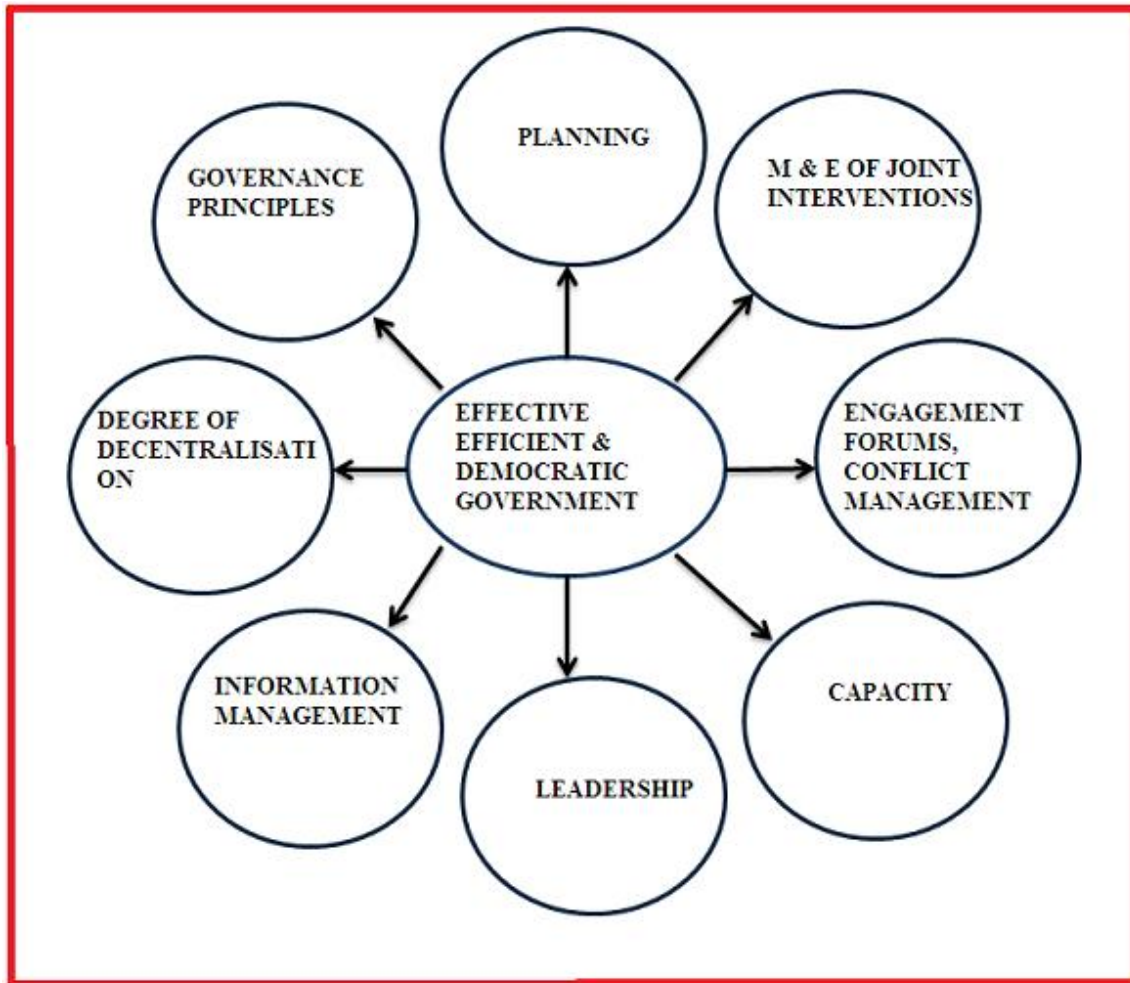
M & E = Monitoring and Evaluation of joint policies, programmes and projects

I = Information management

The above relationship is reflected in Figure 1 below. The proposed components of IGR also highlight the complex systems environment and the interrelationships and interdependence between the various stakeholders.

Monitoring and Evaluation should be utilised as a tool to manage IGR conflict and set IGR objectives; indicators and targets. According to the Report, the Role of Premiers' Offices in Government Wide Monitoring and Evaluation: A Good Practice Guide (The Presidency: 2008), co-operative governance among the three spheres of government creates complexity in policy formulation and implementation due to the concurrent functions of each sphere of government. This complexity can be overcome by working together which creates a critical need for a collaborative M & E. It further states that an efficient and effective M & E system is critical for good governance.

Figure 1: Critical elements of intergovernmental relations effectiveness



Source: Adapted and Modified - Kuye and Ile, (2007: 70).

Figure 1 highlights the relationships among the factors affecting IGR.

2.2.6 The influence of Monitoring and Evaluation on local governance

In the public sector, corporate governance is interrelated and interdependent on local governance which includes the broad definition of governance, co-operative governance, intergovernmental relations, sustainable governance and agency governance. According to Mackay (2007: 9), M & E systems support sound governance by:

- Supporting evidence based policy decisions in allocating resources to a project or programme;

- Assisting government in policy development and analysis;
- Helping government to manage activities at sector, programme and project levels; and
- Enhancing transparency and support accountability relationships.

The Department of National Treasury (2007: 3) adds that the M & E should improve governance in the following manner:

- *Transparency* All findings are publicly available unless there are compelling reasons otherwise;
- *Accountability* Use of resources are open to public scrutiny;
- *Participation* Voice is provided to historically marginalised communities; and
- *Inclusion* Traditionally excluded interests are represented throughout the M & E process.

Segone (2001: 4) broadens the influence of evaluation on governance to include democratisation; de-bureaucratisation; and organisational learning. In this regard democratisation is viewed as effective citizen engagement; de-bureaucratisation promotes public accountability, responsiveness and transparency and organisational learning is facilitated by using evaluation information to make better decisions Segone (2001: 4).

Therefore M & E enhances governance by increasing stakeholder participation, accountability and transparency, evidence based decision making and efficient and effective resource allocation for service delivery. According to Fraser-Moleketi (2000: 1), the building blocks of good governance for the public sector are:

- Improved governance , better participation and inclusive decision making process;
- Meaningful and on-going accountability to all stakeholders and interest groups; and
- More responsive, efficient and effective development delivery.

Since M & E supports all the components of the three building blocks, it can be deduced that M & E enhances good governance and better service delivery. Table 1 also indicates the support of the M & E system for the characteristics, outputs and outcomes of good governance.

Table 1: Characteristics of Monitoring and Evaluation systems and good governance.

CHARACTERISITICS	GOOD GOVERNANCE	M & E SYSTEM
Participation and civic engagement	Citizen participation is critical which can be direct or indirect. Must be informed and organized.	Participatory M & E require the citizens and stakeholders to be engaged before, during and after the intervention.
Rule of law	Fair legal framework that is enforced impartially. Full protection of human rights. Requires an independent judiciary and an incorruptible police force.	Promotes transparency and accountability. Complies with the regulatory mandates and Constitutional principles. Promotes independent evaluations.
Accountability	Information must be easily accessible and understandable by those affected by the decisions. Decisions taken and their enforcement must comply with the rules and regulations.	Engagement enables the stakeholders to have meaningful input along the entire M & E processes. Roles and responsibilities are clarified and participants are held to account for their actions.
Equity	All groups must have opportunities to improve or maintain their well-being. Benefits of economic growth to be equitably distributed across society.	Participatory M & E approach considers the views of minorities, their interrelations and interdependencies.
Effectiveness	Activities must produce results that meet the needs of society. Best use of resources at their disposal. Includes sustainable use of the natural resources and protection of the environment.	The pillars of M & E are effectiveness, efficiency and economical use of resources. Inclusivity ensures the needs of the community and the environment.

Source: IDASA, Criteria for good governance, (2008:3).

Table 1 highlights the principles of good governance and the role M & E to effect the principles of good governance in municipalities.

M & E systems provide information that permits public sector institutions to undertake evidence based policy assessment and to improve the governance functions of the institution. Performance information would be used to decide budget allocations and monitor service delivery with accurate, appropriate and timely information provided by the M & E system. It also enables managers to pursue results-based management approaches such as performance contracts; risk management; benchmarking; and market testing to improve effectiveness and efficiencies in service delivery (Theewaterskloof Municipality, 2009: 1). Therefore M & E enhances governance through timeous evidence based decision making; developing a learning culture in the municipality; and by making both the political and administrative office bearers more accountable through better performance management.

2.3 PERFORMANCE MANAGEMENT

The Presidency in the Green Paper: Performance Management, Monitoring and Evaluation (2009a: 1) highlights that the state has not performed optimally in satisfying the community's service delivery expectations, despite successive increase in the service delivery budgets. According to Uys (2010: 57), the demand on government performance management is value bound since there must be a level of trust between management and politicians; citizen centered service delivery emphasising openness and a new service culture: new shared leadership including both officials and the public; and complex networks formed by intergovernmental relationships and inter-organisational co-operation.

2.3.1 Definition of Performance Management

Armstrong (1998: 7) defines performance management as an integrated approach to delivering sustained success to organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors. Van Dijk (2007: 49) citing the Department of Public Services and Administration (2001: 6) defines performance management as an approach how the work is done and organised focusing on continuous

improvement; commitment of senior management and alignment with the strategic organisational objectives. According Minnaar (2010: 49), performance management is an integrated process that involves planning, execution of the plan, monitoring progress to track achievement of the plans and evaluating overall process. The Department of Co-operative Governance and Traditional Affairs (2010: 4) also considers municipal performance management to include planning; implementation; and M & E.

In the context of the study the definitions of Minnaar (2010: 49) and (DCGTA: 2010: 4) do not consider M & E as a higher order management function (Cloete, 2009: 296) and as an oversight function for every activity in the organisation (Ackron, 2008: 5). This could create a perception that M & E is the same as a performance management rather than a management tool used within the performance management system to analyse both individual and organisational performance. For the purpose of the study performance management is defined as the systemic organisational approach to measure and appraise efforts for the accomplishment of tasks aligned to the organisations vision and mission against the agreed targets.

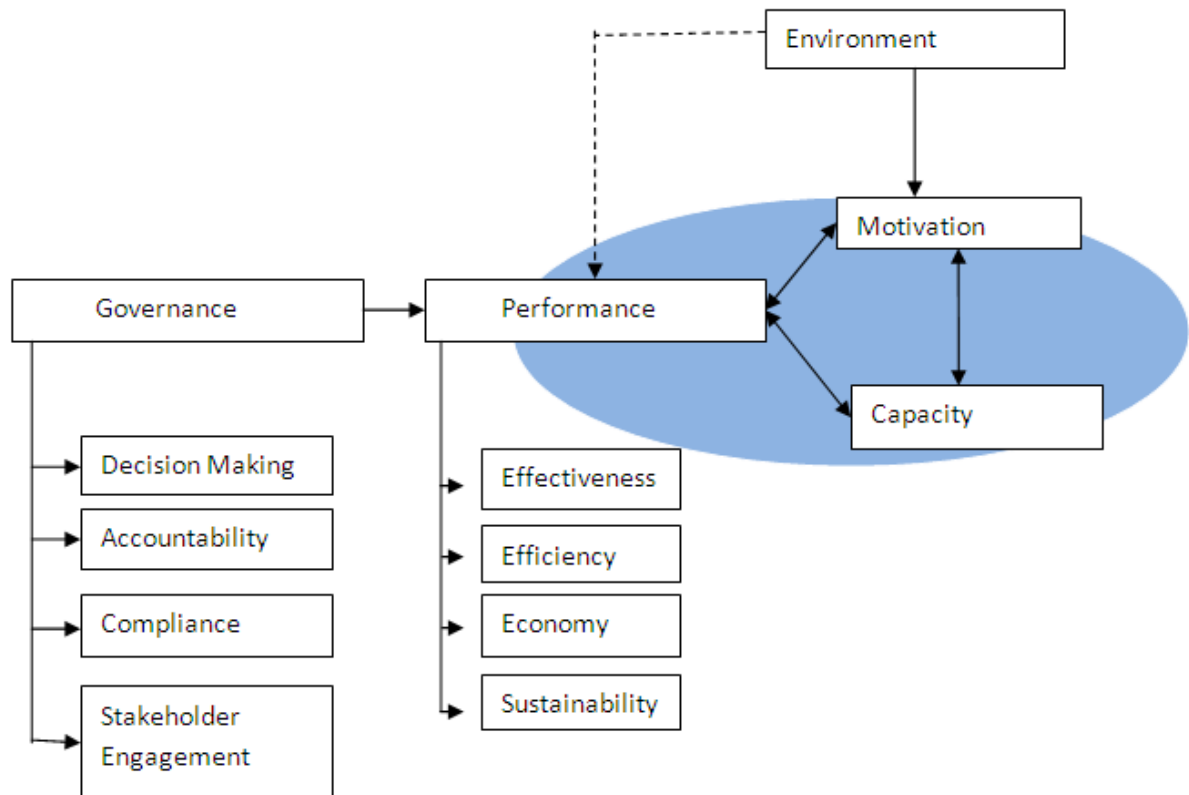
2.3.2 Components of Performance Management

According to Mackay (1999: 3), performance constitutes both efficiency and effectiveness where the former is the ability to undertake an activity at the minimum cost possible and the latter ascertains whether the activity is achieving the objectives which were set for it. Daft (2007: 22) defines effectiveness as the degree to which an organisation achieves its goal and efficiency as the amount of resources utilised to achieve the organisations goals. Horton (2002: 3) describes an organisation's performance as reflected in efficiency, effectiveness and sustainability. Sustainability refers to the organisations continuing relevance, financial viability and resource acquisition needed for its operations.

According to Horton (2002: 3), an organisation's performance is dependent on its operating environment, organisational capacity and organisational motivation. Its operating environment includes the legal, social and economic influences. Organisational capacity refers to the staff complement and resources, structure, management systems and interactions with other organisations. Organisational motivation refers to its culture and incentives that encourages the

staff to achieve the organisations goals. Armstrong (1998: 11) also notes that performance management is about managing the organisation within the context of its internal and external environments.

Figure 2: Relationship between performance, capacity development and governance



Source: Modified and adapted from Horton (2002: 3).

Governance precedes good organisational performance. The components of governance, namely, quality of decision making; accepting accountability for one’s action; compliance to laws and regulations; and stakeholder engagement impacts the municipality’s performance comprising of effectiveness; efficiency; economy; and sustainability (Figure 2). Therefore the organisational capacity; motivation; and environment needs to improve the municipality’s effectiveness, efficiency, economy and sustainability. In this regard Van der Waldt (2004: 5) citing Van der Merwe (1992: 114) stipulates the minimum preconditions for any balanced judgement of the performance of a particular department, by any internal or external agent, as;

- A clear vision and understanding of the objectives of the different functions, programmes and services for which the department is responsible and why;
- The availability of data or information relating to the economy, efficiency and effectiveness of programmes and services; and
- The use of correct and valid yardstick to evaluate the economy, efficiency and effectiveness of different activities and programmes.

Therefore performance measurement should consider effectiveness, efficiency, economy and sustainability of the factors affecting performance of the municipality.

2.3.4 Performance Management and organisational culture

Daft (2007: 239) defines organizational culture as a set of values, beliefs and ways of thinking that are shared by members of the organisation. For an organization to improve its effectiveness and efficiency, a culture change needs to occur where the values, beliefs, behaviours and the way of thinking changes. A strong performance culture encourages learning and adaptation and motivates employees to achieve common goals. Bennet (2004: 100) citing Handy (1993) notes that organisational success depends on the match between the structure and culture. M & E can only grow in demand if a culture of performance exists within the public sector although the public sector does not have a management ethos towards performance and a culture of accountability for results (Presidency, 2008: 20). According to Kusek and Rist (2004: 160), developing, implementing and managing a sustainable M & E system can help to bring about major cultural changes in the way government and organisations operate. The incremental cultural changes are due to enhanced performance, accountability, knowledge and learning that result from an appropriate structure which integrates the M & E system.

International experience indicates that a realignment of the existing culture of non-performance in municipalities to a performance culture is difficult, costly and takes eight to ten years of sustained effort (Presidency, 2009a: 18). Political buy-in is critical and can be achieved by the top-down approach where senior political office bearers create an urgency and legitimacy for the change. However, to change the mind-set of the public servants requires a bottom up approach. Flexibility and consultation has to take place to ensure sustainable commitment to the change process.

Critical to the change intervention is the leadership commitment and direct involvement; and the development of simple, clear, and achievable performance indicators.

2.3.5 Factors affecting performance in municipalities

To improve service delivery, DeLeon (2005: 121) asserts that the existing bureaucracy must be responsive to the elected representatives; the markets must enforce efficiency and offer a wide range of choices from which citizens may select freely or networks that allow participation by a variety of organizations. The consideration of the organisations vision, data and information system and appropriate indicators allow performance to be managed in a systemic manner to achieve effectiveness and efficiency. Armstrong (1998: 16) describes the factors affecting performance as follows:

- *Personal* Individuals skills, competence, motivation and commitment;
- *Leadership* Quality of encouragement, guidance and guidance provided by managers and team leaders;
- *Team* Quality of support provided by colleagues;
- *Systems* System of work and the facilities provided by the organisation; and
- *Contextual* Internal and external environmental pressures and changes.

Poor performances in municipalities' is due to one or more of the following (Department of Local Government: 2001: 36):

- Poor systems and processes;
- Inappropriate structure;
- Lack of skills and capacity;
- Inappropriate organisational culture; and
- Absence of appropriate strategy.

Steytler (2008: 766) argues that the Volume, nature and scope of the Local Government legislative framework may be strangulating the execution of Local Government's developmental mandate. The consequences of strangulation are cost of compliance, opting out of governing, stifling innovation and local initiative, and opting for lawlessness. The rules are prescriptive and

overemphasise compliance to the rules rather than the achievement of the objects behind the rules. Kanji and Sa (2007: 50) highlights the reasons for the resistance to performance measurement as the organisational culture of blame; bureaucracy; lack of rewards and sanctions; managers do not prefer evidence based performance reporting; and the performance system itself which could lead to poor performance.

Good performance needs to be encouraged while poor performance has to be evaluated in terms of the causal and contributory reasons. If an institution knows that its performance is being monitored, it is more likely to perform the required tasks and to perform them well (Theewaterskloof Municipality, 2009: 1). In the case of customer care, the alignment of the eight *Batho Pele* principles with the municipality's customer care policies and objectives would aid the assessment and performance of customer centered service delivery. To improve performance the appropriate response strategy should be chosen (Department of Local Government, 2001: 36):

- Restructuring for an inappropriate structure;
- Process and system improvement;
- Training and sourcing additional capacity;
- Change management to address organisational culture;
- The revision of strategy by key decision makers; and
- Consideration of alternative service delivery strategies.

Uys (2010: 59) identifies the strategies to improve public sector performance as: evaluating the current performance systems; consider different methods to monitor the system interactively; measurements must be useful to the manager and the measuring instrument must be valid, credible and reliable. Performance of the municipality is dependent on a number of complex causal relationships which operate within the systems environment. The study proposes that performance management intervention strategies should inter alia commence with an organisational performance assessment; development of a systemic M & E system: align the activities of the municipality with its vision and mission; and adopt an inclusive approach of engaging all stakeholders to improve performance. Service delivery challenges could be complex; cannot be resolved in the short-term; and requires the involvement of other government departments.

2.3.5.1 Wicked problems affecting the performance of municipalities

Head and Alford (2008: 50) asserts that wicked problems are linked to social pluralism; institutional complexity and scientific uncertainty which create uncertainty and make it difficult to manage. According to the Australian Public Service Commission (2007:1), wicked problems consist of eight key features:

- Difficult to clearly outline;
- It has many interdependencies and causal aspects;
- Proposed measures may have unforeseen effects;
- Problems may be unstable and continue to eVol.ve;
- No clear and correct solution;
- Problems are socially complex with many stakeholders;
- Responsibilities stretches across many organisations; and
- Solutions may require behavioural changes by the citizens and stakeholder groups.

Sharp and Stock (2005: 54) citing Rittel and Webber (1974: 90-98) adds that the above features of wicked problems affect performance and governance evaluation due to *inter alia*:

- Every wicked problem being unique;
- Difficulty in formulating a wicked problem as the causes of the problems is not clear;
- Extent of the problem is not known and hence the evaluation specifications cannot be clearly defined;
- Complex qualitative decision criteria are based on the good-or-bad rather than a definitive true-or-false outcome; and
- Every attempt to solve the problem affects subsequent attempts to solve the problem.

Examples of wicked problems experienced by municipalities are poverty in the communities; HIV/AIDS epidemic; economic policies and development; and lifestyle diseases. These problems are experienced by all the municipalities; it requires constant attention; and they are systemic. Traditional public administration cannot cope with the complexity and diversity of wicked problems due to its hierarchical form and focus on compliance (Head and Alford, 2008: 9). Public sector organisations attempting to address wicked operations should aim to achieve sustained

behavioural change through collaboration with all stakeholders through the outcomes approach and systems thinking (Australian Public Service Commission, 2007: 24).

2.3.6 The influence of Monitoring and Evaluation systems on performance management

Every government institution must formally implement an M & E strategy that describes the policy of planning, designing and implementation of M & E systems to provide accurate and credible information to be used for improving service delivery and governance (Presidency, 2007: 11). Performance information indicates how well a municipality is meeting its aims and objectives; and is key to effective management including planning; budgeting; monitoring; and reporting. Performance information also facilitates effective accountability; enabling all stakeholders to track progress; identify the scope for improvement; and better understand the issues involved (Theewaterskloof Municipality, 2009: 1). According to Schiavo-Campo (2005: 10), the best organisational arrangements for M & E would not produce the desired results unless there are appropriate performance indicators. He submits the four lessons for developing indicators from international experiences as:

- The indicators must be simple and clear;
- A participatory approach to define indicators must include top managers, front-line staff and service users;
- Performance indicators themselves must be regularly monitored and evaluated; and
- There must be a gradual expansion from the existing public service to other services and sectors.

Accurate and reliable performance information is dependent on developing suitable indicators from a management and accountability perspectives. A good performance indicator should be reliable, well-defined, verifiable, cost-effective, appropriate and relevant (Treasury, 2007: 7).

The setting of performance indicators is a complex task and it is recommended that subject experts and line managers be utilised in this process. The following process is recommended by Treasury (2007: 11) to develop performance indicators:

- Agree on what you are aiming to achieve;

- Specify the inputs, activities and outputs;
- Select the most important indicators;
- Select realistic performance targets;
- Determine the process and format for reporting performance; and
- Establish mechanisms and processes to facilitate corrective action.

The success of a Results-Based M & E system is dependent on collection, capturing and analysis of the relevant data for evidence based decision making based on the definition of the indicators. Inconsistent indicators could lead to poor resource utilisation, a lack of demand for the M & E information and inaccurate outputs, outcomes and impacts. Outputs, outcomes and impacts cannot be accurately compared with other similar policies, programmes or projects, locally or internationally and good governance would be adversely affected. The indicators are also used to set targets which are dependent on the municipality's capacities and capabilities.

Table 2: Outcomes of performance management and Monitoring and Evaluation systems.

Performance Management	Monitoring and Evaluation Systems
Improve performance	Evidence based decision making, outcomes and impact analysis.
Learn from failures and successes.	Evaluation enables organisational learning.
Sanction good and poor performances.	Accountability – results or outcome based M & E systems allocate accountability.
Celebrate successes	Soliciting support – promoting inclusiveness and generating successes.
Share information - promote the organization as being effective and efficient.	Promoting transparency – sharing of information as the project or programme progresses.
Develop, train and motivate all stakeholders.	M & E capacity development.
Control subordinates and resources.	Monitoring - control and supervision of processes, staff and resources.
Budgets – proper allocation of resources.	Allocations made on historic performances reported via M & E systems.
How well is the institute currently performing?	Baseline data collected and analysed.

Source: Adapted from Behn (2003: 588) and PSC (2008a: 4).

Properly developed indicators would provide accurate reflection of the performance outcomes. Performance outcomes are closely related to M & E outcomes as illustrated in Table 2. Therefore the outcomes of M & E can indicate the extent to which the performance standards are achieved or if corrective actions are necessary to improve performance through capacity development.

2.4 CAPACITY DEVELOPMENT

Capacity development is the process by which people and organizations create and strengthen their capabilities, over time, to successfully undertake their tasks and achieve the set goals Morgan (1997) cited in Horton (2002: 2). Therefore capacity is the potential of the organisation and individuals to accomplish their tasks which affects the performance level of the individual and organisation.

2.4.1 Conceptualising capacity and capacity development

A development oriented government should have the capacity to co-ordinate different plans, activities and budgets across the three spheres and departments to seek alignment of their outputs, outcomes and impacts. A developmental state has to intervene strategically to overcome challenges. The management by crisis approach to resolve complex socio-economic and service delivery issues does not enhance good governance in the long term. For example, the Project Consolidate and the Local Government Turnaround Strategy that were introduced to improve the performance of the municipalities did not yield the desired outcomes. The challenges of state capacity are not only the lack of financial and human resources but a lack of skills and institutional development to efficiently and effectively utilize the resources.

Capacity can be interpreted in many different ways. Williams (2010: 35) defines capacity as the ability to perform tasks and produce outputs, to define and solve problems and make informed choices effectively, efficiently and sustainably. Davids (2011: 3570) citing Kaplan (1999: 15) defines capacity as the ability of the institution to function as a resilient, strategic and autonomous entity. The National Capacity Building Framework for Local Government uses a multifaceted approach by considering individual capacity, institutional capacity and environmental capacity, which is defined as follows:

- Individual Capacity is the potential and competency of an individual evidenced in the display of various skills and competencies acquired through education and experience.

- Institutional capacity is the ability and competency of an institution to provide the necessary strategy, structure, resources, policies, processes and relevant skills to fulfil its mandate.
- Environmental Capacity is the macro-environment that is external to the formal municipal structures with which the municipality has to interact (NCBFLG, 2008: 6).

Schiavo-Campo (2005: 2) notes that capacity building is more than training interventions, and it requires simultaneous changes in four pillars, namely,

- Institutional Capacity entails improving accountability rules and incentives;
- Organisational capacity involves reformulating the organisations M & E strategy and structure to the new accountability rules and incentives;
- Information and communication technology capacity (ICT) using informatics for better quality and timeous information
- Human capacity relates to training in M & E skills that are critical for a particular organisation which could be used.

According to Fritzen (2007: 14), there are three categories of capacities that are critical for developmental outcomes in the social sectors:

- *Political capacity* refers to the political will to conceptualise, implement and sustain a developmental initiative and includes inter alia political power; competition; and political representation.
- *Operational capacity* involves the current technical skills and capabilities; information systems; resource allocation systems; and organisational learning and adaptation.
- *Social capacity* refers to the ability of civic society and external agencies to engage in the governance system.

For the purposes of the study organisational and institutional capacities are regarded as synonymous as both represent interventions in the organisation. In terms of the environmental capacity the municipalities generally possess adequate power to specifying conditions to its suppliers; customers; business partners; or any other external stakeholders. Therefore the

appropriate components of capacity for the purpose of the study include the political; social; information; and institutional capacities which are critical to the development of the MWMES.

One has to distinguish between capacity and capability. For example, South Africa has the agricultural land capacity to produce all its maize requirements. The more land it uses the more maize it could produce to sustain local consumption. However, the capability of farming the land depends on the availability of the equipment, skills, climate, funding and fertilisers. Therefore, capacity building is the theoretical ability to do something while capability is the actual ability to do something (Williams, 2010: 36).

Capacity challenges faced by municipalities are *inter alia* low staffing levels, irrelevant or no qualifications and experiences; poor councillor capacity, provision of basic service and the quality of the IDP (NCBFLG: 13). Kusek and Rist (2004: 22) confirms that developing countries lack technically trained staff to measure inputs, activities and outputs and undertake statistical analysis of the data. Cloete (2002: 287) highlights the implementation problems plaguing Local Government as, inexperienced and uncommitted administrators and political office bearers, organization culture that protects self-interest, corruption and nepotism, out-dated structures, processes and technologies, lack of funding and environmental conditions beyond its control. Van Heerden (2009: 56) adds that public officials are not sufficiently knowledgeable to implement the new constitutional principles resulting in poor service delivery due to them not understanding that they are employed to serve the public. Schacter (2000: 8) explains that the current local capacity dilemma is not only the cause but also a consequence of poor governance and failed approaches to governance support. Davids (2011: 3570) asserts that operational effectiveness and efficiency for service delivery is directly influenced by the level of the organisations capacity.

Service delivery is the provision of public activities, benefits and satisfaction provided by the municipality to its communities to ensure a reasonable quality of life (Nealer, 2007:148). Additional service delivery challenges that Local Government currently face include *inter alia* globalisation; operating as a sphere of government; municipal demarcation; social and economic development within its area of jurisdiction; demographics; and urban density. To address the above challenges, Nealer (2007: 161) recommends the following:

- Continuous professional leadership training for administrative and political leadership;
- Merge the provincial sphere of government with the national and local sphere of government;
- Improve co-ordination and collaboration among all stakeholders;
- Undertake more effective long term strategic planning;
- Improve customer care and access to buildings and services for the communities.

The recommendations would improve the operational; institutional; and social capacities that would also enhance the evaluation capacity of the municipalities.

2.4.2 Evaluation Capacity Development

Evaluation Capacity Development (ECD) is increasingly recognised as an important aid to sound governance and assists to achieve high levels of public sector performance (Mackay, 2006: 2). Schiavo-Campo (2005: unnumbered) confirms ECD builds sound governance and improve accountability relationships by improving transparency, building a performance culture and supporting a GWMES. This is achieved due to the use of evaluation findings by governments for resource allocation, learning and improvements in future programmes and projects, enhancing accountability and the extent to which developmental goals have been successfully achieved (Mackay, 2006: 2).

The Report on the Audit of Reporting Requirements and Departmental Monitoring and Evaluation System within Central and Provincial Government (PSC, 2007: 36) notes the level of research and analytical skills within departments differ resulting in different results from the interpretation of same data. There is little evidence that departments are consistently using research and statistical information within reports as inputs to decision-making. The value of high-quality statistical information is recognized within departments, yet there is a lack of capacity in terms of report writing skills, research, management and the use of such statistical information. This adversely affects the demand and reliability of the M & E system.

A sustainable M & E system requires generic and specialist M & E skills. Generic skills include the understanding of basic concepts, process, decision making and problem solving skills.

Specialist skills include statistical analysis, choosing the correct evaluation methods and dealing with multi-party perspectives and conflicts. The National Capacity Building Framework for Local Government (NCBFLG) Report (2008: 15) highlights that one of the lessons from the implementation of capacity building programmes is that monitoring of the processes and outputs is taking place but very little impact evaluation is undertaken. Schacter (2000: 5) notes that the training programmes to raise the skills of existing M & E personnel have produced disappointing results. Therefore, the Treasury (2007: 15) proposed that a basic M & E capacity initiative should include the integration of M & E functions within the areas of responsibility, set-up and manage an M & E system, and produce results from the M & E system.

Chaplowe (2008: 16) asserts that the cultivation of M & E skills takes time and patience; therefore capacity building, which is critical for a sustainable M & E system, can be introduced as follows:

- Identify the tasks and skills required for the management of data and analysis;
- Undertake a skills assessment of all stakeholders;
- Complete a training needs analysis;
- Build local capacity; and
- Encourage staff to provide informal training through on-the-job guidance and feedback.

Evaluation and Monitoring capacity, among the three spheres of government is critical if the GWMES is to be successful. There is a critical need for an M & E system to measure and evaluate the extent and quality of the intergovernmental relations and its impact on local governance (NCBFLG: 60). In terms of creating the political will for M & E system development, the political office bearers must be capacitated to fully understand their functions and that of the public administrators. This view is supported by McLaughlin, Osborne and Ferlie (2002: 10) who suggest that the separation of political decision making from direct management of public services is necessary in municipalities. This would improve the municipalities' effectiveness and efficiency in providing the basic services.

2.4.3 The influence of Monitoring and Evaluation systems on capacity development

The fundamental objective of capacity building of Local Government is to ensure that the municipality has the required knowledge of their policies and regulatory obligations coupled with the necessary capabilities to manage its performance. Mccarthy (2000: 115) recommends the following guidelines to strengthen the Local Government M & E capacity:

- There should be a national recognition of the importance of M & E at Local Government level and it must be supported by providing the necessary resources for ECD;
- Managers at the municipalities must be given incentives for the formulation, implementation and management of effective M & E systems;
- Performance indicators must be developed at the local sphere and then aligned to the Provincial and National spheres of government;
- Due to major capacity constraints within Local Government, an incremental approach must be adopted to institutionalise M & E; and
- M & E systems would not achieve the desired results if the management ethos and local governance is absent.

As the available financial and human resources to provide services decrease and the demands of the public for more and better services increase, the local municipality has to improve its performance by doing more with less (Presidency, 2009a: 5). A well-resourced M & E system can also identify and assign the different tasks to the politicians and administrators to promote a participatory environment for the delivery of services. However, the lack of effective separation would lead to a continued deterioration of service delivery and compliance to the relevant regulations and legislation.

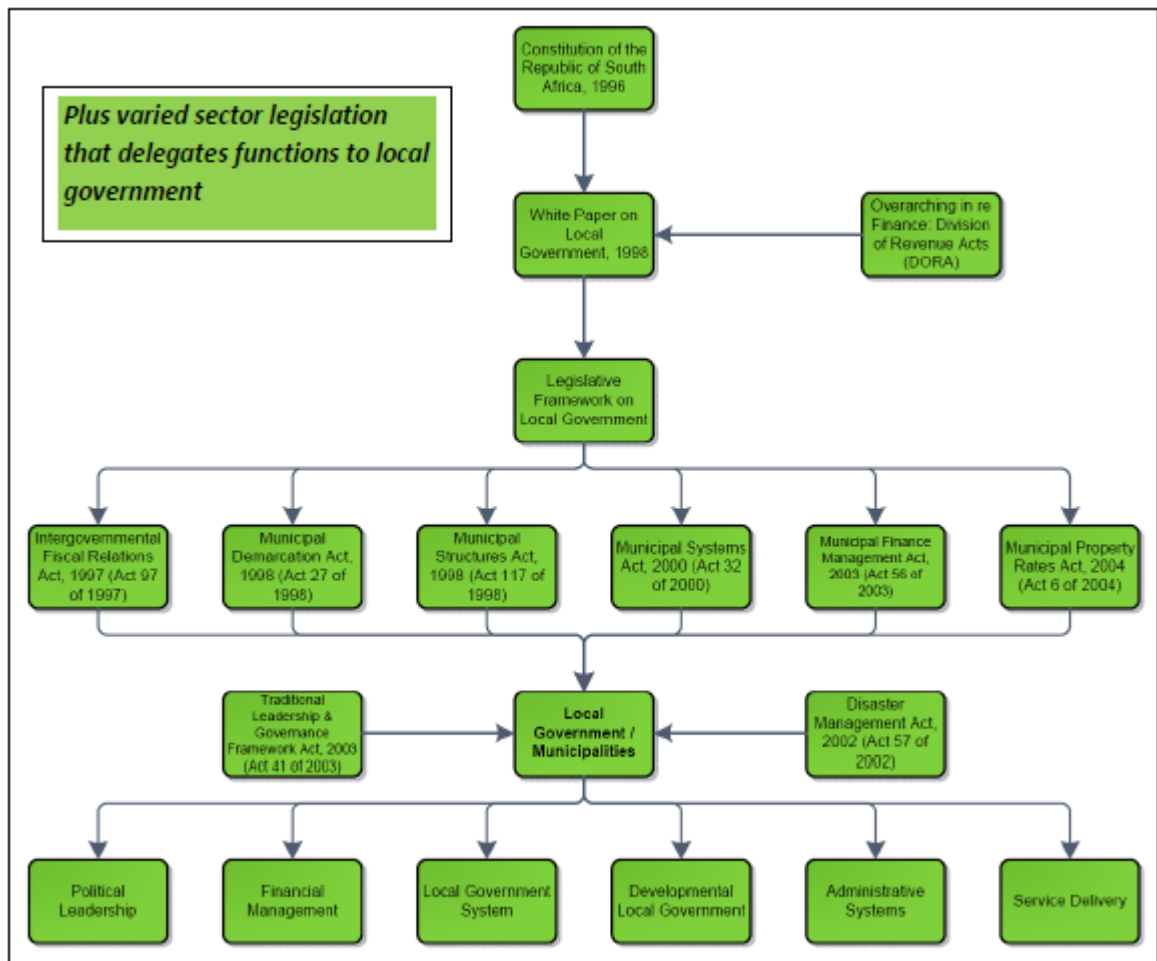
2.5 LEGISLATION IMPACTING GOVERNANCE AND PERFORMANCE MANAGEMENT IN MUNICIPALITIES

The Constitution of the Republic of South Africa Act 108 of 1996 sets the fundamental principles on which Local Government must function and allows for enabling legislation to be enacted to ensure the principles and values are followed by the state and all organs of the state. It is incumbent on the municipalities to correctly interpret and apply the provisions of the legislation when fulfilling their roles and responsibilities as service providers.

2.5.1 Legislative and policy framework guiding performance of the municipalities

Legislation, namely, the Constitution of the Republic of South Africa Act 108 of 1996, White Paper on Local Government (1998); Intergovernmental Fiscal Relations Act No 97 of 1997; Municipal Demarcation Act No 27 of 1998; Municipal Structures Act No 117 of 1998; Municipal Systems Act No 32 of 2000; Municipal Finance Management Act No 56 of 2003; and Municipal Property Rates Act No 6 of 2004 guides local governance and performance management in Local Government. The legislative framework below has omitted the Intergovernmental Relations Framework Act No 15 of 2005 which provides guidelines for creating good intergovernmental relations among the three spheres of government that is critical for effective and efficient service delivery and supporting the developmental Local Government. In addition the framework does not reflect good governance as an output for the municipalities seemingly placing less emphasis on governance issues in Local Government. A brief outline of the influence of some of legislation on governance and performance management follows.

Figure 3: Legislative framework for the management of municipalities



Source: The Presidency, Delivery Agreement for Outcome Nine, (2010: 66).

2.5.2 Constitution of South Africa Act 108 of 1996

The Constitution of the Republic of South Africa (1996: 3) is the supreme law of the country and any law or conduct inconsistent with the principles and values is invalid. It has created a developmental state with three spheres of government which must carry out their functions to ensure sustainable socio-economic development for the citizenry.

2.5.2.1 Developmental Local Government

The Constitution of South Africa Act 108 of 1996, introduced the concept of developmental Local Government to the third tier of government in the country. Section 152(1) of the Constitution includes the objectives of Local Government, which are:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of Local Government.

Section 152(1) encourages performance management of the municipality by requiring an “accountable government.” Governance principles are entrenched through the need for a democratic government and the engagement of communities and community organisations in local governance. Sefala (2009: 1166) proposes that accountability should be based on the overall concept of government to include political representation, political structures and the interactive processes of civil society.

Section 153(a) of the Constitution requires a municipality to structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community. Although the

constitutional mandates place an obligation on administrators to perform their tasks in a particular manner, administrators do not have the knowledge required to comply with these obligations (Van Heerden, 2009: 46). Due to the lack of knowledge, training and requisite skills of public officials effective, efficient and economical service delivery is not provided to the citizens. The credibility of a government is affected since it depends, to a large extent, on the manner in which public administration is executed in providing services to the citizens.

2.5.2.2 Co-operative government

Chapter Three of the Constitution states that the National, Provincial and Local spheres of government are distinct, interdependent and interrelated (Section 40). It requires the three spheres of government to operate as a coherent unit to become effective and efficient in providing products and services. The three spheres of government and the organs of state must co-operate and develop good intergovernmental relationship by utilising the above principles to:

- Provide effective, transparent, accountable and coherent government for the Republic as a whole;
- Respect the constitutional status, institutions, powers and functions of government in the other spheres;
- Exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere; and
- Co-operate with one another in mutual trust and good faith by fostering friendly relations; assisting and supporting one another; and informing one another of, and consulting one another on, matters of common interest; co-ordinating their actions and legislation with one another; adhering to agreed procedures; and avoiding legal proceedings against one another (Section 41 of the Constitution of South Africa Act 108 of 1996).

Co-operative governance results in effective, transparent, accountable and coherent government thus impacting on performance and governance. The GWMES, Province Wide Monitoring and Evaluation system (PWMES) and MWMEs can provide a common platform to share information and knowledge to achieve good co-operative governance.

2.5.2.3 Public administration and good governance

Section 195 of the Constitution provides guidelines on the principles the public sector, including municipalities, must adhere to ensure good governance (Refer to Section 2.2.2). Many of the democratic values and principles in terms of Section 195(1) of the Constitution can also be linked with the concept of performance management, with reference to the principles of, *inter alia*, the promotion of the efficient, economic and effective use of resources, accountable public administration, displaying transparency by making available information, being responsive to the needs of the community, and by facilitating a culture of public service and accountability amongst staff.

Therefore the Constitution, as the supreme law of the country, has set the fundamental values and principles for a developmental Local Government to work in a co-operative manner towards the performance of its services in a professional, accountable and community centered manner. These issues are further discussed in the White Paper on Local Government (1998).

2.5.3 White Paper on Local Government (1998)

The White Paper on Local Government (1998), introduced the practice of performance management for Local Government as a tool to facilitate their developmental role and concludes that:

Integrated development planning, budgeting and performance management are powerful tools which can assist municipalities to develop an integrated perspective on development in their area. It will enable them to focus on priorities within an increasingly complex and diverse set of demands. It will enable them to direct resource allocations and institutional systems to a new set of development objectives.

The White Paper on Local Government (1998) also notes that the involvement of communities in developing key performance indicators increases the accountability of a municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query; others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance

indicators and reporting back to communities on performance, accountability is increased and public trust in the Local Government system enhanced. The trust and transparency between the municipality and the communities can be managed by allocating the resources for service delivery in an equitable manner via the Division of Revenue Act.

2.5.4 Division of Revenue Act No 1 of 2010

Section 214(1) of the Constitution requires an Act of Parliament to provide for the equitable division of revenue and other fund allocations raised nationally among the three spheres of government. The Division of Revenue Act was gazetted to allow for the determination and distribution of the equitable share of nationally raised revenue and the responsibilities of the three spheres of government in managing the transfer and utilisation of such funding. The objects of this Act are to:

- Provide for the equitable division of revenue raised nationally among the three spheres of government;
- Promote better co-ordination among policy, planning, budget preparation and execution processes between and within the different spheres of government;
- Promote predictability and certainty in respect of all allocations to provinces and municipalities, in order that such governments may plan their budgets over a multiyear period;
- Promote transparency and equity in the resource allocation process; and
- Promote accountability by ensuring that all allocations are reflected on the budgets of receiving provinces and municipalities, and by ensuring that the expenditure of conditional allocations is reported on by the receiving provinces and municipalities.

Section 28 of the Act requires municipalities to timeously submit a budget to National Treasury with its relevant allocations. To ensure correct use of expenditure, the Act provides guidelines to fruitless and wasteful expenditure (Section 33(2)) and unauthorised and irregular expenditure (Section 33).

By promoting better transparency, accountability and co-ordination between policy, planning and budget processes, the Act allows for proper M & E of the determination, allocation and

utilisation of funding and better governance processes. However, many municipalities are totally reliant on government funding and continue to experience a shortfall of revenue to undertake their Integrated Development Plan (IDP) targets. To avoid duplication of services, the Category B and C municipalities must agree on the type of services to be provided, the allocation of operational costs and the collection of service revenues (Section 28(2)) through the guidelines provided in the Intergovernmental Relations Framework Act.

2.5.5 Intergovernmental Relations Framework Act No 13 of 2005

Chapter Three, Section (2)(a) of the Constitution informs the enactment of the Act as a framework for the three spheres of government and all organs of state to facilitate co-ordination in the implementation of policy and legislation, including:

- Coherent government;
- Effective provision of services;
- Monitoring implementation of policy and legislation; and
- Realisation of national priorities.

The Act includes the establishment; composition; functioning of the intergovernmental forums; and dispute resolution among the participants in the intergovernmental forums. In promoting the above objectives the three spheres of government have to consult; co-operate; share knowledge; and co-ordinate their activities to avoid unnecessary and wasteful duplication or jurisdictional contests.

2.5.5.1 District intergovernmental forums

District intergovernmental forum promote and facilitates intergovernmental relations between the district municipality and the local municipalities in the district (Section 24). The role of a district intergovernmental forum is to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest, including:

- Draft national and provincial policy and legislation relating to matters affecting Local Government interests in the district;

- The implementation of national and provincial policy and legislation with respect to such matters in the district;
- Matters arising in the Premier's intergovernmental forum affecting the district;
- Mutual support in terms of section 88 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- The provision of services in the district; coherent planning and development in the district;
- The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the municipalities in the district; and
- Any other matters of strategic importance which affect the interests of the municipalities in the district (Section 26(1)).

District intergovernmental forums exist but are not effective due to the lack of capacity in both the district and local municipalities. Further, the forums do not have the power to make executive decisions but only to make recommendations.

2.5.5.2 Inter-municipality forums

Two or more municipalities may establish an inter-municipality forum to promote and facilitate intergovernmental relations between them (Section 28(1)). The role of an inter-municipality forum is to serve as a consultative forum for the participating municipalities to discuss and consult each other on matters of mutual interest, including:

- Information sharing, best practice and capacity building;
- Co-operating on municipal developmental challenges affecting more than one municipality; and
- Any other matter of strategic importance which affects the interests of the participating municipalities (Section 29).

Section 38 states that the Mayor of the district municipality is responsible for ensuring the co-ordination of intergovernmental relations within the District Municipality with municipalities within the district.

The intergovernmental structures are forums for intergovernmental consultations and discussions. It is not an executive decision making body, but may adopt resolutions or make recommendations in terms of agreed procedures. Section 47(1)(c) states that the Minister may issue regulations or guidelines for the M & E of the implementation of this Act or any other administrative matters. The Act does not refer to the M & E of the inputs, activities, outputs, outcomes and impacts of the intergovernmental relations forums. The Demarcation Act No 27 of 1998 directs the parties who should be involved in a specific intergovernmental relations forum and issues to be discussed.

2.5.6 Demarcation Act No 27 of 1998

The aim of the Act is to provide for criteria and procedures for the determination of municipal boundaries by the Demarcation Board. The function of the Demarcation Board is to determine municipal boundaries covering the Republic of South Africa according to the Constitutional principles and other relevant Acts. In an attempt to achieve better efficiencies, more than 800 municipalities were amalgamated to 284 municipalities.

The objective of demarcation is to establish an area so that the municipality could achieve its constitutional obligations in term of Section 152 of the Constitution. Therefore it has to have an accountable Local Government; enable effective local governance; and enable integrated socio-economic development (Section 24). The factors considered when establishing municipalities include the financial viability and administrative capacity of the municipality to perform its functions efficiently and effectively; the need for co-ordinated national, provincial and local programmes and services; and the need to rationalise the number of municipalities to ensure effective and sustainable service delivery, financial viability and macro-economic stability (Section 25).

Therefore the aim of demarcation was to ensure that the municipality could perform its constitutional mandate by delivering sustainable services being accountable to the communities, thus enhancing governance. Once the category and type of municipality has been decided upon by the Demarcation Board the Municipal Structures Act No 117 of 1998 provides for the

institutional development; roles and responsibilities of the office bearers; and other institutions that influence the operation of the municipalities.

The Demarcation Board has not been successful in demarcating the municipalities in terms of Section 152 of the Constitution since many of the municipalities are not financially viable and was unable to provide effective and sustainable service delivery. This is evidenced by the large number of service delivery protests reported in the media and the reports of poor municipal performance by the National and Provincial Governments. Constitutionally all municipalities need to provide the basic and municipal services irrespective of its geographical size, capacity and prevailing socio-economic conditions. This has created poor service delivery; additional service delivery backlogs; communities lack of trust in the municipalities; and total dependence on grants due to the lack of a rateable revenue base in the smaller municipalities.

2.5.7 Municipal Structures Act, No 117 of 1998

The purpose of the Act includes the establishment of different categories and types of municipalities as mandated by the Constitution; provide for the division of functions and powers between the different categories of municipalities and its internal systems, structures and office bearers. In terms of Section 19 the Municipal Council must strive to achieve the objectives of municipalities as set out in Section 152 of the Constitution. On annual basis the Municipal Council should review the needs of the communities; review the priorities in term of these needs; develop mechanisms to engage the communities; and review its overall performance in achieving its objectives.

Therefore the Municipal Council has the oversight role of ensuring that the municipality performs to achieve its service delivery targets. The Act enables local governance by clarifying the roles and responsibilities of the councillors, ward committees, political and administrative office bearers. Once the municipality has been demarcated, and the structure has been established, the Municipal Systems Act No 32 of 2000 informs the municipality of the systems required to be implemented for it to undertake its constitutionally mandated developmental roles and functions.

2.5.8 Municipal Systems Act No 32 of 2000

The Municipal Systems Act of 2000 provides for the establishment and implementation of a performance management system for every municipality in South Africa. The Act also requires municipalities to develop a performance management system suitable for their own circumstances (Department of Local Government, 2001: 12). In terms of Chapter Six, Section 38, the municipality must:

- Establish a performance management system that is commensurate with its resources; best suited to its circumstances; and in line with its priorities, objectives, indicators and targets contained in the ;
- Promote a culture of performance management among its political structure, political office bearers, councillors and its administrators; and
- Administer its affairs in an economical, effective, efficient and accountable manner.

In terms of Section 26 of the Municipal Systems Act 2000, the Integrated Development Planning Policy sets out the service delivery and economic development priorities of the municipality by establishing key performance indicators and performance targets.

The IDP is a planning methodology linking a statement of purpose with plans, programmes, institutional design and practices, monitoring mechanisms and financial flows (Pieterse, 2002: 5). The IDP outlines the strategic; tactical; and operational developmental challenges to be achieved over a five year period. The community must be consulted when developing the IDP and should be supported by a realistic budget. The IDP is supported by a Municipal Scorecard which sets out the key deliverables informed by the national and provincial priorities. Therefore the IDP defines the need for M & E systems at local level to assess the progress and quality of the inputs, activities, outputs, outcomes and impacts of the implemented policies, programmes and projects (Mccarthy, 2000: 113).

Once performance planning has been completed and the departmental Service Delivery Budget Implementation Plans (SDBIP) is in place, it should be implemented by executing the work in accordance with these plans. As the work is executed, it needs to be continuously monitored; periodically measured; and reported on. Reporting requires that the Municipality takes the

priorities of the organization; its performance objectives; indicators; targets; measurements; analysis and present the information in a simple and accessible format, relevant and useful to the specific target group, whilst meeting the legal prescripts for reporting (DCGTA, 2010: 7). Section 40 stipulates that a Municipality must establish mechanisms with which to monitor and review the PMS. The core components of a PMS are to:

- Set Key Performance Indicators (KPIs);
- Set measurable performance targets (PTs);
- Measure, monitor and review performance at least once annually;
- Take steps to improve performance; and
- Establish a process of regular reporting to all stakeholders.

The Municipal Council is responsible to adopt a PMS, while holding the Mayor responsible for the development and management of the system. Section 11(3) specifically states that a municipality exercises its executive or legislative authority by *inter alia*:

...the setting of targets for delivery; monitoring and regulating municipal services provided by service providers; monitoring the impact and effectiveness of any services, policies, programmes or plans; and establishing and implementing performance management systems.

The Mayor delegates the responsibility for the development and management of the PMS to the Municipal Manager. The Heads of Department will be responsible for executing the PMS in their respective departments according to the approved IDP. The IDP informs the development of key areas of performance and targets across the performance levels. The key performance areas and indicators of performance, contained in the organisational scorecard, are cascaded into departmental and municipal entity scorecards, as well as into individual scorecards.

Section 42 requires that the community, in terms of the provisions of Chapter 4 of the Act, which deals with Public Participation, should be involved in the development, implementation and review of the PMS, and also that the community be involved with the setting of KPIs and

PTs for the municipality. In terms of Section 43 the general key performance indicators to be applied by all municipalities may be prescribed by regulation. Section 44 stipulates that the KPIs and PTs in the PMS of the municipality must be made known both internally and externally in a manner described by the Council.

In terms of Section 45, the results of the performance measurement must be audited as part of the internal auditing processes and annually by the Auditor-General (AG). Section 46 also requires that the municipality prepare an annual report consisting of a performance report, financial statements, audit report on financial statements and any other reports in terms of legislative requirements. This report must be tabled within one month of receiving the audit report. In terms of section 46(3) the Municipal Manager must give proper notice of meetings at which the annual report will be tabled and submit the information to the Auditor-General and the Member of the Executive Council (MEC) for Local Government. Section 46(4) stipulates that a Municipality must adopt the annual report and make copies available within 14 days, to the Auditor General, the MEC for Local Government and any others as may be prescribed by regulation. The submissions of performance reports to the AG and MEC must comply to the standards and processes set out in the Municipal Finance Management Act.

2.5.9 Municipal Finance Management Act No 56 of 2003

The Municipal Finance Management Act (MFMA) aims to modernise budget and financial management practices in municipalities in order to maximise the capacity of the municipalities to deliver services to all their residents, customers and users. It also gives effect to the principle of transparency as required by Sections 215 and 216 of the Constitution.

The five underlying principles in the MFMA are the promotion of sound financial governance by clarifying roles; a more strategic approach to budgeting and financial management; modernisation of financial management; promoting co-operative government; and promoting sustainability. It is anticipated that these principles and the specific reforms that flow from them will encourage a stronger, better managed and more accountable Local Government sphere, one that is better placed to meet the emerging demands and new challenges of the different communities that it serves in a more consistent and sustainable manner.

The application of the MFMA is dependent on the municipality's performance as stipulated in the budgets. Municipality budgets include performance targets that are linked to the Service Delivery and Budget Implementation Plan (SDBIP) and the annual performance agreement between the Mayor and Municipal Manager.

2.5.10 Municipal Planning and Performance Management Regulations, 2001

In 2001, the Minister of Provincial and Local Government published the Municipal Planning and Performance Management Regulations (MPPMR), which require a municipality to ensure that its PMS complies with the requirements of the MSA; demonstrate the operation and management of the PMS; clarify roles and responsibilities; as well as ensure alignment with employee performance management and the IDP processes.

The regulations deal with the provisions for the following aspects of the PMS, namely, the framework that describes and represents the municipality's cycle and processes for the PMS, the adoption of the PMS and the setting and review of Key Performance Indicators (KPIs). The municipality must, after consultation with the local community, develop and implement mechanisms, systems and processes for the monitoring, evaluation and review of performance in respect of the KPIs and the annual PTs set by it (Section 13(1)).

The General KPIs which municipalities have to report on include:

- Households with access to basic services;
- Low income households with access to free basic services;
- Capital budget spent in terms of the IDP;
- Job creation in terms of the Local Economic Development (LED) programme;
- Employment equity with target groups in the three highest levels of management;
- The implementation of work skills plan; and
- The financial viability of the municipality.

The elements of the PMS must enable the municipality to detect early indications of poor performance and the appropriate measures to improve performance (Section 13 (2)). Performance measurement must include the measurement of resource utilisation, cost and time to produce

outputs; the extent to which the outputs were successfully achieved against the set output indicators and the total improvements created by the outputs (Section13 (3)) .

2.5.11 Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.

The regulations set out how the performance of Municipal Managers and Managers directly accountable to Municipal Managers will be uniformly directed; monitored; and improved. The regulations include the requirements and provisions of the employment contracts; the performance agreements, which include prescribed KPA's and core competency requirements; and the content of a job description for Municipal Managers. The performance agreement provides assurance to the municipal council of what can and should be expected from their municipal managers and managers directly accountable to municipal managers. This ensures management of performance and continuous improvement in an enabling environment in Local Government by linking it to the achievement of the IDP goals and enhancing good governance.

2.5.12 White Paper on Transforming Public Service Delivery, 1997

The purpose of the White Paper on Transforming Public Service Delivery (1997: 9) is to offer a framework an implementation strategy for transforming public service delivery. *Batho Pele* is aimed at determining the impact of the public service's programmes and to search for increased efficiency and the reduction of wastage within the Public Service. According to the White Paper (1997: 11), the tools required to improve service delivery include:

- Managers given the responsibility to deliver specific service delivery targets with the economical use of resources;
- Managers should manage by giving the authority to use resources;
- Managers to empower lower ranks of staff through more responsibility and authority; and
- Transparency about results and resources used.

Both organisational and personal performance should be guided by the eight *Batho Pele* principles below, which emphasise the citizen centered perspective for service delivery (White Paper on Transforming Public Service Delivery, 1997: 15):

- *Consultation* Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered.
- *Service Standards* Citizens should be told what level and quality of public service they will receive so that they are aware of what to expect.
- *Access* All citizens should have equal access to the services to which they are entitled.
- *Courtesy* Citizens should be treated with courtesy and consideration.
- *Information* Citizens should be given full, accurate information about the public services they are entitled to receive.
- *Openness and Transparency* Citizens should be told how National and Provincial departments are run, how much they cost and who is in charge.
- *Redress* If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy, and when complaints are made, citizens should receive a sympathetic, positive response.
- *Value for Money* Public services should be provided economically and efficiently in order to give citizens the best possible value for money.

By setting standards and measuring performance against these standards allows the managers activities to be monitored. Further, decentralisation of responsibility and authority, coupled with transparency would impact on the Local Government's performance and good governance. The eight principles also require performance to be managed. Governance is enhanced by providing better quality information and increasing openness and transparency. The development of a service-orientated culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations.

2.6 Monitoring and Evaluation reports

In an attempt to co-ordinate the planning and implementation of the GWMES the government introduced a number of reports and programmes, namely, Delivery Agreements for the Twelve National Outcomes; Framework for Managing Programme Performance Information; and the Policy Framework for the Government Wide Monitoring and Evaluation System.

2.6.1 Delivery Agreement: Outcome Nine – A responsive, accountable, effective and efficient Local Government system

The Cabinet has agreed to twelve outcomes that are aligned to the national policy priorities for the social and economic development. Each of the outcomes is linked to measurable outputs and key activities that the Minister has to agree to and ensure its achievement. The twelve outcomes are (Treasury, 2010: 13):

- Improved quality of basic education;
- A long and healthy life for all South Africans;
- All people of South Africa are and feel safe;
- Decent employment through economic growth;
- A skilled and capable workforce to support an inclusive growth path;
- An efficient, competitive, and responsive economic infrastructure network;
- Vibrant, equitable and sustainable rural communities with food security for all;
- Sustainable human settlements and improved quality of household life;
- A responsive, accountable, effective and efficient Local Government system;
- Environmental assets and natural resources that is well protected and continually enhanced;
- Create a better South Africa and contribute to a better and safe Africa and World; and
- An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

Delivery agreements would be signed with key partners for the achievement of each objective. The delivery agreement would be negotiated between the key participants, contain detailed descriptions of the agreed activities and be co-ordinated by an Outcome Implementation Forum (Treasury, 2010: 15). Performance of the Ministries would be M & E by the Presidency and the Cabinet.

Outcome Nine is one of the Twelve Outcomes the government has obtained delivery agreements with the key stakeholders (Outcome Nine, 2010: 5). The seven outputs required to achieve a responsive, accountable, effective and efficient Local Government system are listed below (Outcome Nine, 2010: 5):

- Implement a differentiated approach to municipal financing, planning and support;
- Improving access to basic services;
- Implementation of the community work programme;
- Actions supportive of the human settlements outcomes;
- Deepen democracy through a refined ward committee model;
- Administrative and financial capability; and
- Single window of co-ordination.

Each of the above outputs consists of sub-outputs that have to be achieved. All the outputs would be M & E in terms of the targets achieved and their impact on governance. In particular, the single window of co-ordination would improve co-operative governance and a more focussed oversight role would be adopted (Outcome Nine, 2010: 5).

2.6.2 National Treasury Framework for Managing Programme Performance Information

The aim of the Framework for Managing Programme Performance Information is to adopt an integrated approach to collate performance information and define the roles and responsibilities of the different stakeholders to promote accountability and transparency by providing timely, accessible and accurate performance information (Treasury, 2007: 1). The Government Wide Monitoring and Evaluation Framework attempts to integrate information needed for evidence based programme and policy analysis. The three components of the integrated framework are programme performance information; social, economic and demographic statistics and evaluations (Figure 4).

2.6.3 Policy Framework for the Government Wide Monitoring and Evaluation System

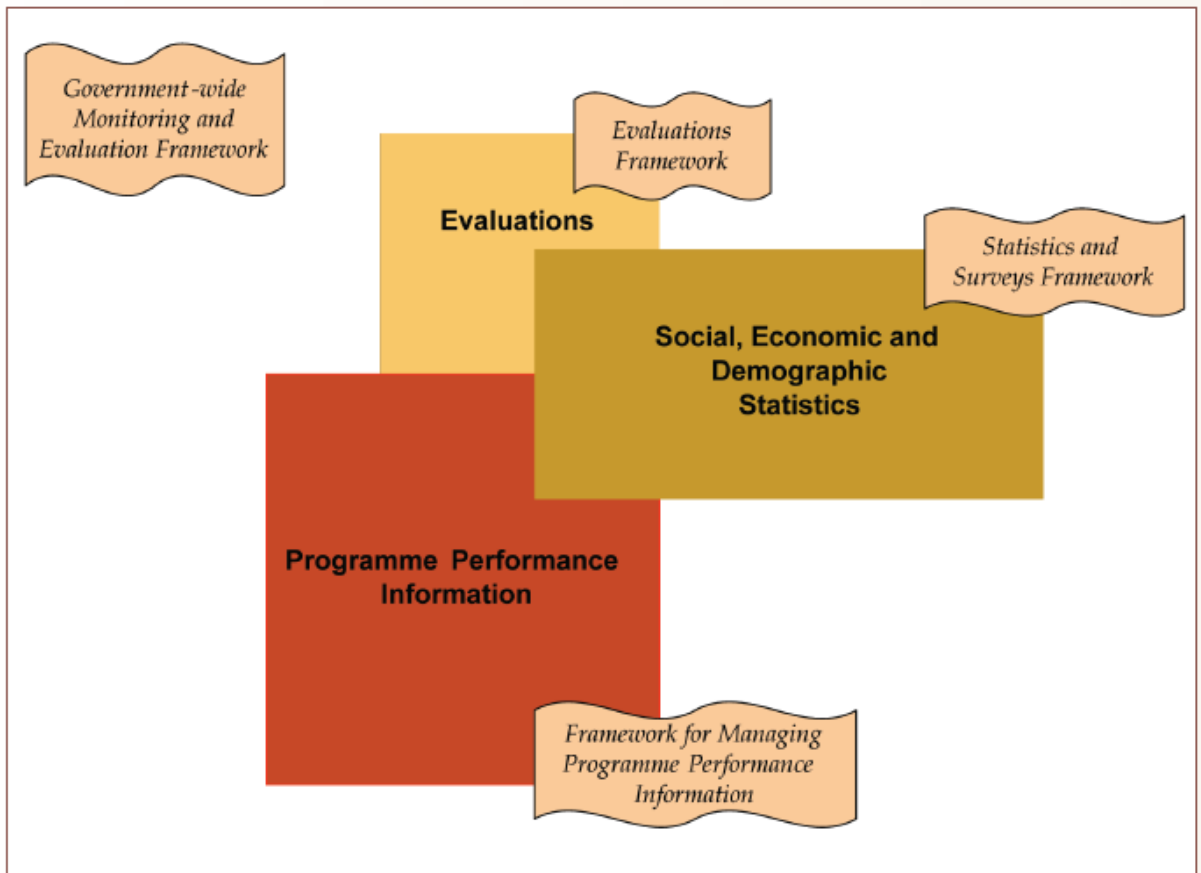
The GWMES Framework outlines the M & E concepts, importance of M & E as a management tool, the relationship amongst the different frameworks and the roles and responsibilities of the stakeholders.

The Treasury (2007: 5) states the aim of the GWMES is to;

Provide an integrated, encompassing framework of M & E principles, practices and standards to be used throughout government, and function as an apex - level information system which draws from the component systems in the framework to deliver useful M & E products for its users.

The accounting officer of the municipality has to implement an M & E system that would be used to guide the future planning and budgetary process. The information from these municipal systems would then be utilised by the other stakeholders in the PWMES and GWMES to develop a holistic performance of the Local, Provincial and National sphere of government by using the three data terrains. The three data terrains in the GWMES (Figure 4) are programme performance information; Social, Economic and demographic statistics and evaluations.

Figure 4: The Government Wide Monitoring and Evaluation System



Source: National Treasury, Framework for Government Wide Monitoring and Evaluation System, (2007: 3).

In the Fifth Consolidated Public Service Monitoring and evaluation Report (2008c: 90) the PSC concluded that:

Monitoring and Evaluation is not as yet taken seriously as a performance measurement mechanism. Departments do not have the necessary M & E system in place to monitor and evaluate performance of programmes. This raises a serious concern considering the envisaged Government Wide M & E System which will require performance statistics on programmes from departments.

The lack of reliable and valid data places greater challenges on Statistics SA to collect reliable social, economic and demographic data.

2.6.3.1 Social, economic and demographic statistics

Information is collected by Statistics South Africa and other governmental institutions through census and surveys. The central information system can only be influential if it produces credible and accurate information that decision makers are willing to consider and act on. Data collection and management has to provide information that is acceptable to the end-users.

To this end, an integrated information system with common data sets would assist interdepartmental usage. Further, validity and reliability of data would determine the demand for its usage. The demand for the M & E system information would depend on the credibility of administrative data systems and registers that depend on the effectiveness and efficiency of the business processes. The Public Services Commission, Report on the Audit of Reporting Requirements and Departmental Monitoring and Evaluation System within Central and Provincial Government (2007:36) noted that the collection, analysis and use of quality data provides a strategic foundation for reporting in order to better inform decision-making and there is a lack of quality data since data is often not validated or quality assured before capture thus producing information that does not always reflect reality. Further, maintenance of the information system and the analysis of the data require specialised skills. The information would then be utilised within the performance information framework.

2.6.3.2 Programme performance information

The aim of this component is to clarify standards; improve the structure, systems and processes; define roles and responsibilities; and promote accountability in terms of performance information. In the local sphere of government, the focus would be on the Integrated Development Plans (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP). The information enables the evaluation to be undertaken for the various developmental and service delivery interventions.

2.6.3.3 Evaluations of government interventions

The focus is on standards, processes and techniques of planning and conducting evaluations on government projects, programmes and policies. The aim is to conduct regular evaluations,

provide evaluation guidance and the publication of evaluation results. The government has not yet formulated the evaluation framework within the GWMES due to lack of capacity and the focus on monitoring expenditure through legislative compliance.

2.6.3.4 Government Wide Monitoring and Evaluation System (GWMES)

In 2005, the Cabinet initiated plans for an M & E system for government. The purposes of GWMES contribute to improved governance and enhance the effectiveness of public sector organization and institutions (www.info.gov.za). The system objectives are the collection, collation, analysis, dissemination and the application of information on the progress and impact of programmes. The proper execution of the system tasks ensure good governance, promote service delivery improvement and compliance with statutory and other requirements and a learning culture in the different departments. Departmental M & E system will have the following principal functions:

- Facilitate cooperative governance in achieving effective and sustained service delivery;
- Facilitate aligned and integrated government planning;
- Monitor the implementation of government wide programmes in view of effectiveness of departmental support;
- Evaluate implemented government programmes in view of the effectiveness of departmental support; and
- Advise and make recommendations to the respective business units on areas that require corrective action.

The departmental M & E systems require the various mandated stakeholders to inform, consult and co-operate to achieve a uniform understanding of M & E system.

2.6.5 Legal mandate of Monitoring and Evaluation stakeholders

The success of the M & E initiatives depends on significant inputs by the stakeholders to drive the GWMES. Each stakeholder has a specific task to assist the overall development of the GWMES.

2.6.5.1 The Presidency

In terms of Section 85(2) of the Constitution, the President exercises his executive authority, together with the other members of the Cabinet *inter alia* by developing and implementing national policy and co-ordinating the functions of the state department and administrations. The Presidency therefore informs all stakeholders of the government policies and programmes ensuring they are co-ordinated, monitored and evaluated to accelerate integrated service delivery (Treasury, 2007: 17). The evaluation of government strategy and its impact on the lives of the citizens are also important tasks of the Presidency.

2.6.5.2 Statistics South Africa

Section 146(a), (b) and (c) of the Statistics Act 6 of 1999 makes provision for the Statistician General to advise an organ of state on the application of quality criteria and standards. To assist in the process of evaluation, ranking and certification of statistics produced by an organ of state, the Statistician-General has developed the South African Statistical Quality Assessment Framework (SASQAF). This would enable the data collected and captured to provide information that is accurate and reliable resulting in improving the quality of decisions made by the users of the M & E system.

2.6.5.3 Public Administration and Leadership Academy (PALAMA)

The Public Administration Leadership and Management Academy (PALAMA) is constituted as a Schedule 1 Department by the Public Service Act No. 103 of 1994, as amended by the Public Service Act No. 5 of 1999. The Academy's main purpose is to ensure the provision of practical management training for junior and middle managers in all three spheres of government. Capacity building interventions are aimed at developing knowledgeable and motivated public servants. Therefore training should be provided to public servants to build evaluation capacity development for the planning, implementation and management of M & E systems.

2.6.5.4 Office of the Public Service Commission (OPSC)

The Public Service Commission is empowered by Section 196(2) of the Constitution to maintain an effective and efficient public administration and a high standard of professional ethics in the

public service. It must promote the values and principles of good governance set in Section 195 of the Constitution. Section 196(4) (b) mandates the commission to investigate, monitor and evaluate the public institution and administration, and the employment practices of the public service.

2.6.5.5 Auditor-General

Organs of state must submit audited financial statements and programme of performance to the Auditor-General. In terms of Section 20(1)(c) of the Public Audit Act No 25 of 2004, the Auditor-General is required to express an opinion on the performance of the institute against the set targets.

2.6.5.6 Provincial Offices of the Premier

The executive authority of the Province vests in the Premier (Section 125 (1)) of the Constitution and as the political head of the Province is also responsible for the implementation of good co-operative governance (Chapter Three of the Constitution). Section 139 of the Constitution allows provincial intervention in Local Government where the latter is unable to undertake its executive duties in terms of the Constitution or any other legislation.

2.6.6 Impact of legislation on performance management

One of the reasons for poor service delivery experienced by municipalities has been attributed to poor crafting of legislation governing Local Government (Transformer, 2011: 9). The plethora of legislation has imposed extensive compliance requirements on municipal officials with inadequate technical and financial skills. Municipal officials claim that the legislative framework is complex and cumbersome, making too many requirements that distracts them from finding strategic solutions to the communities needs (Transformer, 2011: 7). In this regard, Steytler (2008: 767) adds that overregulation leads to direct commands that effectively eliminates the discretion of the Municipal Council and the managers to find innovative local solutions to the developmental challenges. This has been confirmed by the Deputy Minister of Co-operative Governance and Traditional Affairs at the Western Cape Conference of the Institute for Municipal Finance Officers (Delivery, 2010: 42) by stating that:

Some of the legislation we have passed since 1994, not just Local Government legislation, is too onerous, costly and difficult to implement, and has the unintended consequence of impeding accelerated service delivery. There are also provisions in different Acts that are in conflict or overlap, causing uncertainty, confusion and inordinate delays.

The government has currently identified sections of various acts that adversely affect service delivery and made recommendations for the relevant sections to be amended or removed from the legislation. Any amendments made must comply with the Constitutional values and principles or they would be invalid. However, the failure to review the Local Government legislative framework under the current prevailing circumstances of inadequate resources and capacity in municipalities would result in more civil unrests due to poor service delivery falling short of a revolution (Transformer, 2011: 8).

2.7 CONCLUSION

The Chapter discussed local governance consisting of general governance principles, co-operative governance, intergovernmental relations, corporate governance and agency governance. Corporate governance is interrelated and interdependent on the components of local governance. Governance is a prerequisite for performance management and capacity development. Municipal performance is guided by the various legislations which are briefly discussed. Monitoring and Evaluation enhances governance, performance management, capacity development. For the M & E system to be effective in aiding the municipality to undertake its developmental functions, its strategies and legislation must be aligned to empower all stakeholders to improve performance and local governance.

CHAPTER THREE

IMPACT OF MONITORING AND EVALUATION SYSTEMS FOR EXCELLENCE IN LOCAL GOVERNMENT

3.1 INTRODUCTION

Monitoring and Evaluation is a powerful management tool that can assist the government and state institutions to improve the manner tasks are undertaken to achieve its vision and mission. Strategic, tactical and operational decisions will be more relevant if they are evidence based. Mackay (2007: V) confirms that M & E is essential to achieve evidence-based policy making, evidence based management decisions and evidence-based accountability. The evidence would be derived from a systemic results-based performance feedback system.

3.2 MONITORING AND EVALUATION

Both public sector institutions and private businesses undertake the general management functions of planning, organising, leading and controlling. The focus of the private businesses on profits yields better results than the public sector which focuses on complex socio-economic developmental issues. Monitoring and Evaluation is therefore a higher order management function that overarches the generic management functions and is key to the success of government's developmental policies, programmes and projects. It is therefore important that an institution fully understands the concepts and tools of M & E before planning and implementing an M & E system.

3.2.1 Conceptualising Monitoring

According to the Organisation for Economic Co-operation and Development (OECD) (2002: 27):

Monitoring is a continuous tool that uses the systematic collection of data on specified indicators to provide management and the main stakeholders of an on-going development intervention with the indications of the extent of progress and the achievement of objectives and progress in the use of allocated funds.

Treasury (2007: 1) adds that monitoring reports on actual performance against what was planned by collecting, analysing and reporting data of all projects, programmes and policies to support effective management. The emphasis in monitoring is on controlling the process or procedure to align it towards the achievement of an objective. A good monitoring system will provide early warning signals, for corrective action to be taken timeously. Monitoring also involves the comparison between actual performance and the planned performance (PSC, 2008a: 3). Kettner *et al.* (2008: 255) citing (Rossi, Lipsey and Freeman, 2004) define monitoring as an assessment of the extent to which a programme is implemented as designed and serves the intended target group. The study views monitoring as the tracking of an activity or intervention, and using the data collected, to timeously fulfil or enhance the achievement of the set targets.

3.2.2 Conceptualising Evaluation

The concept “evaluation” is described by the OECD (2002: 21) as follows:

Evaluation is the systematic and objective assessment of an ongoing or completed project, programme or policy including its design, implementation and results. The aim is to determine the fulfilment and relevance of objectives; development efficiencies; effectiveness; impact; and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learnt into the decision making process of both recipients and donors.

According to Mark, Gary and Julnes (2000: 3), the goal of evaluation is social betterment and evaluation can contribute by assisting democratic institutions to better select; oversee; improve; and understand the context of social programmes and policies. Mark *et al.* (2000: 19) adds that:

Evaluation should be motivated by the goal of providing information that women and men as administrators; as legislators; and as citizens in a democracy can use to better make sense of the objectives, operations and effects of social policies and programmes.

Conceptually, evaluation is also the systematic or critical assessment of the merit, worth or value of administration, output and outcome of government interventions which is intended to add

value to the relevant beneficiaries (PSC, 2008a: 6). It incorporates a knowledge dimension, a value dimension, a utilization dimension and an evaluand. It is critical to ensure all actors agree to these four dimensions prior to the commencement of the evaluation so that consensus could be reached with regard to the purpose of the evaluation.

The four purposes of evaluation identified by Mark, Henry and Julnes (2000: 13) are:

Assessment of merit and worth Relates to the value of a policy or programme at the individual or community level.

Programme and organisational improvement Is the use of information to enhance programme and organisational performance

Oversight and compliance Refers to the degree of compliance by the institution with the statutes, regulations or mandated standards.

Knowledge development Relates to the discovery or testing of general theories, propositions and hypotheses.

The purpose of the evaluation would determine the type of evaluation to be selected. The type of evaluation should consider the feasibility and the information requirements of the decision makers regarding the intervention (Kettner, Moroney and Martin, 2008: 182). The five types of evaluation suggested by (Kettner *et al.*, 2008: 182) are:

Effort evaluation Includes both inputs and activities and focuses on the characteristics of the participants and the quantity of activity that occurs;

Efficiency evaluation Reviews the cost of producing a unit of service;

Outcome evaluation Assesses the extent to which the set outcome objectives have been achieved;

Impact evaluation Reviews the extent to which the original purpose of the intervention has been achieved; and

Cost-effectiveness Determines the cost of achieving the results.

For the purposes of this study evaluation is regarded as an assessment of the added value of an intervention, in relation to its specific purpose to the relevant beneficiaries through the synergistic interactions and interrelations of the subsystem's components, the subsystems themselves, among systems and among the subsystems, systems and environments.

3.2.3 Interrelationship between Monitoring and Evaluation

Monitoring and Evaluation is a complex, multidisciplinary and skill-intensive endeavour. While performance monitoring is often used interchangeably with performance evaluation, the latter, goes beyond measurement (CAFRAD/ABC Report, 2003: 7). Monitoring is the periodic progress measurement of the chosen indicators of a project or programme towards clearly defined short, medium and long-term results. An evaluation system involves a more in-depth study of performance outcomes and impacts and is not limited to the extant indicators. It complements the monitoring function (Table 3) and answers the “why” and “how” questions.

Table 3: Complementary roles of Monitoring and Evaluation

Monitoring	Evaluation
Clarifies program objectives	Analyse why intended results were or were not achieved
Links activities and their resources to objectives	Assesses specific casual contributions of activities to results
Translates objectives into performance indicators and set targets	Examines implementation process
Routinely collects data on these indicators, compares actual results with targets	Explores unintended results
Reports progress to managers and alerts them to problems	Provides lessons, highlights significant accomplishment or program potential, and offers recommendations for improvement

Source: Kusek and Rist, (2004: 14).

Monitoring provides information on where the policy, programme or project is at any given time relative to the respective targets and outcomes and evaluation seeks to address the issue of

causality, giving evidence of why targets and outcomes are or are not being achieved within its performance management system environment and the M & E system environment itself.

3.2.4 Benefits of Monitoring and Evaluation

Monitoring and Evaluation information is used as a management tool within the organisation to monitor the achievement of results and meeting targets. Externally, stakeholders require the information to establish if the state has achieved demonstrable results to improve the lives of its citizens. Monitoring and Evaluation systems are also used for budgetary control, financial control and the identification of promising or poor policies, programmes and projects. Good M & E systems are a source of knowledge capital and also assist in promoting better governance and transparency in government(Kusek: 2004: 20). Kusek and Rist (2004:17) state that as the needs for accountability and demonstrable results have grown, the applications of results-based M & E have also included the following:

- Project, programme and policy;
- Local, Provincial and National levels of government;
- Knowledge capital; and
- Transparency and accountability.

Therefore M & E systems are critical to manage performance, future policy development and good governance (Refer to Section 2.2.6).

The United Nations Development Programme (UNDP) (2009: 5) states that without effective planning, M & E, it would be impossible to confirm if outcomes and impacts are achieved; whether progress and success can be claimed; and how future efforts might be improved. Mackay (2007:9) adds that M & E is used to support policy making, policy development management of activities, enhancing transparency and supporting accountability relationships. According to the PSC (2008a: 6), the purpose of M & E systems are the management decision making, organisational learning, accountability, soliciting support for programmes, supporting advocacy and promoting transparency. Therefore an M & E system aids in improving efficiency, effectiveness, economy and governance enabling the municipality to achieve excellence.

The study proposes that M & E should be utilised at the strategic, tactical and operational level in municipalities. Depending on the level and approach at which M & E is utilised it could be considered as an overarching management function or being integral part to every activity in the municipality. Therefore the benefits derived from M & E interventions could affect every aspect of the municipality's functions.

3.2.5 Monitoring and Evaluation systems

Simister (2009: 1) notes that while there are many definitions for M & E systems, it should be understood as a series of policies, practices and processes that enable the system to undertake effective collection, analysis and use of M & E information. Traditionally, M & E systems focused on the outputs rather than the benefits gained by the service beneficiaries and it also to ascertain the reasons for the success or failure of the intervention.

3.2.5.1 Traditional Monitoring and Evaluation system

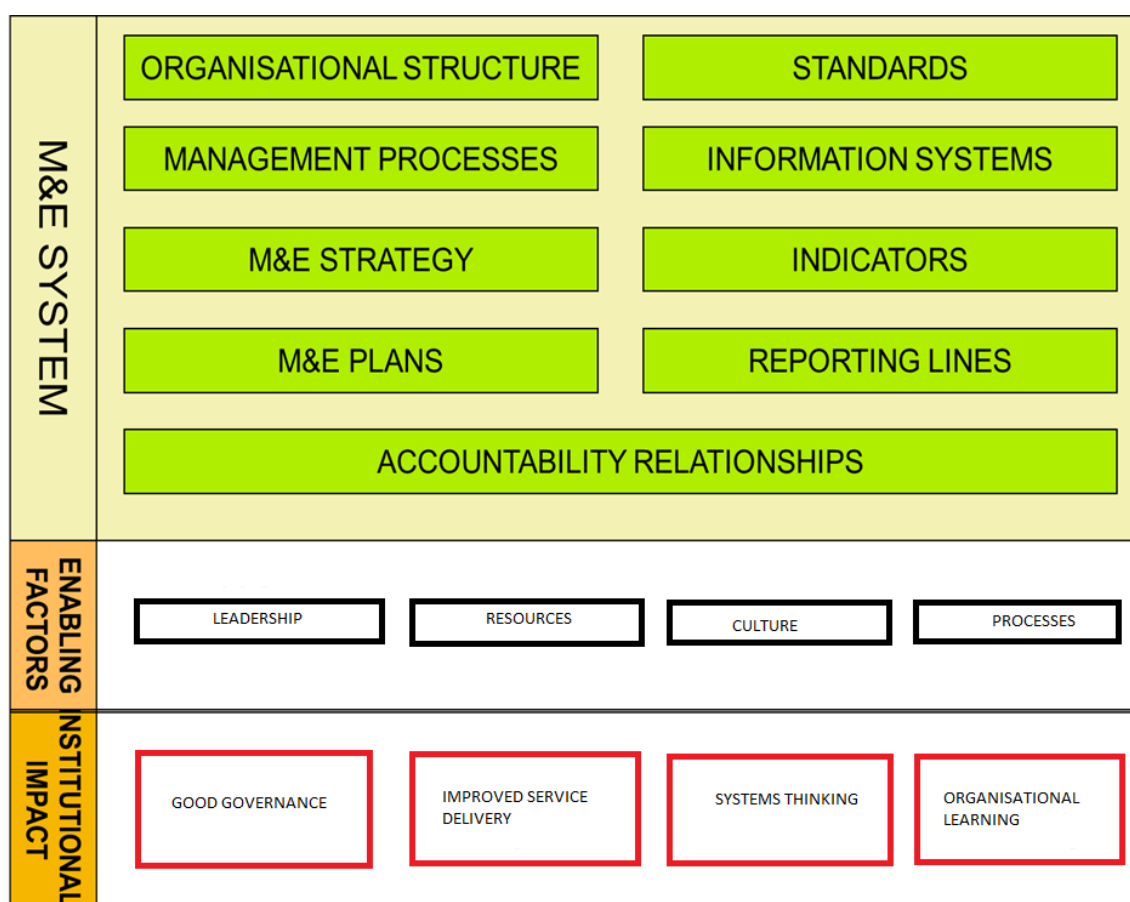
The traditional M & E system focused on the outputs and is designed to address compliance – the “did they do it” question. It focuses on inputs, activities and outputs and links it to a specific unit of responsibility. In the case of a human settlement development programme with an allocated budget, the traditional M & E system would focus on the under or over expenditure by the responsible department. It would not consider the reasons for the under or over expenditure, the value of the human settlement development to the beneficiaries or the relevance of the development. It does not provide an understanding to the different stakeholders' perspectives and the causes for the success or failure of the project, program or policy. Due to its lack of focus on the outcomes and impacts, it gained limited success and was overtaken by the results-based evaluation system.

3.2.5.2 Systemic Monitoring and Evaluation system

A Result-Based M & E system considers both the external and internal organisational systems and environments. The Presidency (2007: 4) defines the M & E system as a set of organizational

structures, management processes, standards, strategies, plans, indicators, information systems, reporting lines and accountability relationships which enables the three spheres of government and other institutions to effectively discharge their M & E functions. AN M & E system is thus an organisational process that enables the institutionalisation of M & E functions within the day-to-day activities that contributes towards the strategic organisational goals and enables government to take corrective actions on the extent of target achievement to increase the quantity and quality of services provided (Treasury, 2007: 4).

Figure 5: Components of a Monitoring and Evaluation system



Source: Adapted and Modified - Website: www.afrec.co.za/ henlo@afrec.co.za

Van Nieuwenhuyzen (2009:5) stipulates the enabling factors as other management systems, culture and capacity. Other management systems are external to the M & E system and do not consider the processes and systems within M & E system. The processes and systems within an M & E system itself is also critical to ensure the efficiency, effectiveness and sustainability of

the M & E system. Therefore study proposes that the “other management systems” be omitted. The inclusion of processes as an enabler is relevant since it is inclusive of all systems within and external to the M & E system. Similarly performance orientated organisational culture is appropriate as an enabler.

Another critical enabler for M & E systems which is omitted from the system proposed by Van Nieuwenhuyzen is leadership. Monitoring and Evaluation interventions are political and therefore require the political leadership to ensure its implementation and sustainability of the M & E system by the administrative leadership. Therefore it is recommended that leadership be included as an enabler. Van Nieuwenhuyzen’s inclusion of capacity as an enabler is restrictive since resource availability precedes capacity. Through the provision of the necessary human, financial and capital resources capacity can be developed. Therefore the study proposes that leadership and resources are more relevant enablers and are included as enablers to the M & E system instead of other management processes and capacity.

The institutional impacts stipulated by (Van Nieuwenhuyzen, 2009: 5) are decision making; organizational learning; and improved service delivery. The institutional impact cannot be limited to decision making only, rather it has to include the principles of good governance in terms of Section 152 and Section 195 of the Constitution which should be the ultimate impact of an effective and efficient M & E system. It is therefore recommended that decision making be omitted and good governance be included as an institutional impact.

Institutionalisation of a systemic M & E system also requires all stakeholders to undergo a paradigm shift from a single causal effect to a multiple causal effect of outcomes and impacts. This can only be achieved if a systems approach is used to develop systems thinking. Denhardt and Denhardt (2009: 180) citing Peter Senge (1990: 7, 141, 174-178, 234-235) describe the elements that contribute to developing a learning organisation as personal mastery; mental models; shared vision; team learning; and systems thinking. Therefore systems thinking is a prerequisite for developing a learning organisation. It is therefore recommended that systems thinking be included as an institutional impact. The final institutional impacts are good

governance; improved service delivery; systems thinking and learning organisation indicated in Figure 5.

The quality of the M & E system itself is critical to ensure sustainable demand and good governance. While there are no industry standards for assessing the quality of an M & E system, Chaplowe (2008: 4) citing (IFAD: 2002) proposes the following key criteria to be used to check the quality of the M & E system:

- *Utility* The proposed M & E system must serve the information needs of the intended beneficiaries.
- *Feasibility* The proposed M & E framework is realistic and cost-effective.
- *Propriety* The M & E activities will be conducted legally, ethically and with due regard for the welfare of those affected by its results.
- *Accuracy* The M & E reports and outputs will highlight and convey technically accurate information.

The success of the M & E system is also dependent on its sustainability since outcomes and impacts become evident over the short and long periods respectively. Another criterion which may be added is the effective engagement of the participants to plan implement, manage and monitor the effectiveness of the M & E system in terms of utility, feasibility, propriety and accuracy.

3.3 FACTORS DETERMINING THE NEED FOR MONITORING AND EVALUATION SYSTEMS

Governments are increasingly required to demonstrate results by uplifting the quality of life of its citizens and by providing value for money services (PSC, 2008a: 4). For this reason governments throughout the world have recognised the increased importance of M & E systems to monitor performance or by being forced by donors to implement an M & E system. Demands for improvement and reforms in public management emanate from development institutions, donor agencies, media, parliament, private sector and citizens. These stakeholders undertake their oversight roles, expect value, effective and efficient services as consumers, value for money as donors and be transparent business partners. Reforms relating to decentralization, deregulation, commercialization and privatization have also increased the demand for an M & E system to assess the outcomes and impacts of the interventions.

Governments therefore have to be more responsive to citizens needs and demonstrate sustainable developmental achievements. Governments are experiencing financial constraints that force them to make trade-offs and difficult choices for competing service demands. The government is challenged to do more with less and still achieve its developmental goals. Improved accountability systems, transparency and effectiveness need to be institutionalized through a sustainable M & E system.

3.3.1 Challenges in the public sector affecting Monitoring and Evaluation

Local Government as a sphere of government consists of public institutions, namely, municipalities and agencies is considered as part of the public sector (Bekink, 2008: 81). The M & E challenges encountered in the public sector would also affect municipalities.

3.3.1.1 Legislative compliance

Since the new dispensation the government had to comply with the values enshrined in the Constitution of the Republic of South Africa 1996. This resulted in the introduction of new legislations and policies and the radical transformation of the public sector. Local Government has to comply with a number of legislations and policies set out in Figure 3. The current legislations guiding municipal performance impedes effective and efficient service delivery (Refer to 2.6.6).

3.3.1.2 Donor requirements

According to Fritzen (2007: 13), donor countries face the challenges of the variety of country governance settings; the rapid pace of institutional development; and changing donor approaches to providing support when selecting its assistance strategies for the different countries. In addition, donor countries and organisations have to report to their own stakeholders with regards to the effects of the funding on the recipient country or organisation. Spreckley (2009: 4) notes that the failure rate of donor funded programmes and projects to achieve sustainable outcomes

has been very high and conditionalities have been utilised to guide and control the disbursement of funds.

Consequently, a requirement for funding is that the recipient country has a results-based M & E system in place (Mackay, 2006: 11). This has forced many developing countries requiring funding to initiate the designing and implementation of a results-based M & E system. In addition, the European Union considers a country's application to join, based on the latter's respect for human rights, a functioning market economy and its ability to meet the political, economic and monetary policies of the union. Finally, the donor focus on the achievement of the MDGs requires the applicant country to provide evidence emanating from an M & E system. Other international efforts that force the implementation of public management systems are the Highly Indebted Poor Country Initiative; International Development Association Funding; World Trade Organisation membership; European Union Structured Funds and Transparency International (Kusek, 2004: 3). Municipalities are key to the achievement of the MDGs, since it exports and imports goods and services, and depend to a lesser extent on donor funds.

3.3.1.3 Demand for better governance

According to Davies, Newcomer and Soydan (2006: 165), public pressure on governments to provide accountability has become stronger in the past three decades due to demands for better, more efficient and cost-effective services. Citizens expect the government to deliver on its promises and also undertake its functions in terms of good governance. Andrews (2008: 171) asserts that the global trend in public administration is the shift from the managers' autonomy to citizen participation. Therefore the government has to be accountable, transparent, effective, efficient and economical. New service delivery paradigms such as e-Governance, privatization, commercialization, corporatization, outsourcing, public private partnership and project management require all spheres of government to be more vigilant towards the effective and efficient utilisation of its resources. Mere applications of these paradigms in isolation do not guarantee the desired outcomes and impact. They have to be integrated into a broader M & E framework to be effective, efficient and economical.

3.3.1.4 Decentralised power and resources

According to Chelimsky (2006: 39), governmental issues relevant to evaluation include the fragmented structure of government into three spheres with its own powers and functions; the separation of powers between the legislature, executive and judiciary; the protection of the constitutionally delegated powers to the democratic institutions; suspicion and secrecy that co-exist around the three spheres of government and between the three branches of government; oversight functions that need to be executed; and the provision of information to the citizens who serve as the primary controllers of government. Therefore the need for evaluation in government is to (Chelimsky, 2006: 39):

- Support the constitutionally mandated oversight functions;
- Build a stronger evidence base for policy making;
- Help organs of state to develop capacity for policy and programme planning, implementation and analysis; be more open; and adopt a learning ethos; and
- To improve dissemination of information to the public about government activities through sharing of evaluation findings.

Chapter three of the Constitution created three spheres of government which are interdependent and interrelated but also empowers each sphere of government to undertake certain of its functions independently. This has created the decentralisation of power and resources to the Provincial and Local sphere of governments. National Government has the responsibility to ensure that taxes spent provide value for money, given the limited nature of public funds. Therefore, an outcomes approach to budgeting that entails the allocation of resources to the line departments and holding the department accountable for service delivery should be implemented. Through the identification of outcomes and the monitoring of the related chain of inputs, activities and outputs, government will focus on the end product of service delivery (Treasury, 2010: 1).

3.3.1.5 International initiatives

The eight Millennium Development Goals (MDG) were adopted by 189 United Nation member countries and numerous international organisations in 2000. Some of the MDGs included the eradication of extreme poverty and hunger, achieve universal primary education and reduce child mortality. This global initiative has forced countries to adopt a results-based approach to achieving these goals.

3.3. 2 Challenges in the municipalities affecting Monitoring and Evaluation

The historic service delivery backlogs and the non-payment of services due to poverty have increased the financial burden on the municipalities, which now have to do more with less. While there is a greater demand for the delivery of basic services municipalities are constrained by financial; human; infrastructure; and technological resources.

In the current municipal environment the key factors affecting demand for M & E systems are the demands of communities for sustainable basic services; civil society's demand for better accountability and transparency; institutions exercising its oversight roles and responsibilities and legislative compliance. Due to the lack of capacity; resources; and poor institutional frameworks not all municipalities are able to adequately respond to the demands. The municipality has to first establish the extent to which it can support the planning, implementation and management of an M & E system prior to institutionalising the M & E system.

3.4 READINESS ASSESSMENT AND INSTITUTIONALISING MONITORING AND EVALUATION SYSTEMS IN MUNICIPALITIES

Organisational assessment is defined as the process of assessing the state or health of an organization (PSC, 2008b: 3). Its purpose is to evaluate the competence of the organization in key areas. The process supports the formulation of the organisations objectives by considering the organisations current available resources and constraints. Organisational assessments would highlight different key performance areas in the municipalities and provide information to the donors and other stakeholders address the challenges of training staff, organisational building

capacity and the sequencing of activities which forms the basis of an action plan to move forward (Kusek, 2004: 49).

3.4.1 Factors affecting the readiness assessment of municipalities to implement Monitoring and Evaluation systems

The Public Service Commission (PSC) recommends that the external environment, organizational capacity and organizational motivation need to be considered for an organizational assessment (PSC, 2008b: 4). The perspective on organizational assessment offered by Joyce (2000: 21) also includes the reputational health, cultural health, corporate health, financial health and performance health. Undertaking an organizational assessment prior to the planning, designing and implementation of an M & E system increases its chances of being both effective and efficient.

Readiness assessment activities provide an analytical framework to assess the current organisational capacity and political willingness to monitor and evaluate its goals and develop a result-based performance framework to achieve its developmental goals. The M & E strategy must include an inventory of the organisations current M & E efforts and the systems currently utilised to accommodate M & E (Presidency, 2009a: 11). The readiness assessment is the first step in building a Results–Based M & E system and assumes that there is a demand for M & E systems in municipalities and addresses whether municipalities are actually ready and able to develop, maintain and sustain M & E systems.

Kusek and Rist (2004: 41) proposes three main parts to the readiness assessment, namely, incentives and demands for designing and building an M & E system; roles, responsibilities and existing performance management structures and capacity building requirements. Eight questions (Kusek and Rist, 2004: 43) that need to be answered to determine whether the organization possess the pre-requisites for building for building an M & E system are:

- What potential pressures are encouraging the need for the M & E within the public sector and why?
- Who is the advocate or champion for the M & E system?

- What is motivating the champion to support such an event?
- Who will own the system, which will benefit from the system and what quantity of information is required?
- How will the system directly support better resource allocation and the achievement of programme goals?
- How will the organization, the champion and staff react to negative information generated by the M & E system?
- Where does capacity exist to support the M & E system?
- How will the M & E system link the projects, programmes and policies to achieve the national goals?

The study proposes that an organisational assessment in municipalities focus on the components of the South African Excellence Model (Figure 14).

3.4.2 Factors affecting the institutionalisation of Monitoring and Evaluation system

Monitoring and Evaluation systems can be institutionalised for the whole organisation, units or departments and managed at the policy, programme and project level. At each level the indicators, information requirement and usage, complexity of collecting data and political sensitivity may be different. The essential actions need to build an M & E system are to formulate outcomes and goals; select outcome indicators to monitor; gather baseline information; set specific targets and their completion dates; regularly collect data to monitor progress and analyse and report the results. It is critical that each of the levels of the system is aligned with each other. The current *modus operandi* of implementing the M & E system as a technical intervention limits the value of the M & E system as a strategic management tool. Lahey (undated: 1) states that for an M & E system to be effective, it must be positioned as far more than a technical instrument for change.

Institutionalisation of a sustainable M & E system requires that it is an integral part of the organisation's functions as a management activity, it is a specialist support function and the oversight function be hierarchical. An institutionalised M & E also operates as a function of every manager and as an oversight function by one institutional element over other

organizational units, (Ackron, 2008: 5). For an institutionalized M & E system to be sustainable Akron (2008: 13) suggests that:

- It must be integral to any managed organization or institutional environment and not an add-on activity;
- A managed environment is essential since it is part of the management control function;
- Organizational culture imposed from top down must embrace M & E as a key management activity;
- It must be recognized as a professionally independently accountable specialist internal support function; and
- The locus of control for the oversight activities should at least be located at least one organizational level above that being monitored and evaluated.

Barriers to institutionalising M & E systems in developing countries are, *inter alia*, lack of demand and ownership; lack of a modern culture of fact-based accountability, lack of evaluation and financial management skills, lack of feedback mechanisms into decision making processes (Mackay, 1999: 4). Kusek and Rist (2001: 17) highlight the following as the challenges that a developing country is likely to experience when planning and implementing an M & E system:

- Lack of agreement on national or sector wide outcomes due to a lack of political will, a weak central planning agency or a lack of capacity in planning and analysis;
- Lack of accurate and reliable information due to the lack of the skills base in the government agencies; and
- Government departments work independently, do not have strong administrative culture and function without the discipline of transparent financial systems.

Kusek and Rist (2004: 152) suggests the six critical components of sustaining an M & E system are demand for the system, clear roles and responsibilities, trustworthy and credible information, accountability, capacity and provision of incentives. According to Akron (2008: 11), a sound M & E system should also adhere to the Bellagio Principles, namely, that it should:

- Be a guiding vision for the organization;

- Take a holistic perspective;
- Address essential elements defining the vision;
- Be adequately scoped generating a sufficiently comprehensive picture;
- Have a practical focus that influences the performance of the organization;
- Be transparent and produce sound analysis;
- Be communicative and participative rather than being judgmental;
- Be sustained enabling follow through; and
- Be supported by sound institutional capacity.

Monitoring and Evaluation presupposes an openness to continuously evaluate the success, diagnose the cause of the problems and devise appropriate and creative solutions. All stakeholders need to be capacitated to accept negative feedback and accept the M & E interventions as an opportunity for adaptation and learning. However, Mccarthy (2000: 112) warns that there is a lack of commitment to use M & E information by the local municipality staff when the M & E system is developed and owned by an external agent.

Simister (2009: 12) provides the following suggestions for a successful M & E system, namely, senior management commitment and political will is required; the system should be sustainable and not create unrealistic expectations; manage resistance to change; and design the system fully before capacitating the participants. The approach that “one size fits all” would not produce the maximum institutional value from the M & E system. A balance must be achieved between the imposition of M & E policies, procedures and practices and allowing for local level decision making in response to their own circumstances.

To reduce the tensions between the various stakeholders, the M & E should be developed in a participatory manner and be aligned with outputs of the main participants of the GWMES framework. Engela and Ajam (2010: 27) recommends that the core business processes should be both effective and efficient; collaboration and co-ordination occurs between the stakeholders; performance indicator development process considers the different stakeholder perspectives; manage change; and use the principle based approach as opposed to the regulatory compliance approach to M & E.

Kusek and Rist (2004: 2) assert that building and sustaining M & E systems is primarily a political process and less so a technical one. This implies that co-operative governance between the three spheres of government has to be both effective and efficient. Further, in the Local Government sphere, there must be a balance between the achievement of the ruling party's political objectives and the administrative entities service delivery goals. Misalignment, due to the lack of use of evidence based policy analysis and decision making could lead to poor service delivery, conflicts and interfactional disputes.

Since, each municipality experiences different socio-economic challenges emanating from its particular circumstances a balance must be obtained between the M & E strategy and the different M & E models and framework that are best suited to its environment. The study proposes for an M & E system to be effective, efficient and sustainable, all stakeholders should attempt to create a co-operative and coherent environment by establishing a balance between factors affecting the institutionalisation of the M & E system. Some of the key factors are:

- Political and administrative leadership and functions;
- Centralisation and decentralisation of power to empower the service providers;
- Public and private sector operational processes;
- Openness and trust compared to secrecy and ulterior motives;
- Bureaucracy and flexibility affecting the operational functions;
- Complexity and simplicity of the components of the M & E system;
- Resource capacity and capability compared to the set targets;
- Effectiveness and efficiency compared to economy; and
- Learning compared to stagnation.

Attention given to these factors would enable the M & E to achieve a state of balance to deliver the expected outcomes and impacts.

3.5 MODELS AND FRAMEWORKS TO DEVELOP MONITORING AND EVALUATION SYSTEMS

The extent of stakeholder power in an M & E initiative may dictate the purpose of the M & E system. Once the purpose has been established, the appropriate M & E tools have to be selected

to undertake the M & E functions. Monitoring and Evaluation models and frameworks provide the necessary guidelines to align the M & E purpose, tools and functions.

3.5.1 Logical Framework

A logic model is an analytical method to break down a programme into logical components to facilitate its evaluation and helps to explain the relationship between means and end (PSC, 2008a: 52). The components of the logic model are inputs, activities, outputs, outcomes and impacts. It also aids in the assessment of an intervention in terms of effectiveness and efficiency. Effectiveness is the ratio between inputs and outputs and effectiveness is the relationship between outputs and outcome.

Figure 6: Logical framework indicating key performance information concepts



Source: National Treasury – Framework for Managing Programme Performance Information, (2007: 6).

The components of the logical framework are described below.

- **Inputs**
Includes, *inter alia*, finance, human resources, equipment, infrastructure and technology used to deliver the outputs.
- **Activities**
Activities describe the functions in order to use the inputs to generate the outputs.
- **Outputs**
Outputs refer to the final product or service which is delivered to the customer.
- **Outcomes**
Outcomes relate directly to institutional goals which are derived from the strategic plan. It is the medium term results for specific beneficiaries of the service due to the achievement of particular outputs.
- **Impacts**
These are the long-term view of the influence of the outcomes on alignment of the service providers' strategy and the satisfaction of the customers' needs (Source: National Treasury – Framework for Managing Programme Performance Information).

A developmental intervention, namely, a policy, programme or project, commences with set initial objectives. During the intervention process, stakeholders' perspectives or the environmental factors may change. The outputs, outcomes and impacts also changes from those set prior to commencing the intervention. Due to the complex environment, flexibility is required to re-adjust the original objectives. Hummelbrunner (2010: 3) citing Gasper (2000: 21) stipulates three recurrent failings in the use of the Logical Framework Approach (LFA) as;

- *Logic-less frame* arises when the logframe, using a pre-existing design, is prescribed by the donor after a project has been prepared.
- *Lack-frame* is an oversimplification of the intervention since not all critical information can be captured on one table.

- *Lock- frame* is when the LFA is prepared, it is fixed and not up-dated thus hindering learning and adaptation.

The Logical Framework Approach (LFA) tends to over-emphasise control as opposed to flexibility and over-specify objectives due to its mechanistic rationale of assuming a linear causal effect irrespective of the stakeholders and contextual conditions. It fails to reflect the messy realities facing the development, its actors and the environment.

Schurink and Schurink (2010: 21) concurs with Hargreaves (2010: 5) that the multi-dimensional nature of social problems complicates the evaluation of community-based change interventions. Therefore the traditional linear model cannot explain the complexities of human behaviour. Hummelbrunner (2010: 4) further highlights a problem with the logical framework as it creates a “tunnel vision” and control culture due to the strict adherence to the original plans. Further failings of the logical framework are for example, the imposition of its use by donors who invented it after the project has been prepared; it is too simple and omits vital aspects of the change initiative; it tends to be fixed and not updated thus blocking learning and adaptation (Gasper, 2000: 21) cited in Hummelbrunner (2010: 5). Linear logic models are not always appropriate for complicated and complex system interventions and evaluation design (Hargreaves, 2010: 10). Mathison (2005: 72) adds that the logic models may not be applicable to complex adaptive systems because the reasons and nature of changes are emergent and cannot be attributed to the hierarchical relationships between the variables. According to Dyehouse, Bennett, Harbour, Childress and Dark (2009: 188), logic models represent a linear perspective of a system and has limited ability to identify multiple influences on particular change.

The use of the LFA by Treasury is not appropriate for the complex municipal environment due to the multi-variable causal relationships that occur among the various systems and stakeholders. The LFA promotes a culture of control and compliance that does not empower the employees to be innovative in their tasks. The underlying causes for good or poor performance are not fully investigated and correctly reported. As a result, capacity development, corporate governance and performance management interventions do not yield the desired results. The government has to utilise a systemic approach and alternate tools to holistically manage the public sector performance.

Alternate tools to the LFA are the Project Cycle Management (PCM) and the Social Network Analysis (SNA). The PCM expresses the project purpose in terms of sustainable benefits for the affected stakeholders, uses a basic format setting out the vital aspects of the project and develops a sound decision making mechanism throughout the life cycle. The SNA is a set of techniques for analysing social networks and their partners. Both approaches minimize the LFA deficiencies by considering the complex realities of the differing stakeholder perspectives and the conditional changes experienced as the intervention progresses.

3.5.1.1 Use of the Logical Framework by the South African Government

The Ministry of Performance, Monitoring and Evaluation utilises the Logical Framework (Figure 6) to manage the performance of the various government institutions. The Presidency (2009a: 21) highlights the need to clearly show the contribution of the governments projects, policies and programmes to the actual outcomes and impacts. Therefore there is a need to show the causal relationships between inputs, activities, outputs, outcomes and impacts. There is a complex relationship between these components due to the number of external factors that affect the results for each component.

The National Capacity Building Framework for Local Government Report (NCBBFLG) (2010: 112) cautions that Local Government should use the logic model flexibly since the overemphasis of the initial objectives and external factors may create rigidity. Currently the analyses of causal effects between the linkages, namely, inputs; activities; outputs; outcomes; and impacts are weak (Presidency, 2009a: 21). McCarthy (2000: 113) also cautions that an M & E stream that depends heavily on financial compliance will demonstrate severe limitations since it does not consider the context of the budgetary allocation; the effectiveness of the use of the budget; and the impact of the intervention. The Report on the Audit of Reporting Requirements and Departmental Monitoring and Evaluation System within Central and Provincial Government (PSC, 2007: 36) confirms that there is a strong drive towards compliance within departments on National Treasury demands since the Chief Financial Officers (CFOs) who usually drive these to place emphasis on financial aspects rather than on outcomes. This means that reporting places more emphasis on expenditure rather than on what outcomes that expenditure has achieved.

A reductionist approach to evaluation is based on the cause and effect design and the main link is between inputs, activities, outputs and outcomes. Schurink and Schurink (2010: 29) asserts that this type of evaluation design is inadequate to make the urgent changes that could result in improved service delivery and governance. Mackay (2007: 7) asserts that the technocratic approach to M & E without due regard for the extent of use of the information is inadequate and is a waste of resources. A systemic evaluation system utilises the M & E information with the participation of all the stakeholders and assists to ensure the government's efforts to improve service delivery are sustainable. It would also provide both a holistic and analytical approach to evaluation systems.

3.5.2 Systemic Monitoring and Evaluation framework

Lahey (undated: 1) identifies the vision; an enabling environment; the infrastructure to supply M & E solutions and the infrastructure to demand; and the use of M & E information as broad building blocks needed for an effective M & E system. Chaplowe (2008: 1) outlines an M & E system for humanitarian relief and development programmes, consisting of seven components. The first four components focus on the planning of the project while the last three components consider the implementation of the project. The seven components of the M & E system are as follows:

- Causal analysis framework;
- Logframe or logical framework;
- Indicator matrix;
- Data collection and analysis plan;
- Information reporting and utilisation;
- M & E staffing and capacity building; and
- M & E budgeting.

The model focuses on causal relationships between programmes and projects and it does not consider the organizational vision, mission and the outcomes linked to the vision and mission. Components of Lahey's and Chaplowe's models would be utilised to develop a Municipal Wide Monitoring and Evaluation System (MWMES).

3.5.3 Results-Based Monitoring and Evaluation (RBME) systems

Spreckley (2009: 3) defines a Results-Based Monitoring and Evaluation System as:

A whole system which should be incorporated into the culture of an organisation; its programme of projects; its values; operational systems and decision making procedures. Staff and partners should be focussed on achieving outcomes and impacts rather than activities and inputs.

The Results-Based M & E system is a public management tool that is being used by policy and decision makers to track progress and demonstrate the impact of a given project, programme or policy based on the evidence presented by the system. It differs from the traditional implementation-focused M & E system in that it moves beyond the management of inputs and outputs and focuses on outcomes and impacts. According to Morris (2006: 5), the reasons for implementing a RBME system are the provision of public sector performance information; assess the progress of the M & E intervention; promotes credibility and legitimacy of the public entity; aids in formulating and justifying budgets; and identifies best practices. Requirements for the successful implementation of a RBME system are strong leadership; learning culture; preference to use evidence based information for decision making and openness (Spreckley, 2009: 3).

Kusek and Rist (2004: 25) presents a Ten Step Results-Based M & E System which provides sequential steps on how to build and maintain a country wide M & E system with a readiness assessment which must be conducted before the actual establishment of the system. The Ten Steps are briefly discussed below:

Step One Conducting an organisational readiness assessment

The organisations overall performance is assessed and consultations should be undertaken with the relevant stakeholders. A systemic approach should be utilised to ascertain the demand and willingness of organisation to implement an M & E system.

Step Two Agreeing on performance outcomes to be monitored and evaluated

Outcomes should be derived from the strategic objectives and focus should be on resource allocation for the selected objectives.

Step Three Developing key indicators to monitor outcomes

Development of key performance indicators is critical as it determines the extent to which the outcomes are achieved; the data to be collected and analysed; and the content of the reports.

Step Four Gathering baseline data on indicators

Baseline data is the current qualitative and quantitative measurements of the selected performance indicators. The accuracy and reliability of the baseline data is critical for the setting of realistic targets.

Step Five Setting realistic targets

The targets set need to consider the human, financial and capital resources and be achievable.

Step Six Building a monitoring system

The focus is on the ownership, management, maintenance and credibility of the M & E system. Key issues include the clarification of roles and responsibilities of the stakeholders, budget, quality assurance and reporting guidelines.

Step Seven Analysing and reporting findings

Reports need to be prepared with the correct information and submitted to the relevant parties at agreed intervals and format.

Step Eight Collecting and providing evaluative information

The information is collected and evaluated using the relevant evaluation tools used for input, activity, output, outcome and impact evaluations.

Step Nine Using the findings

Monitoring and Evaluation initiatives should always be focussed on the utilisation of the findings. The findings should be credible and provided timeously to ensure the information is used by the stakeholders and external development agents.

Step Ten Sustaining the M & E Systems within municipalities

The use of M & E systems to enhance the public sector performance is a long-term process. Therefore its sustainability is critical and is dependent on demand; structure; trustworthy and

credible information; accountability; and capacity. To ensure maximum outputs from the M & E system, the M & E system itself should be monitored and evaluated.

It is critical to understand that a result - based M & E system is continuous work in progress and it does not operate in isolation to the existing M & E tools within the organisation. Therefore it requires continuous commitment, time, effort, resources and attention to become sustainable also requires a champion who has substantive authority within the organisation to guide the process. Shalock (1995: 17) asserts that outcome based evaluation is important because it is an effective response to the current trends of the quality revolution; consumer empowerment; increased demands for accountability; the supports paradigm; the emerging pragmatic evaluation paradigm with the emphasis on enhanced functioning.

3.5.4 Participatory Monitoring and Evaluation systems

A critical component in improving local governance is the engagement of communities in matters that affect their quality of life. Bovaird (2002: 9) notes that good local management is not only about high level of service delivery but also involves engaging local communities to solve their own problems and creating a better future for its stakeholders. Municipalities should therefore engage citizens in governance and development issues to ensure they accept the municipality as a legitimate vehicle for basic service delivery and democratic expression. The participatory approach would also assist to create a balance of interest between the political party; municipality and the communities.

According to Estrella and Gaventa (1997: 5), there is a global increase in the use of Participatory Monitoring and Evaluation (PME) for impact assessment; project management and planning; organisational learning; understanding and negotiating stakeholder perspectives; and public accountability. Participatory Monitoring and Evaluation was introduced due to the limitation of the conventional M & E which focused on the interest of the implementers and donors and ignored the interests of the other stakeholders, in particular the communities (Vernooy, Qui and Jianchu, 2003: 22). The establishment of indicators; deciding what to monitor and how the monitoring would be conducted are managed in consultation and collaboration with donors,

beneficiaries, implementers and the communities (United States Agency for International Development (USAID), 2006: 8). Estrella and Gaventa (1997: 15) summarises the criticisms of the conventional M & E approaches as:

- Being costly and ineffective in measuring and assessing project achievements;
- Failure to engage the relevant beneficiaries;
- Becoming extremely specialised field and divorced from the regular planning and implementation of the development initiatives;
- Serving as a control tool for managing programmes and projects; and
- Emphasis on quantitative measures tends to ignore qualitative information which provides a better understanding of the outcomes and impacts.

While PME is more time consuming than the traditional M & E system, it creates a sense of ownership for the recipients and has a better success rate to achieve its outcomes. According to Kusek and Rist (2004: 58), the greater demand for good governance by all stakeholders, globalization, receiving aid and higher citizen expectations require a collaborative approach to consensus building. Therefore results-based and participatory M & E systems should be at the core of the government's efforts to improve service delivery.

Table 4: Advantages and disadvantages of Participatory Monitoring and Evaluation systems

Advantages	Disadvantages
<p>Empowers beneficiaries to be active participants.</p> <p>Fosters greater acceptance and internalization of findings and recommendations.</p> <p>Builds local capacity to manage, own and sustain the project programme or policy.</p> <p>Builds collaboration and consensus at different levels and between all the stakeholders.</p> <p>Reinforces beneficiary accountability and prevents one perspective from dominating the M & E process.</p> <p>Saves time and money in data collection.</p> <p>Provides timely information from the field for evidence based decision making.</p>	<p>Requires more time and cost to train and manage the local staff and community members.</p> <p>Requires skilled facilitators to ensure that everyone understands the process and is equally involved.</p> <p>Local politics can distort the data collection, analysis and decision making.</p> <p>Requires the genuine commitment of local people and the donors as the indicators and reporting format may differ from the traditional formats.</p>

Source: Chaplowe, (2008: 8).

The advantages of the participatory M & E system (Table 4) outweigh the disadvantages. In a developmental state the participation of the communities is critical for the sustainability of the intervention and achieving greater transparency and accountability from the service providers in the public sector.

3.6 PUBLIC SECTOR MONITORING AND EVALUATION IN SOUTH AFRICA

Government has set to achieve twelve national outcomes to fulfil its constitutional mandates (Refer to section 2.6.1). The effective and efficient achievement of its twelve national priorities requires joint work, co-ordination and collaborations between the three spheres of government. Further, the execution of the concurrent functions among the three spheres of government causes policy formulation and implementation to be highly complex. Therefore the government has identified that an effective M & E system is are critical for it to assess its progress towards achieving its priorities.

3.6.1 Government initiatives in Monitoring and Evaluation

In 2004, Cabinet approved an implementation plan to develop a Government Wide Monitoring and Evaluation System (GWMES) for use across government (Treasury, 2007: 3). The object of the GWMES is to ensure an integrated framework for the M & E principles, practices and standards that would ultimately provide better services to the public. This program would assist the various public agencies to use the M & E system as a policy and performance management tool to inculcate good governance.

At the Extended Cabinet Lekgotla in 2006, the Five Year Local Government Strategic Agenda (2006 – 2011) was adopted and required the government to strengthen Local Government by (NCBPLG, 2008: 5):

- Providing hands-on support to improve municipal governance, performance and accountability;
- Reviewing the structure and governance statements of the State to improve support and monitoring of Local Government; and
- Refining the policy, regulatory and fiscal environment for Local Government.

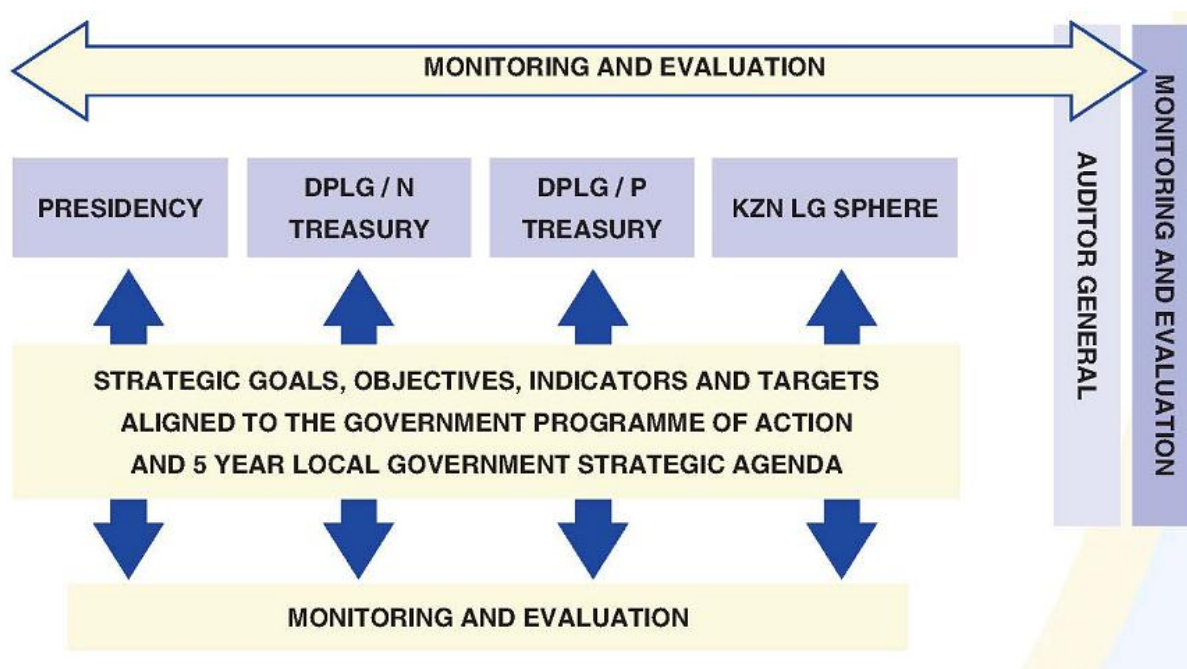
In 2009, President Jacob Zuma established the Ministry of Strategic Planning as well as the Ministry of Performance, Monitoring and Evaluation in the Presidency. The Green Paper: National Strategic Planning (Presidency, 2009b: 1) highlighted that the lack of a cohesive long term plan weakened the Government's ability to provide clear and consistent policies with the result that efforts to provide service delivery was hampered. Therefore, the aim of the Strategic

Planning Ministry is to form the National Planning Commission which would create a single National Strategic Plan for the Local, Provincial and National spheres of government (Presidency, 2009b: 23).

The aim of the Performance, Monitoring and Evaluation Ministry is to consistently assess the performance of the government's initiatives in all three spheres of government and to help improve service delivery capacity while improving accountability on the part of the responsible public officials (<http://www.pmg.org.za>). The Green Paper on Performance, Monitoring and Evaluation (Presidency, 2009a: 19) established a Performance Management System where all government departments are held accountable to deliver on their outcomes and impacts. It was envisaged that the GWMES would enable the creation of a strong performance culture with effective rewards and sanctions. The Ministry of Performance, Monitoring and Evaluation in the Presidency is responsible for ensuring the implementation of GWMES.

The Treasury and the National, Provincial and Local Government spheres are driving the M & E initiative (Figure 7). The Auditor-General conducts the final M & E tasks on the reports submitted by the municipalities. In 2010, only seven out of two hundred and eighty three municipalities received clean audits (Sunday Times, 29 May 2011).

Figure 7: Alignment of the National, Provincial and Local Government Monitoring and Evaluation systems



Source: DLGTA – Provincial Monitoring and Evaluation Framework, (2010: 18).

The National Treasury Department has defined the key performance concepts, inputs activities, outputs, outcomes and impacts (Figure 6) to obtain uniformity amongst the National, Provincial and Local spheres of government (Treasury: 2007). Inputs, activities and outputs involve planning, budgeting and implementation to achieve economy and efficiency. The outputs and impacts evaluate the results of the policy, programme and project in terms of its purpose to achieve effectiveness and equity. The M & E framework attempts to align the national, provincial and local M & E systems to avoid the wastage of resources through duplication of activities. A critical component of GWMES is the alignment of the strategic intent of the national, provincial and local policies and programmes and to encourage good co-operative governance. The formation and operation of the GWMES, PWMES and MWGES are discussed below.

3.6.2 Government Wide Monitoring and Evaluation System (GWGES)

The components of the GWGES policy are the Government Wide Monitoring and Evaluation Framework, Evaluations Framework, Statistics and Surveys Framework and the Framework for Managing Programme Performance Information (Figure 4). The main stakeholders that function

within this framework are the Presidency, Statistics South Africa, Department of Co-operative Governance and Traditional Affairs, Public Administration, Leadership and Management Academy, Provincial Premier's Office and the Office of the Public Service Commission (Refer to section 2.6.5). The successful implementation of the GWMES requires the development of the various frameworks and effective stakeholder engagement.

The complexity in planning and implementing GWMES is further increased due to its scope, data requirements, co-ordination and collaboration amongst a large number of public entities and co-operative governance. The purpose of the GWMES is to provide a uniform framework of M & E principles, practices and standards to be used throughout government and be a repository for information to all the stakeholders. Another aim of the GWMES is to encourage learning organizations (PSC, 2008a: 12). This requires a culture change in the public sector which is difficult if managers are not held accountable for service delivery and any other conduct. The crucial criterion by which the effectiveness of the GWMES will be assessed is its impact on managerial behaviour and quality of decision making.

Cloete (2009: 295) suggests the use of evidence based policy analysis and considering the GWMES as a complex adaptive system would assist the M & E process to achieve more accurate outcomes and impacts. In light of the above challenges, the National sphere of government must lead the M & E systems development to create a central planning agency, reliable information systems, good co-operative governance and financial management to become more effective, efficient and economical.

The GWMES has been criticized for delays in its implementation. At National Government level, the M & E system has not yet been finalised. Provincial Governments have introduced their own M & E systems which are not fully aligned to the national policies and programmes. At the local sphere, M & E is conducted in a fragmented manner, within units and departments, and the M & E system is not fully aligned to the provincial policies and programmes. Cloete (2009: 302) state that in the current form the GWMES is a simple M & E framework based on a collection of uncoordinated documents published by different departments with focus on its own

functions. This creates conflict among the departments due to an unclear strategic vision and priorities of the National Government.

The GWMES is also criticised for its lack of focus on what needs to be monitored and evaluated which creates confusion. The Treasury focuses on institutional outputs while the ministries prefer to be monitored and evaluated on the sector outputs. Collaboration and co-ordination among the various stakeholders has to be improved to provide a coherent M & E system (Cloete, 2009: 308). Engela and Ajam (2010: 20) confirm that there is a lack of co-ordination and collaboration in the implementation, design and information sharing among the main stakeholders and the government institutions. Little consideration was given to multi-stakeholder perspectives and the complexities of co-operative governance.

Government has to critically reflect if they are on the right track by questioning the fundamental assumptions on which a policy, programme or project is based (Engela and Ajam, 2010: 26). To undertake this task, evidence should be used to make well informed decisions. In this regard Cloete (2009: 294) suggests that the evidence based policy approach be utilised to assist participants to make informed decisions about policies, programmes and projects by utilising the best available evidence obtained from policy development and implementation.

3.6.3 Province Wide Monitoring and Evaluation System (PWMES)

According to the guide titled “The Role of Premiers’ Offices in Government Wide Monitoring and Evaluation: A good Practice Guide” (2008: 2), an effective PWMES must contribute to the achievement of the Premier’s Office objectives which includes the provision of strategic leadership, co-ordination of policy formulation and review, planning and overseeing service delivery. Formalised M & E systems are relatively new management tools and the M & E practices are still emerging. The challenges face by the Premier’s Office include complex reporting lines and different departments requesting the same information in varying formats, and a focus primarily on monitoring rather than evaluation (Presidency, 2008: 2).

The Public Services Commission, Report on the Audit of Reporting Requirements and Departmental Monitoring and Evaluation System within Central and Provincial Government (2007: 39) identified that the development of an M & E framework and strategy in departments has been fragmented, departments have interpreted the technical aspects of M & E differently. Some departments consider the M & E system as an information technology, while for others an M & E system incorporates a systemic performance management system.

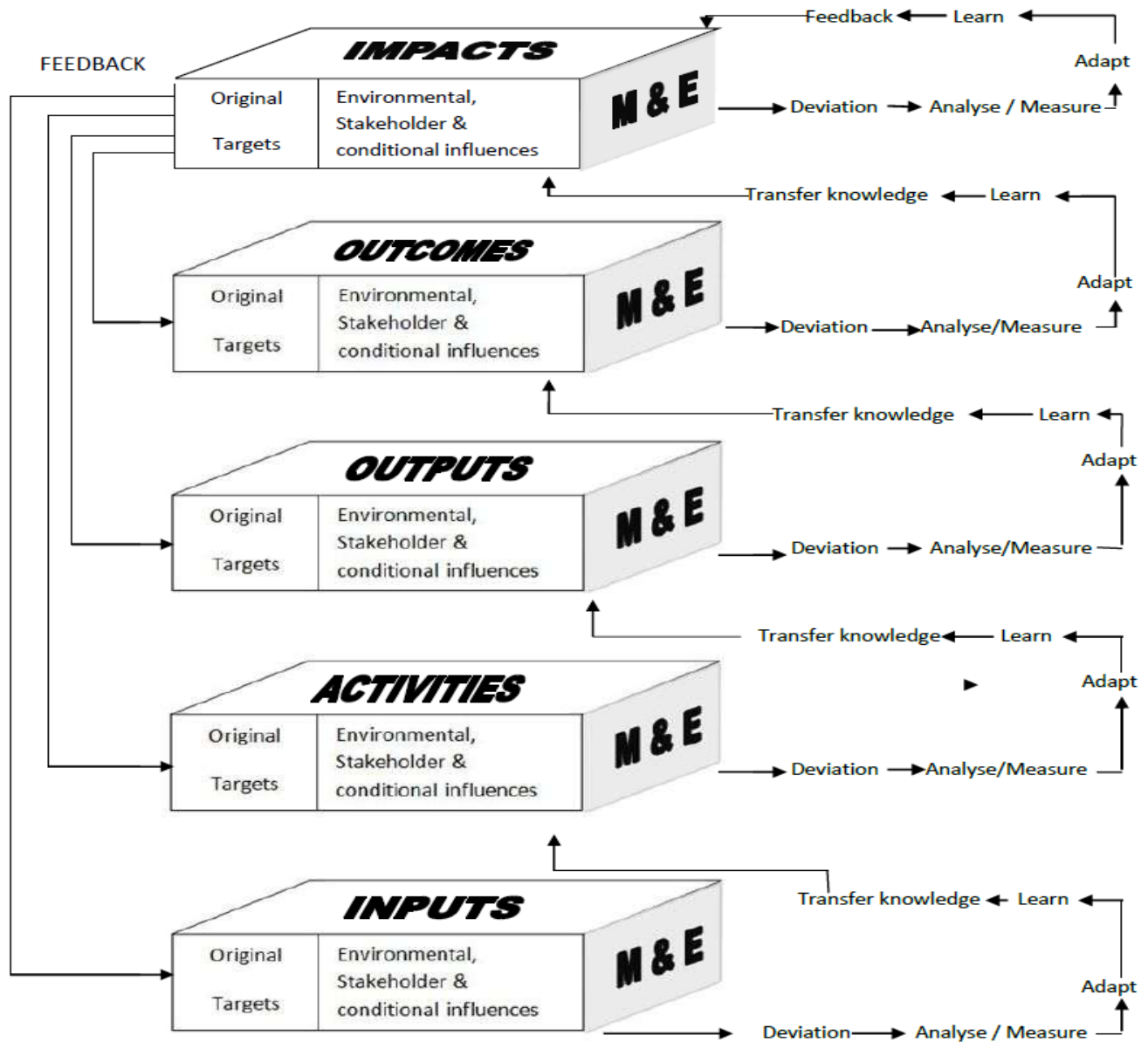
3.6.4 Municipal Wide Monitoring and Evaluation Systems

Performance improvement in Local Government is complex due to its dynamic environments and the uncertainty of the outcomes and impacts of its service delivery efforts. An effective MWME system must be aligned to the organisational vision; an enabling environment; the infrastructure to supply M & E solutions; the infrastructure to demand and the use of M & E information. Due to the lack of human and financial resources and M & E skills, municipalities have not implemented a MWME. However, M & E functions are undertaken on specific programmes and projects within the municipal departments or units.

Challenges faced in institutionalising M & E within the local sphere of government are the articulation of the IDP and the Provincial Growth and Development Strategy (PGDS). The goals of the municipality may not be achieved due to the province not having the necessary capacity or resources. Training of employees in M & E is critical for service delivery and good governance. Other challenges are the duplication of reporting information, lack of understanding of municipal processes and systems and poor quality and validity of data used for M & E (The Role of Premiers' Offices in Government Wide Monitoring and Evaluation: A Good Practice Guide, 2008: 4).

3.7 RECOMMENDED SYSTEMIC PERFORMANCE ANALYSIS MODEL (SPAM)

Figure 8: Systemic Performance Analysis Model



The Treasury utilises the logical framework (Figure 6) to assess the inputs, activities, outputs, outcomes and impacts of the specific interventions. The limitation of the logical framework approach is that it only considers a linear causal effect relationship within a complex system which comprises of multi-variable causal effects. Therefore, Figure 8 introduces the components of the systemic assessment framework, namely, the inputs, activities, outputs, outcomes and impacts as subsystems that are interrelated and interdependent.

3.7.1 Inputs sub-system

Inputs are the resources required to initiate and complete the activities. The original targets for resources to achieve the set activities are determined prior to the commencement of the intervention. However, due to environmental, stakeholder and conditional influences, the resource requirements and/or the original targets have to be modified. By monitoring and evaluating this subsystem, multiple causes-effects are considered to identify the deviation from the original target. The deviation has to be analysed or measured, the subsystem has to then adapt and the learning from this experience needs to be transferred as knowledge to the next activities subsystem.

3.7.2 Activities sub-system

Activities are the functions that convert the inputs into outputs. During this process, the original targets have changed due to stakeholder, environmental or conditional influences. The M & E of this subsystem identifies the deviations, which then has to be analysed or measured. The subsystem adapts to these changes, learning occurs and knowledge is transferred to the next outputs subsystem.

3.7.3 Outputs sub-system

Outputs being part of the policy programme or project interventions are the final results of the activities. The knowledge transfer from the activities subsystem considers the deviation from the original targets due to stakeholder, environmental and conditional influences. The outputs have to be M & E for further changes, the deviation measured or analysed. The subsystem adapts and learning and knowledge transfer is followed to the outcomes.

3.7.4 Outcomes sub-system

Outcomes relate directly to an institution's goals which are derived from the strategic plan. It is the medium term results for specific beneficiaries of the service due to the achievement of particular outputs. The outcomes subsystem has to be M & E to highlight any deviations through stakeholder, environmental and conditional influences. The deviation is then analysed or

measured, the subsystem adapts and the learning and knowledge transfer is introduced into the impacts subsystem.

3.7.5 Impacts sub-system

Impacts are the long-term view of the influence of the outcomes on alignment of the service providers' strategy and the satisfaction of the customers' needs. The subsystem is M & E and deviations are identified, then analysed or measured. The subsystem is adjusted and the learning is transferred into the service providers' strategies.

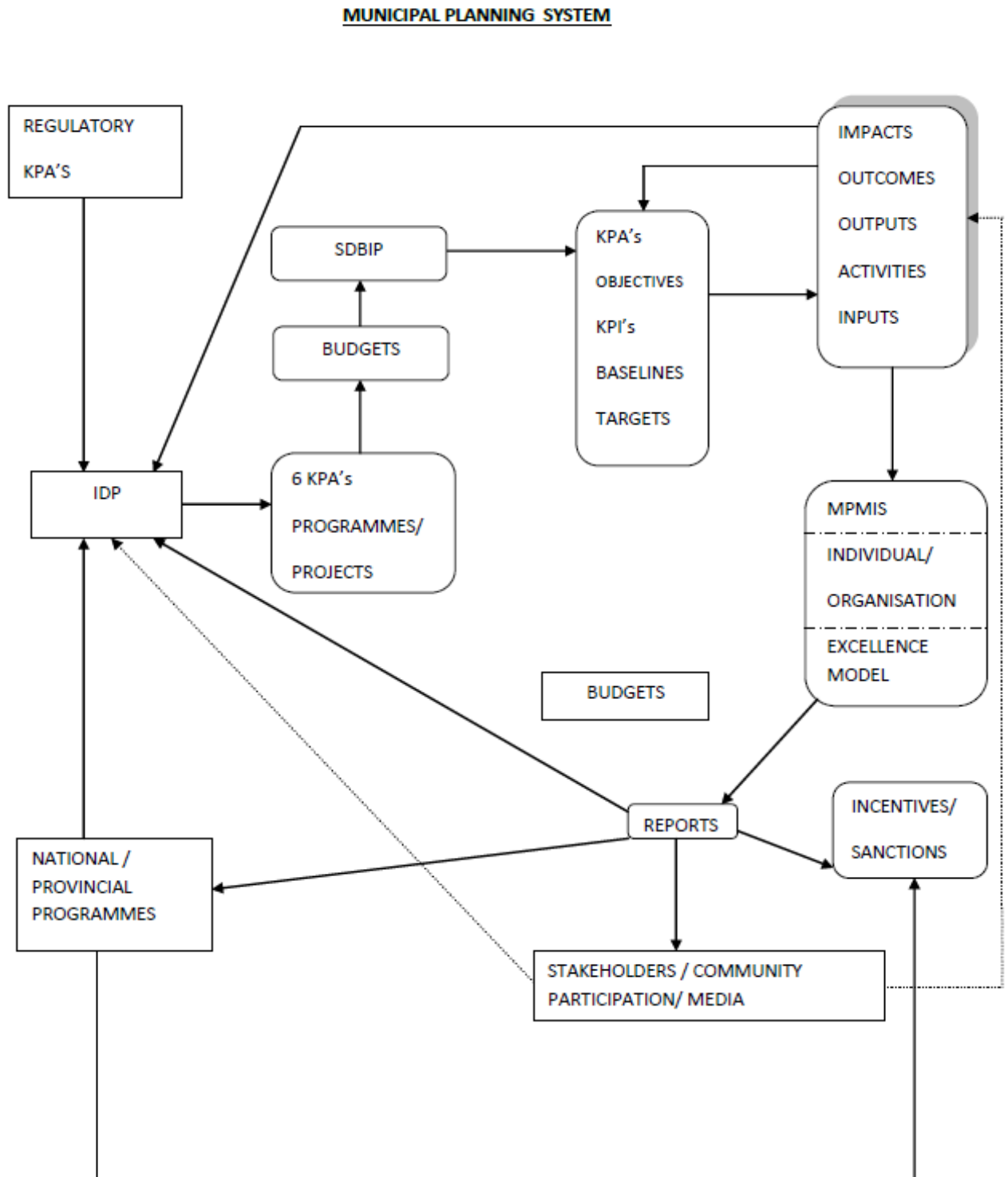
3.7.6 Feedback

Feedback is then provided from the impact subsystem to the each of the input, activities, output, and outcomes subsystems for new interventions. This systemic assessment cycle is recurring thus closing the causal – effect loop and promoting adaptation and learning in a complex environment.

Schacter (2000: 5) comments there is a lack of a learning culture due to the non-utilisation of available M & E information for future policymaking. Continuous learning requires the results of M & E interventions be fed back into the process of designing new programmes or redesigning the existing ones. The above system is based on feedback into every activity and it thus encourages learning on a continuous basis, resulting in a learning culture.

3.8 THE APPLICATION OF THE SYSTEMIC PERFORMANCE ASSESSMENT MODEL (SPAM) IN THE INTEGRATED DEVELOPMENT PLANNING PROCESS

Figure 9: Application of SPAM in the municipal planning process



Source: Adapted and Modified Theewaterskloof Municipality Performance Management Framework, (2009: 13).

The municipality is a complex system that consists of top, middle and lower management who develop and implement strategic, tactical and operational plans respectively. Municipal plans commence with the IDP which is informed by the regulatory KPA's, provincial and national programmes, stakeholder participation and progress reports generated by the PMIS for the previous IDP period. The systemic assessment framework also provides knowledge and learning into the IDP.

The IDP is then divided into the six KPA programmes and projects. Budgets are compiled and the SDBIP is formulated. Within the SDBIP, for each KPA, objectives, indicators, baselines and targets are set. The policy, programme or project then commences with the inputs, activities, outputs, outcomes and impacts being monitored. The information is then fed into the PMIS.

The PMIS manages both individual and organisational performances in terms of their respective scorecards. Performance is measured and reports are generated, which determines the appropriate incentives or sanctions. The National and Provincial Government, stakeholders, communities and the media should be presented with these performance reports. This encourages good governance practices by being transparent and accountable to the stakeholders.

In the planning process stakeholder engagement is critical. The community, in particular, informs the IDP of their needs and can assist to monitor progress of the interventions through the systemic assessment model by ensuring good governance practices and by challenging the contents of the performance reports. The ultimate success of the municipalities' interventions depends on the communities satisfaction of the service delivered. Therefore a systemic M & E system that engages its stakeholders can enhance corporate governance in municipalities.

3.9 PLANNING, IMPLEMENTING AND SUSTAINING A MWMES

The planning and design of an M & E system would determine the successful implementation and ultimately the demand for the M & E information by its users. Simister (2009: 2) proposes the following steps for the planning of an M & E system:

- Define the scope and purpose;
- Perform a situational analysis;
- Consult with the relevant stakeholders;
- Identify the key levels;
- Select key focus areas;
- Fill in a grid;
- Work out the details;
- Integrate the M & E system horizontally and vertically; and
- Roll out the system

In the municipal environment an M & E policy is a critical component for the planning and implementation of an M & E system to provide uniformity in terms of the concepts, context and contents of the M & E system.

Lahey (undated: 3) suggests the following building blocks for the planning, implementation and sustainability of an M & E system:

Vision An understanding of the benefits of M & E information to the public managers and decision makers;

Enabling environment Commitment, political will to implement and sustain the M & E system and provision of the human, financial and equipment resources.

Technical capacity Relates to the credible data and information gathering systems and employees with the relevant M & E skills.

Demand and use of M & E information Refers to the type and format of information provided, the information users and purpose of using the information.

Hosein (2003: 8) recommends the following activities for programme evaluation, namely, identify and define the attributes of the baseline indicators; define the planned level of performance; and evaluate the performance of the programme. For a successful M & E system, both the top-down and bottom-up approach, strong administrative and political leadership and middle manager support is essential (Morris: 2006: 3). Planning, implementing and sustaining the M & E system are dynamic processes that operate in a complex municipal environment and needs to be coherent and aligned regularly to the changes in both the internal and external municipal environments.

3. 10 IMPACT OF A MONITORING AND EVALUATION SYSTEM TO ENHANCE EXCELLENCE IN MUNICIPALITIES

Monitoring and Evaluation information can be used to support evidence based policy making in performance-informed budgeting, to support results-based management and to enhance transparency and support accountability relationships. Monitoring and Evaluation information is also closely related to public sector management in budgetary financial systems and financial reporting; intergovernmental relations; accountability institutions; civil service reform; community engagement; setting customer service standards and anti-corruption standards (www.worldbank.org).

Kusek and Rist (2004: 12) comments that every government needs human resource, financial, accountability and feedback systems to manage its performance. According to the Public Services Commission (2008b: 4), M & E can be used for the purposes of management decision making; organisational learning; accountability; soliciting support for programmes; supporting advocacy and promoting transparency.

3.11 CONCLUSION

The chapter conceptualises M & E and its complementary roles. To ensure a sustainable M & E the demand for M & E should exist in the municipality. Factors influencing the demand, readiness assessment and institutionalisation are discussed. The models used to develop M & E systems, namely, logical framework, systemic M & E system, results-based M & E and the participatory M & E system are discussed. Thereafter government initiatives and the GWMES, PWMES and the MWMES are reviewed. A Systemic Performance Analysis Model (SPAM) was recommended and its application in the IDP process was illustrated. Finally, the chapter concludes by highlighting the influence of M & E system to enhance excellence in municipalities.

CHAPTER FOUR

IMPACTS OF SYSTEMS IN A LOCAL GOVERNMENT ENVIRONMENT TO ACHIEVE EXCELLENCE IN MUNICIPALITIES

4.1 INTRODUCTION

When South Africa became a democratic state it had to establish traditional state institutions and also improve the legitimacy of the civil service. The Constitution introduced new democratic principles and values that resulted in new legislations and policies being introduced thereby radically transforming the public sector. The Constitution describes South Africa as a developmental state where public administration should be development-oriented, accountable, and transparent; and resources must be utilized effectively, efficiently and economically. These principles of public administration governance apply to the three spheres of government and all organs of state. Therefore state institutions and organizations must be monitored and evaluated within the context of good governance.

Governments are increasingly required to demonstrate results, primarily by improving the quality of life of its citizens and ensuring that value for money has been achieved. While the recipients of basic services increased, the massive expenditure in service delivery has not resulted in the desired outcomes. Poor service delivery in South Africa is due to a lack of political will, inadequate leadership, management weaknesses and inappropriate institutional design (Engela and Ajam, 2010: 13).

4.2 HISTORY OF LOCAL GOVERNMENT IN SOUTH AFRICA

Apartheid Local Government marginalised the disadvantaged communities and was also under capacitated to deliver basic services to all communities. It did not possess an adequate tax base and institutional capacity to be meaningfully involved in the social and economic development of the communities (NCBFLG, 2008: 7). The policies set by the apartheid government have adversely affected social and economic development of the historically disadvantaged communities. The problems inherited from the apartheid government included lack of service delivery, centralised control and top-down management, lack of accountability and transparency, absence of effective management information, low productivity and the lack of professional

work ethics and commitment amongst public servants (White Paper on the Transformation of Public Services, 1995: 11). The post-apartheid government had to contend with these challenges and deliver the basic services to the communities it serves.

Municipalities as a separate sphere of government in the new dispensation had to perform the functions of basic service delivery which had to be monitored and evaluated. This could only be achieved if there is a political and administrative culture characterized by accountability and transparency, concern for ethics and avoidance of conflicts of interest in the three spheres of government. Since 1993, Local Government had to be transformed into a democratic entity that had to be significantly involved in the socio-economic development of the communities. The transformation process was guided by various legislations.

The aim of the Local Government Transition Act No 209 of 1993 was to provide for interim measures until the final restructuring of Local Government occurred. The change process was classified into the following three phases (Local Government Transition Act: 1993: 1):

Establishment Phase (2000-2001) Focussed on the newly formed local structures developed into new institutions, systems and processes for their daily operations. Provincial Committees were established for Local Government in each province to create forums and give recognition to these forums to negotiate the restructuring of Local Government.

Consolidation Phase (2002-2004) Highlighted the systems and processes for a developmental Local Government with support from the National and Provincial spheres of government. The delimitation of the jurisdictional areas, establishment and election of transitional councils occurred in this phase.

Sustainability Phase (2005-2010) Committed the National and Provincial spheres of government to strengthen the capacity of each municipality to empower the municipalities to achieve its developmental goal.

The White Paper on the Transformation of the Public Service 1995 was then enacted to establish a policy framework for the introduction and implementation of the new policies and legislations. Some of the transformation priorities were (White Paper on the Transformation of Public Services, 1995: 12):

- Rationalisation and restructuring to ensure a unified, integrated and leaner public service;
- Institutional development to promote accountability and effectiveness;
- Meeting basic needs and redress the past imbalances; and
- The promotion of a professional service ethos.

The White Paper on the Transformation of the Public Service 1995 has identified the establishment of internal and external systems and processes for M & E that would be critical for administrative transformation.

The White Paper on Local Government 1998 provided additional guidelines and details of the developmental role of Local Government; co-operative governance, institutional systems, political systems, administrative systems, municipal finance and the transformation process itself to assist the municipalities' achieve their constitutional mandates.

Municipalities are still transforming to operate in terms of the Constitutional values and principles and find it a challenge to change from an inward autocratic culture to a more consultative citizen centered approach to service delivery (Davids, 2011: 3573). While the new dispensation introduced political freedom it has not improved the quality of life of many citizens as they still live in abject poverty.

4.3 LOCAL GOVERNMENT IN KWAZULU-NATAL

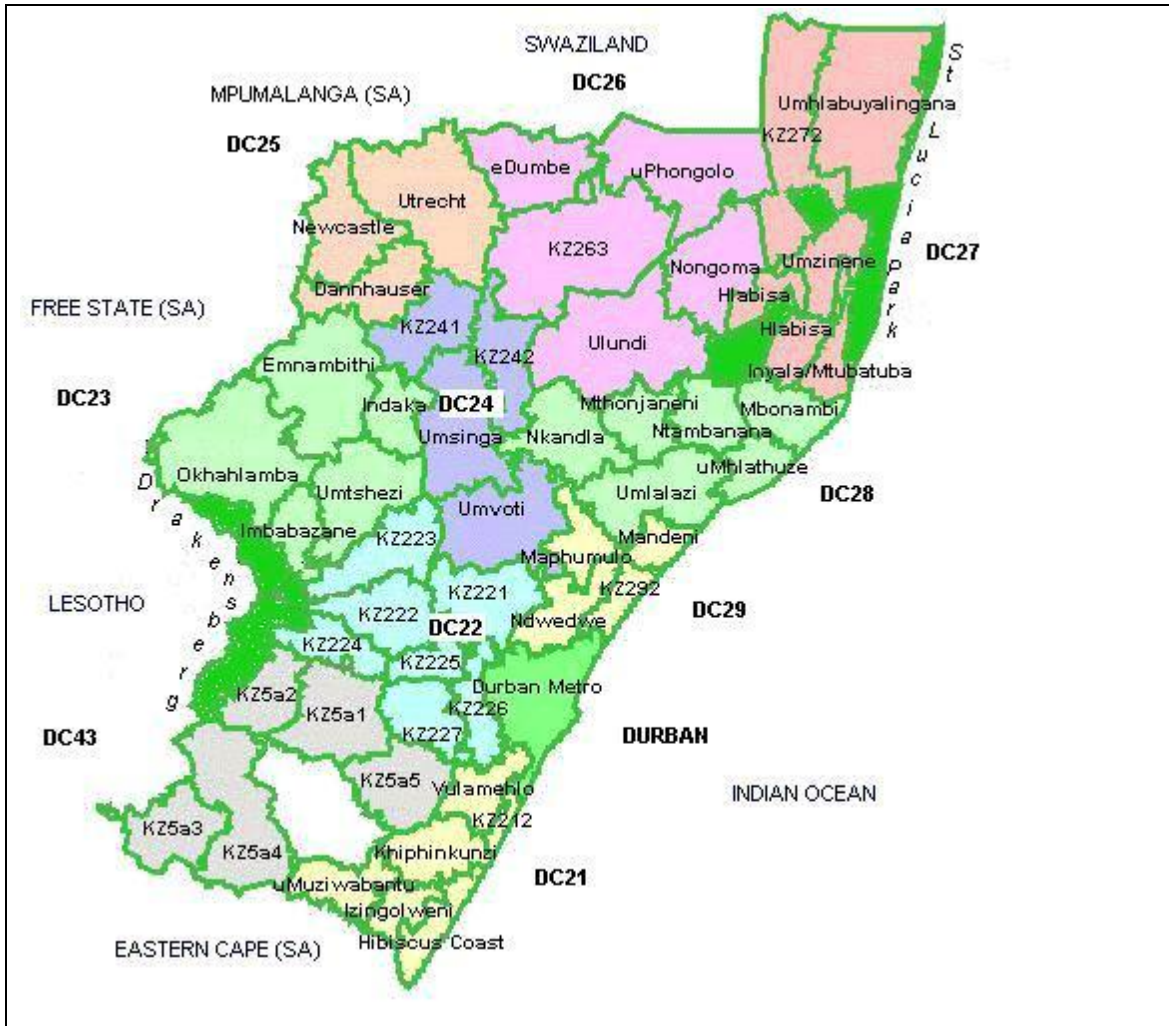
The Provincial Government is made up of the Provincial Legislature and the Provincial Executive. The Provincial Legislature has the authority to pass a constitution and pass any legislation with regards to the functions in Schedule 4 and 5 of the Constitution. It must also

provide mechanisms to ensure all provincial organs of state are accountable to it and undertake its oversight role in terms of exercising of the provincial executive authority (Section 114 of the Constitution). The executive authority rests with the Premier of the Province and the Executive Council. In terms of Section 139 of the Constitution, the Province could supervise municipalities if the municipalities fail to undertake the executive functions according to the relevant legislation.

The KZN province has one metropolitan region which is a Category A municipality, 50 Category B local municipalities and 10 Category C district municipalities are illustrated in Figure 8 and listed in Appendix 1. The KwaZulu-Natal Province is the second largest contributor to the National Gross Domestic Product and has twenty one percent of the country's population (Province of KwaZulu-Natal, 2011: 7).

KwaZulu-Natal Province has a population of approximately 9.4 million people of which 5.08 million people live under conditions of poverty with the majority (74%) of the poor residing in rural areas. Unemployment rate is 37% when the narrow definition is used and 47% when the broad definition is used. Approximately two million people live with HIV/Aids (Province of KwaZulu-Natal, 2005: ii).

Figure 10: Map of KwaZulu-Natal Province reflecting the location of the municipalities.



Source: Australia South Africa Governance Partnership, Annexure A.

4.4 DEVELOPMENTAL LOCAL GOVERNMENT

Local Government is closest to the people and is well placed to respond to the needs, interests and expectations of the communities (Koma, 2010: 113). In terms of the Constitution (1996: 107), public administration must incorporate the values and principles of providing services impartially, fairly, equitably and without bias and the people’s needs must be responded to and the public must be encouraged to participate in policy making. Therefore developmental Local government is committed to working with communities and interested stakeholders to find sustainable ways to meet their social, economic and material needs to improve their quality of

lives(White Paper on Local Government: 1998). The White Paper on Transforming Service Delivery (1997: 11) also requires the government to be committed to a citizen centered approach to service delivery by complying with the eight *Batho Pele* principles. Reddy (2006:209) identifies four characteristics of a developmental Local Government as:

- The exercising of municipal powers and functions to maximise social development and economic impact;
- To co-ordinate and integrate both public and private investment within the municipal area;
- Democratising development; and
- Building social capital by empowering communities.

4.4.1 Drivers of change in Local Government

Developmental Local Government has to manage the following three paradoxes, namely, driving economic development while at the same time alleviating poverty, it has to be democratic and at the same time be efficient in service delivery and the balancing of social sustainability with environmental sustainability (Parnell, 2002: 255). The developmental role of Local Government emphasise building of political and strategic alliances with local agents and communities to meet its Constitutional obligation.

The most significant drivers of change in Local Government are the PFMA; MFMA; Municipalities Systems Act; and the *Batho Pele* Principles which impact across all sectors of the public sector. These government initiatives emphasise that performance has to be managed, measured and improved. In particular, public finances have to be spent in accordance with legal mandates and high quality of services is to be rendered to clients and communities. The interventions ought to have created a new public service culture of professionalism and making the communities at the centre of service delivery. However, Pieterse (2002: 6) citing Dewar (1998) comments that the different policies across government create a fragmented planning framework and interdepartmental rivalry has led to institutional conflict and poor service delivery. Therefore alternate mechanisms for institutional change and performance management are required to improve corporate governance in the municipalities.

4.5 STATE OF LOCAL GOVERNMENT PERFORMANCE IN KWAZULU-NATAL

The performance management systems in municipalities are currently not providing the anticipated improvement in service delivery. This has been evidenced by the increased civil unrests and regular media reports of poor performance by municipalities. President Zuma described the administrative systems in government as the worst in the world and stated that the government faces a crisis of accountability which is the cause of the service delivery problems (The Independent on Saturday, 24 April 2010).

The CEO of Umlalazi Municipality stated that Local Government in South Africa has failed to live up to its mandate and suggested that the turnaround strategies for the municipalities is “pointless as the municipalities have already plunged over the abyss” (The Independent on Saturday, 3 April 2010). Some of the issues that created this situation are the political appointment of senior municipal officers who do not have the requisite skills and experience, demarcation of wall-to-wall municipalities, co-operative government and poor debt management (The Independent on Saturday, 3 April 2010).

The Finance MEC for KZN reported to the legislature that fraud and corruption had reached alarming proportions in KZN due to the weaknesses in the security and internal control systems. This was further confirmed by the Auditor-General’s report which had identified a lack of controls, mismanagement, and a lack of governance principles as the root cause for the state of despair in municipalities (DCGTA, 2009: 3). Reasons given for the under- expenditure were a lack of planning, project management, discipline and streamlining of supply chain management processes. Department of Co-operative Government and Traditional Affairs (2009: 3) acknowledged that there are trends and signs that are undermining the success of the municipalities in addition to many root causes with its components shown in Figure 11 below.

Figure 11: Root causes of municipal performance failures

<p style="text-align: center;">SYSTEMIC FACTORS (two tier systems, limited revenue base, demarcation)</p>
<p style="text-align: center;">LEGISLATIVE FACTORS (inappropriate legislation, over-and under- regulation)</p>
<p style="text-align: center;">POLITICAL FACTORS (inter- and intra-political conflicts and polarisation)</p>
<p style="text-align: center;">ACCOUNTABILITY SYSTEMS (lack of performance management systems; poor oversight; poor community participation mechanisms)</p>
<p style="text-align: center;">CAPACITY AND SKILLS (lack of capacity in small and rural municipalities)</p>
<p style="text-align: center;">IGR SUPPORT AND OVERSIGHT (fragmented national and provincial support; poor oversight)</p>
<p style="text-align: center;">INTERGOVERNMENTAL FISCAL REGIME (poor grant design and limited impact; grant dependency)</p>

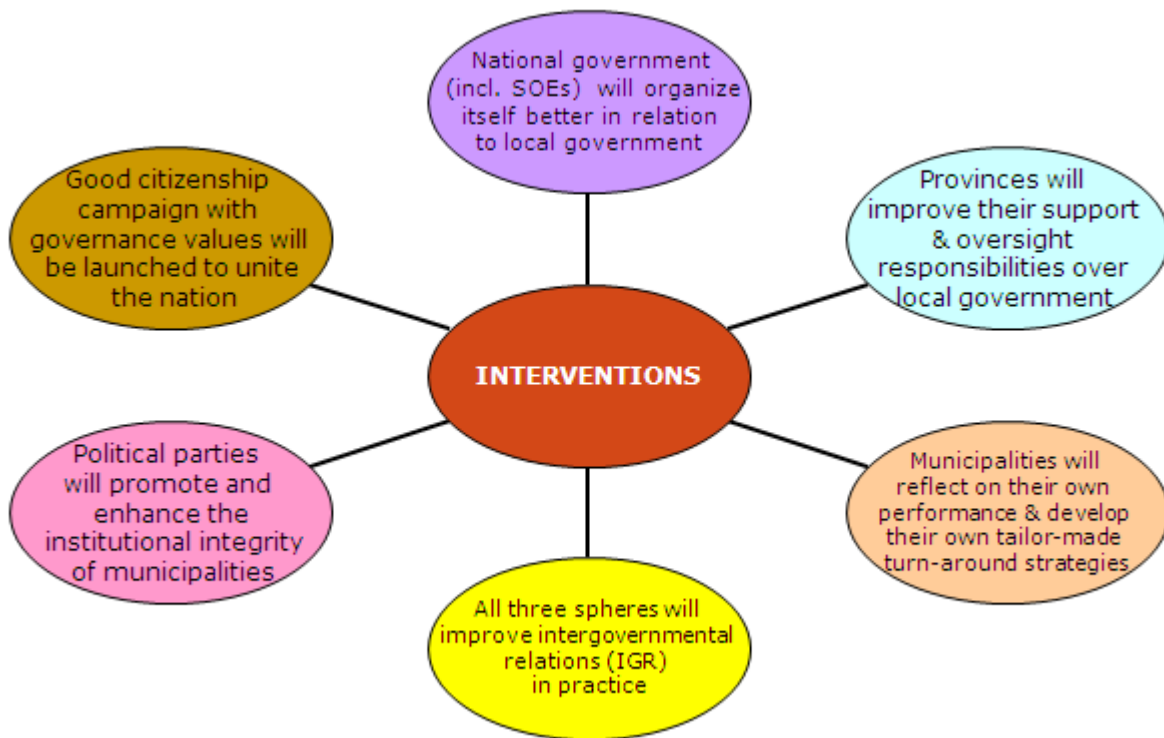
Source: Turning Around Local Government – Presentation to Parliament Adhoc Committee on Service Delivery, Department of Co-Operative Governance and Traditional Affairs, 2 February 2010.

The component of each cause of municipal performance failure given in Figure 11 indicates the numerous problems experienced and their complexities due to their interrelationships and interdependencies. It emphasise the importance of evaluating the municipal system and its specific, general and micro environments. Therefore above causes of poor performance have to be addressed from a systems approach with clearly defined performance objectives and indicators.

The township violence and the Report on the National State of Local Government Assessments by the DCGTA have propelled the government and the ruling party to intervene in an attempt to resolve poor service delivery (Sunday Tribune, 25 October 2009). The National Government responded by developing turnaround strategies for the poorly performing municipalities as the country would face a development risk if Local Government fails. Both the National and

Provincial Governments implemented a turnaround strategy for non-performing municipalities and took control of the administration of the poor performing municipalities. The DCGTA (2009: 3) notes that the country faces a great development risk if Local Government fails. The National and Provincial Governments set a programme of interventions to improve Local Government performance. The key interventions are shown in Figure 12 below.

Figure 12: Key interventions to improve municipal performance



Source: Turning Around Local Government – Presentation to Parliament Adhoc Committee on Service Delivery, Department of Co-Operative Governance and Traditional Affairs, 2 February 2010.

The above interventions highlight the systemic involvement of all stakeholders in turning around the municipalities. It also indicates the existing poor governance, oversight roles and intergovernmental relations between the National, Provincial and Local spheres of government. To bring about positive change, a collaborative and systemic intervention has to be planned and implemented.

In his budget speech on the 24 June 2009, the Minister of Performance, Monitoring and Evaluation reported that the state can only be successful if there is an efficient M & E system to monitor the quality and standard of the services provided to the people. The M & E systems therefore is a tool to enhance the developmental functions of the municipalities and simultaneously improve its performance and governance by formulating clear performance indicators, targets and evidence based corrective action that can be monitored by the Provincial and National spheres of government.

4.6 OVERSIGHT ROLE OF THE THREE SPHERES OF GOVERNMENT

The oversight roles of Provincial and National Governments involve M & E of the municipalities' performance; developmental support; and capacity development. The performance information process commences with policy development and continues to the planning, budgeting, implementation and reporting stages. Parliament and Provincial Legislatures exercise their oversight roles by monitoring the outputs, outcomes and impacts of projects, programmes and policies. Parliament may intervene in a province and municipality by passing legislation in terms of Schedule Four and Five functions to, *inter alia*, maintain economic unity, maintain national and minimal standards for service delivery (Constitution, 1996: 29).

In terms of Section 155(6) of the Constitution, the Provincial Government must establish municipalities in its province and provide for the monitoring and support of the Local Government. Further, the province is obliged to promote the development of Local Government capacity so that the municipality can perform their functions and manage their own affairs. Section 139(1) permits the Provincial Executive to intervene in municipalities that do not fulfil an executive obligation in terms of the relevant legislation. The Provincial Executive exercises its oversight role by issuing a directive to the Municipal Council informing it of the performance shortcomings and requests the council to take the necessary actions to improve its performance. Its oversight role also includes intervening to maintain national or the minimal standards for delivering service; preventing the municipal council from taking any further actions that may be prejudicial to other municipalities or the province as a whole and to maintain economic unity. The Municipal Structure Act, allows the MEC for Local Government to intervene if the provision of services by a local and district municipality collapses or likely to collapse due to the

lack of capacity or any other reason by reallocating the powers and functions to restore or maintain the basic services (Section 87(1)). Section 136 and 137 allow for discretionary and mandatory provincial intervention in municipalities that are experiencing financial difficulties respectively.

The MFMA requires the Provincial Treasury to monitor the municipality's compliance with the Act; monitor the preparation of the budget by the municipality; monitor the monthly outcome of the budgets and monitor the submission of the reports in terms of the Act (Section 4). The Provincial Treasury may take the appropriate steps if a municipality has committed a breach of the Act.

The role of province is critical in supporting and monitoring development, service delivery and good governance (NCBFLG: 42). The KZN Provincial Government through the Cabinet has intervened in the municipalities of Msunduzi, Ndaka, Mhlabuyalingana and uKhahlamba which encountered serious administrative challenges. It is currently managing the finances of the Ugu and Umkhanyakhude District Municipalities where the former was in a financial crisis and the latter was technically bankrupt (Sunday Tribune, 25 October 2009). The Local Government Turnaround Strategy implementation was supported by the Province by also assisting the municipalities to develop their own turnaround strategies and to adopt a ten-point plan. The aim of the Province is to enforce good governance and integrity in the service of the public. However, a lack of capacity at Provincial sphere of government would result in poor alignment with national programmes and also adversely affect Local Government service delivery.

In the Local Government sphere, the Mayor or Executive Committee undertakes the oversight role by ensuring the Municipal Manager has delivered in terms of the performance agreement. It is important that councils recognise the importance of the performance-based management process in managing their affairs. Individual employee performance contracts should be based on measurable outputs and relate to the achieving certain objectives and outcomes set by the Council.

Table 5: Oversight functions of the three spheres of government

Institutions	Area or review
National government	
The Presidency	<ul style="list-style-type: none"> • Annual overview government performance • Detailed evaluation of specific policy initiatives or sectors • International reporting obligations e.g. reports on the status of children
National Treasury	<ul style="list-style-type: none"> • National, provincial and local government expenditure reviews • Detailed performance evaluations and specific sectors focusing on the economy, efficiency, effectiveness and equity of service delivery
Department of provincial and local government	<ul style="list-style-type: none"> • Overviews of provincial and local government delivery of basic services
National departments with concurrent functions	<ul style="list-style-type: none"> • Overviews of sector service delivery • Detailed performance evaluations of policies and areas of service delivery
Departments responsible for national public entities	<ul style="list-style-type: none"> • Overviews of entities performance • Detailed performance evaluations of entities
Provincial government	
The premiers office	<ul style="list-style-type: none"> • Annual overview of provincial government performance • Detailed evaluations of specific policy initiative or sectors
Provincial treasury	<ul style="list-style-type: none"> • Overviews of provincial expenditure • Detailed performance evaluations of specific sectors focusing on the economy, efficiency, effectiveness and equity of service delivery.
Department of local government	<ul style="list-style-type: none"> • Overviews of local government delivery of basic services
Provincial departments responsible fro provincial public entities	<ul style="list-style-type: none"> • Overviews of entities' performance • Detailed performance evaluations of entities
Local sphere of government	
Municipal councils	<ul style="list-style-type: none"> • Annual overview of municipalities performance • Detailed evaluations of specific policy initiatives or sectors
Municipalities responsible for municipal entities	<ul style="list-style-type: none"> • Overviews of entities' performance • Detailed performance evaluations of entities
Constitutional institutions	
Public service commission	<ul style="list-style-type: none"> • The performance of the public service • Reviews of the implementation of human resources policies
South African Human rights commission	<ul style="list-style-type: none"> • Annual reviews of the implementation of the Bill of Rights • Ad hoc reports
Auditor-General	<ul style="list-style-type: none"> • Audit Reports • General reports on systems used to manage performance information
Other constitutional entities	<ul style="list-style-type: none"> • According to their mandates

Source: National Treasury, Framework for Managing Programme Performance Information, (2007: 16).

Table 5 highlights the oversight roles and responsibilities of each sphere of government and the Constitutional institutions.

Steytler (2008: 768) comments that there is a tension between the municipalities' right to govern the provision of services to its communities and the oversight role of the National and Provincial governments through regulation and supervision. A balance has to be achieved in terms of Section 151(3) of the Constitution where the National and Provincial spheres of government do not compromise or impede a municipality's right to exercise its powers and the prevention of mismanagement, incompetence and corruption. Reddy (2001: 30) and Baatjies (2006: 27) note that political will is the key driver to facilitate coordination and co-operation for effective intergovernmental relations.

Co-operative governance is essential for a state with autonomous levels of government. South Africa has three spheres of government which needs to comply with the principles of co-operative governance as stipulated in Chapter three of the Constitution. Since the Intergovernmental Relations Framework Act of 2005 has been in operation, intergovernmental relations forums have been formed but are not effective due to the lack of capacity among the local municipalities, district municipalities and the lack of urgency given to intergovernmental relations. Poor co-operative governance and intergovernmental relations would adversely affect the effective, efficient and economical service delivery due to each system operating in isolation.

4.7 PRINCIPAL THEORIES UNDERPINNING SYSTEMIC MONITORING AND EVALUATION

Systemic M & E systems is an inclusive approach to public management and administration as a performance management tool that considers the interaction and perspectives of the various stakeholders within their internal and external environments to achieve efficiency, effectiveness and economy for the achievement of the developmental objectives of the municipality. The Public Management Systems Model, New Public Management theory, and the Systems theory collectively contribute to the synergistic outcomes of a systemic M & E system.

4.7.1 Systems Theory

Systems theory is a multidisciplinary study of self-regulating systems with the aim of establishing common principles that could be applied to all types of systems at different levels and fields of research (http://en.wikipedia.org/wiki/Systems_theory). Self-regulating systems undergo self-correction through feedback and are found *inter alia* in human learning processes such as the municipal environment.

4.7.1.1 Conceptualising systems

Smit, Cronje', Brevis and Vrba (2007: 57) defines a system as a set of interrelated elements functioning as a whole. A system can also be defined as set of interacting, interdependent parts that are connected through a series of relationships where the interdependent parts work together for the overall objective of the whole (Haines, 1998: vi). Schurink and Schurink (2010: 19) also comments that a system is an organised collection of sub-systems that are highly integrated to accomplish an overall goal. In this regard Bevir (2009: 19) emphasises that a system is the pattern of order emanating from regular interactions of a series of interdependent elements.

Open systems continuously interact with their environments and are dependent on the environment for the provision of services and products while closed systems having limited interaction with its environment deteriorate and die. In an organization operating as an open system there are interrelated set of sub-systems that function as a whole. Such a system consists of four elements, namely, resources, transformational activities, outputs and feedback (Smit *et al.*, 2008: 39). Every system has the basic characteristics of having a boundary, relationships and perspectives (Hargreaves, 2010: 3) that creates systems dynamics which could be unorganized, organized or self-organising.

According to (Charlton, 2003: 4), the function of systems is to process environmental information in order to predict, respond and manipulate the environment. Van der Waladt and Du Toit (1997: 97) note that for a system to survive it needs to achieve a steady state or dynamic homeostasis, where there is a balance between the systems inputs, activities and outputs. This

state is achieved through the feedback process which supplies information to the system to assess the level of the steady state or destruction.

For the purposes of the study, systems are characterized by a boundary, sub-systems and the interrelationships and interdependences among the system and the sub-systems; sub-systems themselves; environment and the system and sub-systems, that work together to achieve the objectives of the whole system. The boundary decides what is included or excluded from the system thus impacting on systems thinking.

4.7.1.2 Complex Adaptive Systems

Stacey (2003: 237) defines a complex adaptive system as a system consisting a large number of agents operating with a set of its own rules and the rules require agents to adjust their behaviour to that of the other agents. An organisation is considered a complex adaptive system with the network of employees complying with the rules of their respective departments but also relating to employees from other departments to collectively provide a product or service for their customers. The key concept of agency-based complex systems is the self-organisation which results in the emergence and maintenance of order and are characterised by four elements.

According to (Mathison, 2005: 71), complex adaptive systems are characterised by four key elements:

- It is made up of units that are able to sense and respond to the changes in their environment;
- The units are autonomous where each unit act on a set of decision rules without purposive collaboration with other units;
- It is made up of a large number of units where the action of one unit could affect other units; and
- The units can vary in their complexity.

Behaviours specific to complex adaptive systems are emergence; stability and chaos; adaptation; and basins of attraction and strange attraction (Mathison, 2005: 71). Emergence is the actions of individual units to produce large-scale ordered behaviour. Stability, chaos and their border regions is response of the complex adaptive systems to the changes in their environment. Adaptation refers to the ability of the complex adaptive system to adapt to its environment to ensure it serves its purpose. A basin of attraction deals with a value of a variable within the system that has changed and then reverts to the original position. For strange attraction the value of the variable is predictable and specifiable but not repeatable.

A municipality is made up of a number of departments or divisions interacting with each other, each having a varying level of complexity; its own rules; and its actions affect other departments. Therefore the study proposes that municipalities are complex adaptive systems.

4.7.1.3 Systems Thinking

Systems thinking is the process of understanding the influences of the sub-systems, the system and environment on each other (http://en.wikipedia.org/wiki/Systems_theory). Systems thinking in evaluation is a particular approach that transforms the traditional manner used to evaluate programmes, policies or initiatives since it balances the emphasis between the whole and its parts, taking multiple views into account (Cabrera, Colosi, and Lobdell, 2008: 301). Bennet (2004:11) comments that systems thinking enable the micro-environment stakeholders to step out of the organization and view it from a more objective and insightful perspective. Systems thinking is a generic term for the application of approaches based on systems theories to provide insights into the way in which people; programmes and organisations interact with each other; their histories; and their environments (Rogers and Williams (2006: 80) and Williams (2010: 36)).

Cabrera *et al.* (2008: 307) notes that systems thinking can be achieved by applying four basic interrelated and interconnected rules, namely, distinction, systems, relationships and perspectives. Distinction determines what is and is not the scope of the initiative. The system requires the parts and whole to be organised into other systems. Relationships between the

components and the whole and the activities and outcomes determine the causal effects. Perspective involves ones view point of the real world experiences.

According to Bennet (2004: 355), systems thinking highlight the need for community involvement, teamwork, open communications and the alignment of actions. Schurink and Schurink (2010: 17) states that the systems thinking approach aids the stakeholders to understand the complex structures by examining the linkages and interactions between the elements that form part of the system as a whole. Significant efficiency savings are achieved by the public service organisations that utilise the systems approach; improved customer satisfaction with the services; and better service design leading to greater community participation than in a command- control environment (Sneddon, 2008: 198). The characteristics of a command-control and a systems thinking environment are compared in Table 6 below.

Table 6: Command and control versus systems thinking

Dimensions	Command and control thinking	Systems thinking
Perspective	Top-down hierarchy	Outside-in, system
Design	Functional	Demand, value and flow
Decision making	Separated from work	Integrated with work
Measurement	Outputs; targets; and standards related to budgets	Capability and variations related to work
Attitude to customers	Contractual	What matters?
Attitude to suppliers	Contractual	Co-operative
Role of management	Manage people and budgets	Act on the system
Ethos	Control	Learning
Change	Reactive	Adaptive, integral
Motivation	Extrinsic	Intrinsic

Source: J Sneddon, Systems Thinking in the Public Sector, (2008: 70).

The systems view requires the municipality to think about the organisation from outside-in where the customers' demands are firstly understood and then the system is designed to meet the needs of the citizens. Workers should be empowered to make decisions relating to their work and a learning ethos would develop within the organisation. The command-control thinking restricts the workers to focus on task completion under the direct control of the managers. In

systems thinking purpose is derived from the citizens perspective from which performance measurement and methods are established while the command and control thinking imposes a de-facto purpose with set targets and methods (Sneddon, 2008: 82).

Van der Waldt and Du Toit (1997: 96) adds that the systems approach allows one to gain insights into three interdependent areas, namely, interaction between the system and the environment, the processes within the system, and the processes through which parts of the environment interact with each other. Through the systems approach, greater insights of the interdependencies are achieved of the system and the environment, between the subsystems itself and between the systems processes and the external environment (Van der Wald and Du Toit, 1997: 96). This enables the participants thinking to change to when dealing with a service delivery issue. The benefits of systems thinking to public managers are: functional areas and activities of the institution are not viewed in isolation; the institution is viewed as a subsystem of the environment; it allows for alignment with government functions and their own unique contribution; and enables them to undertake trend and environmental analysis of the organisation in terms of the constitutional dispensation (Van der Waldt and Du Toit, 1997: 398).

Systematic evaluation can be utilised for a number of purposes, including policy making; public accountability; programme and organisational improvement; knowledge development; advancement of social justice; and enhancement of practice judgements (Mark, Green and Shaw: 2006: 2). According to Rogers and Williams (2006: 88), systematic evaluation developed its framework from the core principles of Critical Systems Thinking and addresses the learning; development; cultural; conflict; and bargaining aspects of an organisation. It operates as an open system where interactions between the internal and external systems occur. Stacey (2003: 94) identifies the lessons of system thinking as the structure of the system influences behaviour; structures in human behaviour is subtle since it could generate unintended outcomes; and thinking of the whole system would assist the organisation to cope effectively to changes in the environment.

Municipalities are currently experiencing challenges in sustaining service delivery, becoming financially viable; capacitating and empowering staff to improve their productivity and changes

in the environment. According to Kanji and Sa (2007: 55), a public sector institution attempting to improve its performance should *inter alia* follow a systems thinking and a holistic approach to performance management. Since the municipality is a complex adaptive system, systems thinking needs to be developed within the municipalities so that staff could identify their roles and responsibilities in relation to the other departments and provide services in a systemic manner.

4.7.1.4 Municipalities as Complex Adaptive Systems

Municipalities are public institutions that undertake management functions of planning, organising, leading and controlling with various stakeholders in the specific and general environments. It processes a huge amount of information from the numerous daily transactions in a dynamic and complex environment. A municipality has functional and jurisdictional boundaries within which it exercises its powers and authority to undertake its developmental goals. According to Kroukamp and Lues (2008: 111), complexity in Local Government is due to the demarcation of municipalities that lead to the distance between the service provider and the communities and municipalities lack sufficient human resources and skills to use new technology for effective service delivery. It constitutes subsystems that are interdependent and interrelated. The municipality is an open system since the system and the subsystems interact with their external environments by forming networks. Finally the municipality and its functional departments exist primarily to deliver basic services to the public through networks and inter-organisational relationships.

Networks and inter-organisational relationships emphasise the interdependencies of various stakeholders in policy formulation, it challenges the key roles of public actors in decision making and implementation processes and the method of managing and evaluating policy processes and evaluations (Klijn, 2005: 258). Challenges faced with evaluating network and inter-organisational outcomes are that each of the actors would have their own differing perspectives, goals and strategies and the selection of the evaluation criteria could be problematic. Further, the interactions between the actors are complex and knowledge is distributed between different actors. This could lead to the loss of information when actors change their perspectives and goals when additional information is gained. Finally, learning

occurs during the interaction processes and cannot be taken into account if the evaluation criteria are set as a stated goal prior to the interventions. Due to exclusivity, policies formulated and implemented could arise from group-think due to the closeness of the actors in the network (Klijn, 2005: 273). To avoid the lack of learning through exclusivity and group think, a systemic intervention has to be implemented.

According to Hargreaves (2010: 5), systems interventions attempt to change patterns of behaviour throughout the system among the different stakeholders by changing the fundamental system dynamics and conditions. Relevant system evaluation design considers the system dynamics of the intervention circumstances, the dynamics of the intervention itself and the purposes of the evaluation. When an evaluation defines a specific boundary it rejects the influence of other factors affecting the outputs, outcomes and impacts. For example, a health intervention not focusing on poor housing can lead to incorrect conclusions. Therefore, one cannot attribute a specific outcome to a specific intervention, since other external or internal factors to the intervention could affect the causal relationship that lead to the final output, outcome or impacts. The systems approach to evaluations assist evaluators in situations where rigorous rethinking, reframing and unpacking complex realities and assumptions are required (Imam: 2007: 7). A participatory approach to evaluation ensures that the evaluation design has considered the varying perspectives of the stakeholders thus establishing the interrelationships and interdependencies between the stakeholders and the system in which the programme exists.

Municipalities operate as complex adaptive systems that consist of many variables in an open system with non-linear relationships that cannot all be described, explained and predicated with accuracy. A complexity approach to policy systems provides more accurate insights into the nature and operations of public sector organizations (Cloete, 2009: 305). The characteristics of the complexity approach are defined by Cloete (2009: 305) citing Cocksey (2001: 77) as guiding instead of prescribing, adapting instead of formalizing, learning instead of defending, complexifying instead of simplifying and including instead of excluding.

For a complex system, the law of requisite variety requires that there be more variety than the environment for survival. A municipality, being a complex organization would waste resources

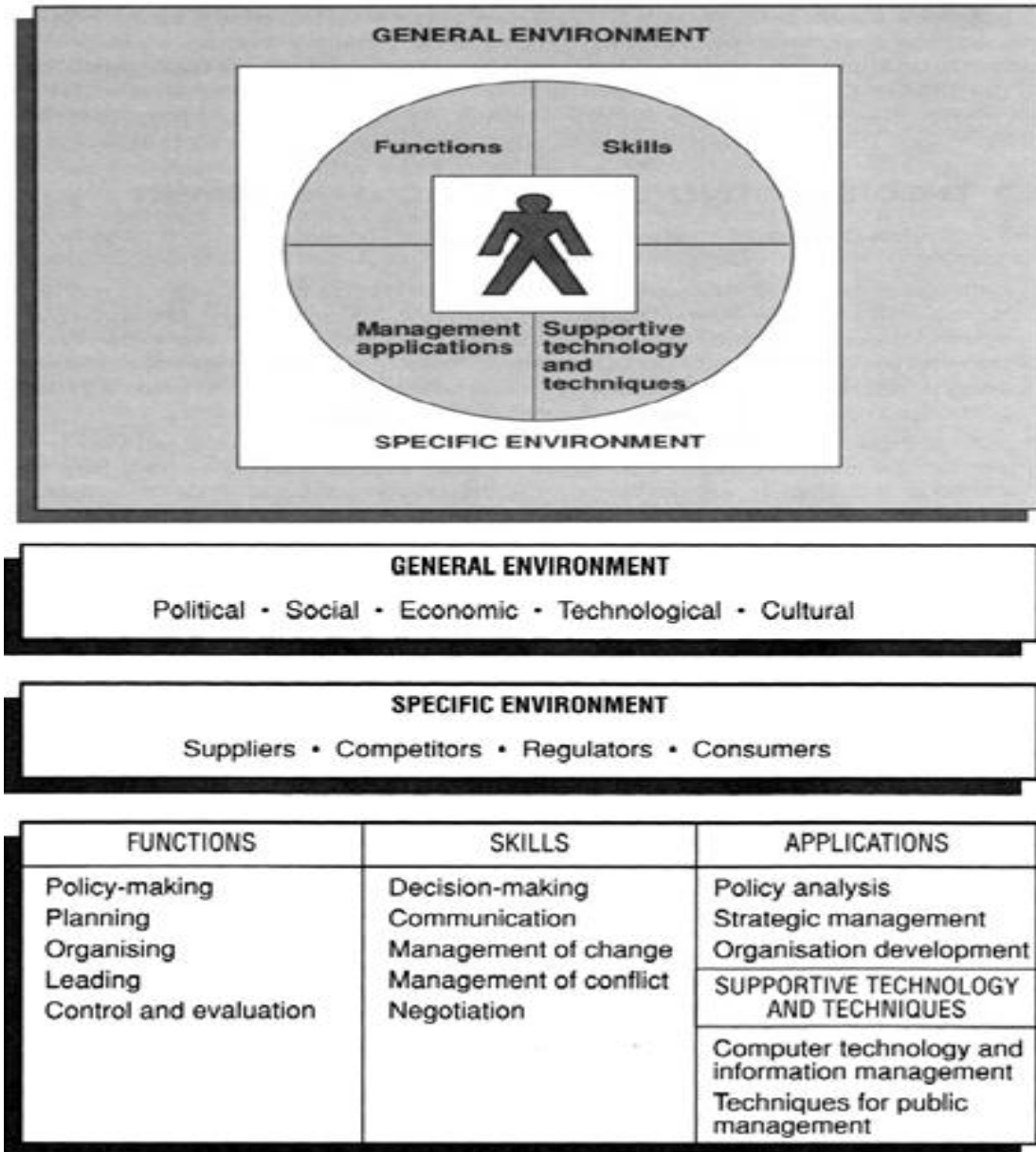
if there were too many service delivery options and it would be unable to respond to community needs if there were too few service delivery options (Benne, 2004: 303). Therefore, within the governmental systems it is critical to co-ordinate and integrate policies, programmes and projects to maximise inputs and reduce unwanted outputs and outcomes (Uys, 2010: 57). For the purposes of this study municipalities are considered as complex adaptive systems that operate and adapt to the continually changing demands of its stakeholders and its environments. Municipalities can improve its effectiveness, efficiencies and economies by adapting and utilising some of the private sector business processes.

4.7.2 Public Management Systems Theory

The Public Management Systems Model is an open system where the municipality interacts with both the specific environment and the general environment. The former constitutes suppliers, competitors, regulators and consumers while the latter constitutes political, social, economic, technological and cultural factors (Schwella, Burger, Fox and Muller, 2000: 4). Uys (2010: 64) notes that public officials focus on a few aspects of operationalisation which restricts the freedom needed for integrated management (comprehensive performance of the whole system).

The open system view holds that the analysis of organizational phenomena, including management, must take into account the ecology of the organization, that is, how well the organization accommodates the outside world (Schwella *et al.*, 2000: 13). According to Boland (2000: 411), the systems approach to performance management is required since the public sector management occurs within a complex dynamic system consisting of independent stakeholders, informational and resource flows and behaviour characterised by both inertia and multiple feedback loop. Charlton (2003: 7) asserts that organisations are systems with different levels of complexity and its management systems involve the processing of selected information between the organisation and the environment.

Figure13: Public Management Systems Model



Source: W. Fox, E Schwella and H.H. Wissink, (2000: 4).

Monitoring and Evaluation systems cannot be sustainable and effective if it does not consider both the specific and general environments in the public management system as results would not be an accurate reflection of the real world situation. Therefore, Schurink and Schurink (2010: 13) advocate that governance and evaluation issues should be dealt in a holistic manner to ensure

that both the symptoms and the causes of poor performance are addressed. Davids (2011: 3574) adds that since the municipality operates within a continually changing environment it needs to respond appropriately to the communities' changing demands for service delivery. The provision of service delivery is dependent on both the political office bearers and administrators working towards a common goal of providing the required quantity and quality of service delivery.

Public administration consists of two interdependent disciplines, namely, a political process and an administration process that are linked together by the governance functions, and operates in an open system environment (Minaar, 2010: 3). The formulation of the policies are conducted by the political process and its implementation is undertaken by the administration process. The governance function ensures that the activities of the public sector organizations are aligned to the accepted strategic direction of the political office bearers and decisions made by the public administrators are in accordance to the policies set by the political office bearers. However, Sefala (2009: 1161) citing Cloete (1997) notes that politics always plays a role in development Local Government since decisions made are always political. Political interference in administration functions adds further complexity for the administrators to undertake their management functions.

4.7.3 New Public Management theory (NPM)

Historically, the public sector was seen both as ineffective and inefficient in terms of cost containment and quality improvement. Reform was introduced to reduce the tax bill, the dissatisfaction of the electorate and the declining standards of the public service (McLaughlin *et al.*, 2002: 35). The drivers for change were cost containment, public support and performance improvement. The politicians and their advisors approached the private sector to assist with the reforms. Hence the focus of the NPM was the creation of organizational and institutional contexts that were practiced in the private sector (McLaughlin *et al.*, 2002: 35). The traditionally organized and managed public services were then linked by NPM to actions and consequences (Table 7) to obtain better effectiveness and efficiencies in the following manner:

Table 7: Action and consequences in respect of new public management (NPM)

Ideology	Actions	Consequences
Ineffective cost control	Increase competition by creating quasi-markets.	The more expensive providers secure fewer contracts. Efficient cost-controlling organizations will flourish.
Ineffective quality control	Increase competition by creating quasi-markets.	Providers more effective in improving quality and better at innovation will secure more contracts.
Do not effectively meet the standards of service expected by citizens.	Introduce the citizens' charter of rights to standards of service.	Organisations providing better client service will flourish.
Too much power and influence given to special interest groups such as trade unions and professional associations.	Reduce power of special interest groups by decreasing rewards, introducing legislation, appeal to ethical codes and threat of privatization.	Special interest groups' power and influence will decrease.

Source: McLaughlin *et al* (2002: 36).

According to Kroukamp and Lues (2008: 114,) the observations of (Common, 1998: 445) and (Minogue, 1998: 27) highlighted fiscal crisis in governments, poor public sector performance, bureaucracy, corruption, lack of accountability, changing citizen expectations and different service delivery forms as the main contributory factors for the current emergence of NPM. Therefore the issues of cost control, quality of service rendered, meeting service delivery standards and excess power given to specific stakeholders are still relevant to the management of the municipalities. The increase in competition, compliance to a customer service charter and the reduction of power has to be monitored and evaluated for their outcomes and impacts.

Pollitt (2001: 473) describes the elements of NPM as:

- A shift in the focus of management systems and efforts from inputs and processes to outputs and outcomes;
- A greater focus on measuring performance by setting indicators and standards;
- Developing organisational structures that autonomous, lean, flat and specialised;
- Encouragement of hierarchical relationships;
- Broader use of market or market-like instruments for public service delivery;
- Values of efficiency and individualism are encouraged; and
- Blurring between the public and private sector institutions.

The elements indicate a focus towards a results-based performance a management system that also interacts with stakeholders and the internal management and external market systems.

Uys (2010: 56) disagrees with those who regard government as a business due to the complexities of government. While businesses are profit orientated, government has to comply with the constitutional values, provide social welfare services, make decisions in consultation with the public and operate as a stakeholder in the political process. Many governmental goals are vague and not directly measurable. Kroukamp and Lues (2008: 114) also criticises the NPM for its tendency to blur the distinction between public and private sector.

However, Denhardt and Denhardt (2000: 550) conclude that NPM is more than using business techniques in the public sector. It is a model that has signalled a radical shift on the role of public administrators, the nature of the profession and the manner in which tasks are accomplished. The authors further propose a new Public Service Model which includes the following principles:

- Serve rather than steer;
- The public interest is the aim and not the by-product;
- Think strategically, act democratically;
- Serve citizens, not customers;
- Accountability isn't simple;
- Value people, not just productivity; and
- Value citizenship and public service above entrepreneurship.

The above principles are also supported by IDASA (2008: 10) which recommends the use of the NPM principles to overcome the service delivery backlogs and to guide the government to form Local Government institutions characterised by being:

Catalytic Municipalities should “steer rather than row” by ensuring services are provided rather than delivering them directly;

Community–empowering Encourage local groups to solve its problems rather than dictate bureaucratic solutions or get experts to solve the problems.

Competitive Engage the private sector and non-governmental organisations to provide more effective and efficient services; and

Customer-driven Focus on meeting the needs of the communities rather than the needs of the bureaucracy.

The above principles encourage stakeholder engagement to introduce competition for service delivery to be economical. Networks and collaborations could be utilised by the municipalities to provide services rather than directly delivering it to the communities. The empowerment of communities would ensure transparency among the various stakeholders working within and out of the system.

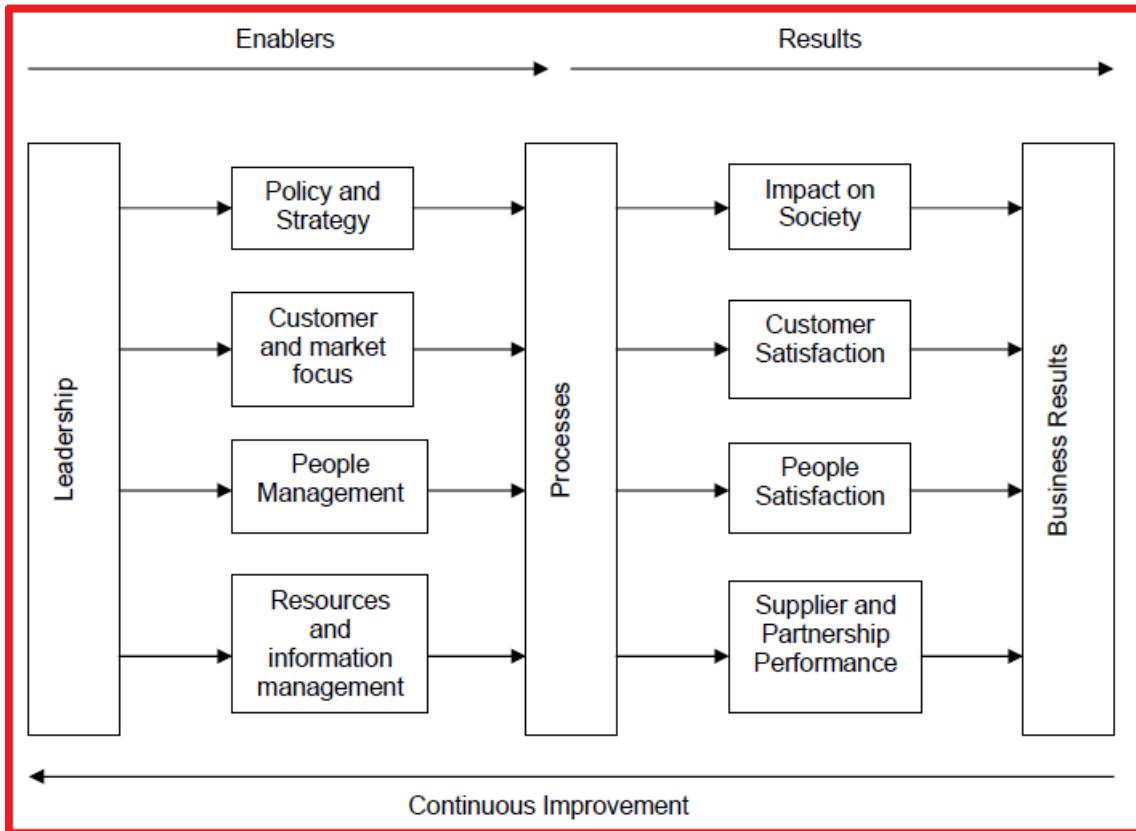
New Public Management principles support the systemic approach to the Results-Based M & E system by increasing accountability; governance; capacity development; and performance management. According to Cameron (2009: 937), South Africa has obtained mixed results in applying NPM principles due to the lack of commitment of the present government to the free market mechanisms; resistance from civil society; and a quest for greater effectiveness, efficiency and economy. The municipalities need to capacitate the officials to be selective of the products and services that would be outsourced to the private sector and nongovernmental organisations. Therefore due to the different purposes of government and private sector, private sector models should be adapted to suit the public management systems environments.

4.7.4 South African Excellence Model

The South African Excellence Model (Figure 14) was developed by the South African Excellence Foundation to deal with performance excellence in both the private and public sector organisations. The Department of Provincial and Local Government has recommended the above model for municipalities to use to develop a performance measurement framework to undertake performance measurements (Performance Management Guide for Municipalities, 2001: 27). The Best Practice Guide for Municipal Organisational Performance Management in KwaZulu-Natal (2003: 57) also recommended the SAEM, which is renamed the Business Excellence Model, for a diagnostic analysis of the municipality's performance. Naidoo and Reddy (2008: 37) suggest that the SAEM would enable municipalities to become globally competitive. According to Ketel and Van der Molen (2008: 69), few municipalities utilise the excellence model to frame its Performance Management System due to the more detailed and complicated approach the model demands from the municipalities.

The model is based on the following assumptions: Business success is gained through sound leadership which should drive policy and strategy; customer and market focus, people management; resources and information management. Organisational processes must be identified, managed, reviewed, and improved to ensure a positive impact on society, customer satisfaction, people satisfaction, supplier and partnership performance (Smit *et al.*, 2007: 43).

Figure 14: South African Excellence Model



Source: South African Excellence Model, 2000.

The eleven criteria of the SAEM ensure a holistic approach to managing the municipality’s quality system and performance measurement towards achieving excellence. Leadership; policy and strategy; customer and stakeholder focus; people management; and resource and information management are considered as enablers to achieve excellence in the organisation. The organisation’s results are measured in terms of processes; impact on society; customer and stakeholder satisfaction; people satisfaction; and supplier and partnership support. Each element is weighted in points or percentages in terms of its significance in the overall organisational systems involved in pursuing excellence. A brief description of each of the elements is given in Table 8.

Table 8: Elements of the South African Excellence Model

Criteria	Aspects to measure
Leadership	The behaviour and actions of the executive team to inspire; support; and promote a culture of performance excellence.
Policy and Strategy	How the organisation formulates; reviews; and turns policy and strategy into plan and actions.
Customer focus	How the organisation determines customer requirements and expectations; enhances relationship with customers; and determines their satisfaction.
People management	Whether or not the organisation realises that people are its most important assets and how it utilises them. Whether it allows for creativity of its employees and to perform to excellence.
Resources and Information management	Employees become effective and resourceful and effective when they have information at their disposal.
Processes	How the organisation identifies, manages, reviews and improves its processes.
Impact on society	Whether or not the organisation considers the communities needs and effectively manages these needs.
Customer satisfaction	What the organisation does to satisfy its customers.
People satisfaction	Whether or not his organisation realises that satisfied employees result in satisfied customers.
Supplier and partnership performance	What the organisation is doing to manage its suppliers and partners.
Results	Whether or not the organisation is achieving its planned objectives and satisfying other stakeholders.

Source: Managing Performance in the Public Sector, (2004: 185).

In terms of SPAM each measurable would have objectives; indicators and targets for the inputs; activities; outputs; outcomes and impacts.

The paradox existing in the public sector is the need for flexibility and innovation in a changing environment while at the same time there is a need for stability to focus on not-for-profit services and high accountability levels (Parry and Thompson, 2003: 376). Treasury (2007: 12)

confirms that the culture of an organisation is important when dealing with performance reports emanating from the M & E system. A defensive; blaming; and dismissive culture would not allow challenges to be openly explored and transformation to occur. The management of the performance paradox and the change in the organisational culture requires a systemic approach to be introduced by the institutional leaders.

Given the current state of poor performance, Local government cannot improve service delivery without new leadership paradigms and organisational strategies to develop a culture of performance. Davids (2011: 3572) notes that in the ever-changing and dynamic municipal environment, strategic leadership is critical for the effective and efficient resource utilisation to satisfy the demands of the communities. Transformational leadership and performance driven organisational strategies are therefore necessary to transform the municipality. Dunoon (2002: 3) points out that public sector managers would not be able to fulfil their tasks without leadership. While leadership is required at all levels of government, the poor implementation rate of policies and programmes can be attributed to the poor leadership skills of middle managers which result in crisis management.

In pursuing excellence the endeavour by the three spheres of government is to develop an ideal municipality. The Report on Local Government Turnaround Strategy (DCGTA, 2009: 5) defines an ideal municipality that would:

- Provide democratic and accountable government for municipalities;
- Be responsive to the needs of the local community;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment;
- Encourage the involvement of communities and community organizations in the matters of Local Government;
- Facilitate a culture of public service and accountability amongst its staff; and
- Assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms.

Further, the Green Paper on Performance, Monitoring and Evaluation (Presidency, 2009a: 1) asserts that to improve Government's performance, it must be guided by a few non-negotiable principles, namely:

- Provide principled leadership and make difficult decisions to deliver on its mandate;
- Strengthen their ability to co-operate across the three levels of government;
- Build a partnership between government and civil society;
- Be completely transparent with each other;
- Recognise that there will always be limited funding and resources and there must be a commitment to do more with less; and
- Develop a skilled and well motivated public service.

The above principles are also key to define excellence in Local Government as indicated by Denhardt and Denhardt (2009: 181) discussing Peters and Waterman's criteria to define excellence in Local Government as follows:

- *Action orientation*
Problems are identified and dealt with quickly fighting through the various organisational, institutional and environmental constraints;
- *Closeness to citizens*
Be sensitive, responsive and listen to public input. Establish and maintain close links with the communities they serve;
- *Autonomy and entrepreneurship*
Encourage the submission of ideas and new ways to solve problems;
- *Employee orientation*
Extensive mechanisms exist to satisfy employee needs and continually treat them as human beings and adults;
- *Values*
The defined set of values is clearly communicated and is the source of enthusiasm and pride among employees. The focus is to be the best and provide high quality service to all its stakeholders;
- *Mission, goals and competence*

The mission is relevant to the changing resource levels and citizen demands;

- *Structure*
Fewer management levels and fewer centralised support staff that provide clear direction and maximum autonomy to employees; and
- *Political relationship*
Administrators and politically elected office bearers have established positive and respectful relationships with each other.

The above contributions highlight the need for leadership; accountability; capacity; responsiveness to both the internal and external customers' needs; and co-operation amongst the stakeholders. The above principles are also categorized and incorporated in the South African Excellence Model which will inform this study.

For the purposes of the study an excellent municipality is defined as follows;

A complex system continuously adapting to its environments to sustain its relevance, complying to its developmental and governance mandates, by engaging and empowering all stakeholders for the delivery of innovative, effective, efficient and economical services and products within the agreed timeframes, budgets and targets to enhance the quality of life for all while protecting the physical environment.

The transformation of the municipalities requires a culture change and proactive leadership to achieve excellence. Kanji and Sa (2007: 52) confirm that leaders are the most important driving force for quality improvement and pursuing business excellence. Therefore, in any attempt to enhance capacity development and governance in municipalities, the leaders should drive the change process and integrate all the factors in the South African Excellence Model. The SAEM model integrates the Public Management Systems Theory, NPM and the M & E system theories to enhance capacity development and governance.

4.8 CONCLUSION

The Chapter discussed the history of Local Government, the KZN Provincial Government and developmental Local Government. Local Government performance is experiencing challenges due to poor capacity; corruption; fraud; public service delivery protests; inadequate oversight roles of the municipal council and the remaining spheres of government. An effective, efficient and sustainable M & E system has to include the principles of the systems theory approach, new public management theory and the South African Excellence Model. The SAEM includes the principles of both the systems theory and the NPM.

CHAPTER FIVE

LOCAL, REGIONAL AND GLOBAL BEST PRACTICES IN MONITORING AND EVALUATION

5.1 INTRODUCTION

Monitoring and Evaluation systems are intended for better resource allocation to government priorities and seeking savings; development of national or sectoral plans in conjunction with other stakeholders; for the management of programmes and activities and to establish accountability (Shand, 2001: 60). In this regard best practices illustrate how the generation and use of information by both government and non-governmental stakeholders can improve transparency and accountability which enables higher service delivery standards to be met (Sundet, 2004: 2). In a systems environment, a successful intervention in one system may not be effective in another system due to the unique circumstances and characteristics of a system. Therefore prior to the generalisation of best practices the particular beneficiaries; specific conditions; context; purpose; and criteria utilised should be investigated (Matheson, 2005: 31). The approach and level of M & E would also determine the appropriateness of using a best practice.

5.2 THREE APPROACHES TO BEGIN A RESULTS-BASED MONITORING AND EVALUATION SYSTEM

The success of the M & E interventions depend on the approach and level selected to implement the M & E system. For example, a whole government approach would generally commence with M & E of policies while a focus on a specific group approach would focus on the programme level. Further, to maximise the outputs, outcomes and impacts for the intervention, the evaluation approach must be aligned with the purpose of the evaluation. Therefore the first step is to identify the M & E approach to be used.

5.2.1 Whole government

This approach involves a broad, comprehensive establishment of M & E across the government and is required for the achievement of the MDGs and the fulfilment of the donors funding requirements (Kusek and Rist, 2004: 24). The challenge is that the different ministries could

have progressed differently towards a results-based M & E system. While there is no single M & E model that is applicable to every country, Mackay (2007: vi) recommends an incremental approach to change for developing countries if the M & E system can prove its cost effectiveness. South Africa (Presidency, 2007: 5) and Chile (Mackay, 2006: 2) have adopted the whole government approach.

5.2.2 Limited or enclave

This is a targeted approach beginning with the Local, Provincial or National spheres of government, specific ministries or agencies. A blended approach entails that certain areas are comprehensively monitored and evaluated while others receive sporadic attention (Kusek and Rist, 2004: 25).

5.2.3 Focus on a particular group or intervention

A specific group is selected and the projects, programmes and policies are comprehensively monitored and evaluated (Kusek and Rist, 2004: 26). For example, gender equity or the HIV/AIDS projects, programmes and policies can be selected to be monitored and evaluated.

5.3 LEVELS FOR MONITORING AND EVALUATION SYSTEMS

M & E Systems can be designed for the policy, programme or project level. At each level the indicators, information requirement and usage, complexity of collecting data and political sensitivity may be different. It is critical that each of the levels of the system is aligned with each other. M & E should be evident throughout the life cycle of the project, programme or policy as well as after completion (Kusek and Rist, 2004: 19). Once the M & E level is identified, the evaluation purpose has to be clarified.

5.4 APPROACHES TO EVALUATIONS

Evaluation perspectives are used to focus on different dimension of performance. According to the Public Services Commission (2008a: 19), the various evaluation perspectives are financial,

ethical, human resource management, programme performance, community and organizational performance. In the case of the organizational performance perspective, structures, systems, management processes and operational processes are monitored and evaluated. Evaluations can also be conducted for needs assessment; process; outcomes or impacts of an intervention. Evaluation approaches assist the evaluator and the participants to direct their efforts to the specific needs of the evaluation.

5.4.1 Goal-oriented evaluation approach

The emphasis is on achieving the formalized goals through the different activities. The formalized goals assist the evaluator when there are different values that are being introduced into the evaluation by the various actors. This approach is relevant due to the existence of a chain of command that creates a hierarchy of goals in the form of performance indicators (Dahler-Larsen, 2005: 626). This approach often neglects the causal links between the interventions and outcomes and are difficult to use in a formative way. Since most social problems are multidimensional and interlinked the multi-variable causal effects during the interventions are ignored (Dahler-Larsen, 2005: 626). Mathison (2005: 171) citing Scriven (1976) describes goal-free evaluation of an intervention on what it is doing rather than what it is trying to do, to reduce evaluator bias.

5.4.2 Theory based evaluation approach to evaluation

A particular activity under evaluation is viewed as rooted in a more general set of assumptions thereby systematically connecting the means-ends relationships in activities (Dahler-Larsen, 2005: 629). This theory provides a firm empirical foundation for recommendations, it offers a way to qualify outcome measures, and it considers causal relationships and side effects.

5.4.3 Responsive and participative approach to evaluation

Participants are actively involved in decision making during the planning, implementation, and monitoring of the evaluation intervention. It involves an immersion into a case context, engages local communities dialogues in setting outputs and outcomes, sharing of responsibilities for evaluations with the local communities (Dahler-Larsen, 2005: 633). The extent of participation

ranges from shared evaluator-participant responsibility for the evaluation process to complete control of the evaluation process by the participant (Rabie, 2009: 16). This approach is useful where a coordinated approach to evaluation is required in complex political, organizational or social settings with many stakeholders having different views. The evaluation considers the local circumstances prior to its activities commencing to ensure contextually meaningful knowledge is acquired (Dahler-Larsen, 2005: 633).

5.4.4 Utilisation focussed evaluation

According to Patton (2000: 425), evaluations should be judged by their utility and actual use by the stakeholders. The content and format of the information is critical since the capacity to generate, store, retrieve, transmit and instantaneously communicate information while the great problem is keeping up with, sorting out, absorbing, and using the information. Utilisation occurs when evaluation findings have an immediate effect on the decision making and programme activities. The usefulness of the information to satisfy the different perspectives of the actors enables utilization-focused evaluation. Utilisation is emphasized prior to the study commencing and the final report is made available for public scrutiny. To entrench the usefulness of the findings the primary intended users for the evaluation have to be identified. The users then clarify the outcomes, performance targets, data collection plan and the intended uses of the findings (Rabie, 2009: 17).

Patton (2000: 437) identified fourteen fundamental premises of utilisation-focused evaluation of which political and personal factor were included. The political factor included the evaluators' bias, funding, the implementation process and the intended desired outcomes. The personal factor referred to an individual or a group of people who personally cared about the evaluation and the information it generated. It represents the leadership, commitment and caring of specific individual people for the successful completion of the programme.

5.5 SUB-SAHARAN AFRICA

Schacter (2000: 5) citing Bratton and others (1998) and Mackay (1998) note that substantial M & E achievements on the ground are rare in Sub-Saharan Africa. The reasons given for the lack of achievement are Schacter (2000: 5):

- Few political and administration leaders accept the value of an evaluation culture that supports fact based accountability;
- Demand for M & E capacity development is not encouraged in a dysfunctional governance environment where public administrators focus on achieving personal gain and nurturing patronising networks;
- There are too few qualified persons that can design and implement M & E activities.
- M & E initiatives focus on donor concerns of managing inputs and outputs accountability rather than the local developmental issues; and
- There is an absence of a learning culture since available M & E information is systematically utilised in future policymaking process.

The factors, except the M & E initiatives focussing on donor concerns, are relevant to the South African context. Regular media reports highlight the current low levels of accountability, high levels of corruption, political deployments and an absence of a learning culture due to the work ethics of the public servants in the public sector. Andrews (2008: 179) asserts that countries with high levels of inequality have a choice either to persistently focus their energies necessary to deal with their main problems or allow the public sector to degenerate to eternal ineffectiveness.

5.5.1 Uganda

The Republic of Uganda is a unitary state in east Africa with a multi-tiered local government structured to entrench community participation. Uganda is perceived to have one of the worlds most corrupt public administrations (Schacter, 2000: 12) and has experienced high levels of corruption and poor service delivery in terms of the education and health sectors. The government initiated decentralisation reform which included a revision of the public administration policies and practices (Commonwealth Local Government Handbook, 2007: 241).

According to Schacter (2000: 11):

Uganda is widely cited, both within and outside the World Bank, as the clearest example of a promising beginning to public administrative reform in Sub-Saharan Africa.

5.5.1.1 Public administration reform

The country's public administration reform is successful due to strong local leadership and ownership. Public servants wages have been monitored and increased by reducing the staff levels in the public sector. Corruption levels were monitored and the Office of the Inspector General of Government was constitutionally empowered to investigate and prosecute corrupt political and administration officials. Public service delivery surveys were undertaken to monitor and evaluate the citizens' perceptions of the quality of service delivery (Schacter, 2000: 11).

5.5.1.2 Improving the delivery of primary education

The country was concerned with the poor performance of the education and health services, due to the leakage of the funds intended for the frontline agencies. The World Bank introduced an M & E system to track the public expenditure and to estimate the proportion of funds that actually reached schools and health facilities. The evaluation methodology analysed the timing of the budget flow through the various tiers of government and compared allocated funds to the actual expenditure in primary schools. The evaluation findings revealed only thirteen percent of the allocated funds reached actually reached the schools. The remaining eighty seven percent disappeared or was used by district officials for other purposes (World Bank, 2004: 16).

The evaluation recommended that findings should be made available to the public, funds allocated and received by each school should be advertised in the local media and publicly displayed at the school and the public expenditure tracking survey should be conducted on a regular basis. Impacts of the evaluation were better intergovernmental transfers, more effective and efficient distribution of funds and the use of quantitative data to improve public participation (World Bank, 2004: 16).

The success of Uganda's M & E initiatives was the strong presidential and local leadership and the ownership of the initiatives by the communities. Public servants salaries increased by approximately fifty percent yearly from 1990 to 1994 and the public sector staffing was reduced by over fifty percent during the first half of the 1990's (Schacter, 2000: 11)

5.5.2 Tanzania

According to Morgan, Baser and Morin (2010: 27, Tanzania's public service reforms have been more effective than in most African countries due to its capacity to lead and energise the change process. Since attaining independence in 1961 it focused on improving human resources capacity development to support its public administration reforms. According to (Kroukamp and Lues, 2008 : 126) citing (Mutahaba, 2003: 148-151), the reforms constituted four phases:

Phase One Involved universities to develop institutional infrastructure;

Phase Two Focused on reducing government's size and operating within its budget;

Phase Three Reformed Local Government to be more autonomous in rural and urban areas;
and

Phase Four Reviewed procedures and system for service delivery.

These reforms have led to better service delivery through government and external agency involvement.

The World Bank has assisted the government to assess corruption levels and conduct a service delivery survey gauge citizens perceptions of corruption in the police, judiciary, lands and revenue services (Schacter, 2000: 12).The implementation of the Public Expenditure Tracking Surveys (PETS) assisted with the M & E of the flow of public expenditure from the central government to districts and finally to the beneficiaries (Sundet, 2004: 2). The evaluation purpose included the establishment of the allocations that actually reached the intended beneficiaries, the level of leakage that occurs and the dissemination of the information to the government agencies.

The evaluation findings suggest that fifty seven percent of the funds allocated for education and eighty seven percent of the funds allocated for health were diverted. In addition, the district councils were not keeping complete records of the transactions, had weak internal control and accounting systems and were not subject to any monitoring or regular audits (Sundet, 2004: 8).

Tanzania has also implemented an M & E to track its fight against poverty. The National Poverty Reduction Strategy's (PRSP) effect on the key outcomes and impact indicators relating to income poverty, quality of life and social well-being was assessed. According to Mukaruka (2000: 92), good governance would be M & E for the PRSP as follows:

- *Public finance management* The budget allocations would be verified to reflect the poverty reduction priorities as outlined in the PRSP;
- *Anti-corruption measures and accountability* Corruption was highlighted as a major concern to the poor;
- *Stakeholder participation* Successful poverty reduction requires a high level of stakeholder participation in decision making; and
- *Local government reform and performance improvement* Effectiveness of service delivery would be monitored and evaluated.

Data was collected by the data collecting agencies via the existing administrative systems, surveys and census and through the communities. Performance indicators were clustered under the themes of income, survival, nutrition, human capabilities, water, macroeconomic stability and good governance. The M & E framework was institutionalised through the Vice-Presidents office, National Bureau of Statistics and the Planning Commission (Mukaruka, 2000: 95). Capacity building was undertaken in all levels of government and other stakeholders. Finally, the M & E data was stored and linked to the policy-makers to be used for future policy making decisions.

The factors contributing to the successful public services reform were *inter alia* a low politicisation environment and a strongly committed government; the involvement of the

international development community and the government taking ownership of the development initiatives (Morgan, Baser and Morin, 2010: 36).

5.5.3 Ghana

The Republic of Ghana situated in West Africa, approximately 750 kilometres north of the equator on the Gulf of Guinea, is a unitary state with a multi-party constitutional democracy (Commonwealth Local Government Handbook, 2007: 81). The current government is committed to encouraging good governance, economic management and social betterment of the citizens. In 1998 the central government initiated a Local Government and decentralisation programme for the transfer of powers; functions; and competences to Local Government with the main objectives of promoting democratic participatory governance; efficient and effective service delivery; and rapid socio-economic development (Commonwealth Local Government Handbook, 2007: 81).

Due to the concern of poor public sector performance, the government recognised the need to strengthen the M & E capacity to effect greater accountability, effectiveness and efficiency (Kannae, 2000: 99). The World Bank was requested by the government to undertake a survey of the current M & E capacity in the public sector and made the following M & E developmental recommendations (World Bank, 2000: 13):

- A Senior Minister in government should announce the governments M & E policy;
- An effective government wide M & E framework should be developed;
- Identify M & E champions within government;
- Enhancing the performance culture within the Medium Term Economic Framework;
- Review the structure, functions and practices of the M & E departments in each sector;
- Provide M & E mentoring to the various ministries;
- Enhance skills and competencies through M & E training;
- Support the establishment of a country evaluation forum;
- Create an evaluation foundation; and
- Provide support for civil society participation in performance measurement.

The above recommendations could be undertaken by deciding on the effects of the interventions and the readiness of the government to support such intervention. For example the training of public sector employees in M & E skills was immediately identified as a priority and implemented.

The Ghana Institute of Management and Public Administration (GIMPA) designed a two hour M & E session that was incorporated into all middle and top management training programmes. A one week M & E workshop was held for developmental programmes. The lessons learned by GIMPA in promoting and developing the practices of M & E are (Kannae, 2000: 100):

- There is a greater interest and practice of M & E in NGO's than in the public sector therefore there is more M & E skills in NGO's;
- There is a lack of M & E expertise to impart knowledge and an inadequate training budget for ECD;
- The donor community and development agencies have a greater interest in M & E; and
- The culture of evaluation is not institutionalised.

The above best practices had significant impact on allocation of resources, improving effectiveness, efficiencies and governance in the public sector.

Municipalities in South Africa experiences high levels of corruption and poor service delivery due to the lack of competent staff, financial resources and evaluation capacity. A performance and evaluation culture is not institutionalised and officials are not held to account for their actions. Independent agents should be used to undertake Public Expenditure Tracking Surveys (PETS), PALAMA and NGOs should be engaged to improve M & E capacity to enhance good governance in public organisations. The South African government could also engage an external agency to assist in its government wide M & E initiatives or consider the World Bank recommendations to enhance the effectiveness and efficiency of the GWMES.

5.6 SOUTH AFRICA

South Africa is currently implementing the GWMES but has not been very effective due to delays caused by poor planning and lack of capacity (Refer to Section 3.6.2). The current focus is on programmes and projects that are implemented by the provinces or department.

5.6.1 Monitoring and Evaluation System for the Implementation of Integrated Waste Management Plans (IWMP) in Local Government

The Province of Western Cape exercised its constitutional and oversight roles to monitor, support and develop capacity in municipalities for integrated waste management (Arendse, 2009: Slide 4). The Waste Act No 59 of 2008 requires a municipality to develop an Implementation of Integrated Waste Management Plan (IWMP) and submit it to the MEC responsible for the environment. The Provincial Department of Environmental Affairs facilitated the implementation of the National Waste Management Strategy by conducting capacity building workshops on Integrated Waste Management Planning with municipal officials, some councillors, NGO's and waste activists. The purpose of this intervention was to make the municipalities accountable in terms of its legislative obligations, provide learning resources for the municipalities with regards to IWMP and develop a municipal specific scorecard.

According to Arendse (2009: Slide 14), the framework outlining the M & E process of IWMPs consisted of a tool that monitors and reports on compliance of municipal IWMPs with National and Provincial guidelines; an assessment of the implementation of the IWMPs plans and policy's; and a municipal specific scorecard for monitoring the municipality's implementation of their IWMP. The M&E process was undertaken in the following sequence (Arendse: 2009):

- Monitor and Implement IWMP (Pilot phase with some municipalities, before broad incremental implementation);
- Self-assessment by municipalities of the IWMP;
- Reporting to Province with regards to the implementation of the IWMP;
- Analysis and Verification by Province;
- Development of a Provincial Report;
- Feedback to Municipalities submitted by the province;

- Annual IWMP Learning (use Waste Management Forum);
- Revise IWMPs obligations; and
- Revise M & E system itself.

Evaluation findings were recorded as follows:

- Private sector partnerships for recycling and disposal of waste were successful;
- Public awareness of waste management is higher in municipalities with adequate resources compared with municipalities with limited resources; and
- Most municipalities are actively involved in solid waste service and the improvements cannot be solely attributed to the IWMPs (Arendse, 2009: Slide 12).

Lessons learnt were to ensure systems are in place at municipalities to record, collate information and report information. The new reporting requirements must be part of the broader reporting structure. The frequency and reporting must not cause strain on the existing scarce resources. The M & E programmes exposed officials to the GWMES and its intergovernmental linkages thus creating an understanding of the broader M & E system (Arendse, 2009: Slide 26).

The programme increased the accountability levels of the municipalities, improved the oversight and co-operative governance functions by the province and empowered participants to learn of the national and provincial M & E systems. Therefore the M & E initiatives enhanced corporate and co-operative governance.

5.6.2 Programme Evaluation: HIV and AIDS

Hosein (2003: 7) defines programme evaluation as the process that determines systemically and objectively the relevance, effectiveness, efficiency and impact of the programme against the purpose of the programme. The aim of programme evaluation is to make informed decisions, clarify options and provide reliable information within contextual boundaries of time, place, value and politics. An empirical approach uses valid and reliable data to assess what is happening in a programme and the programmes effect on the people it is intended to serve. Negative findings should be investigated and causal links need to be established between the activities and the outcomes of the programmes.

When assessing programme performance, evaluations look beyond the delivery process and focus on the results of inputs delivered and the work done. The outcome of this assessment determines whether or not the programme has achieved or is likely to achieve its outputs and contribute to achieving programme outcomes and impact. A systemic evaluation of a programme would include defining the scope of the programme, identifying the components of the programme and recognising the interdependences and interrelationships between the parts and the whole programme (Cabrera, Colosi and Lobdell, 2008: 302). The core evaluation concerns to assess programme performance are (DCGTA, 2010: 11):

- *Relevance* Does the programme continue to meet the stakeholders needs?
- *Effectiveness* Is the programme achieving the desired results?
- *Efficiency* Are the programme results cost-effective?
- *Sustainability* Can the results be sustained after withdrawing support?
- *Alternative strategies* Are there better alternatives to achieve the desired results?

The Department of Health utilised M & E as a management tool to measure the achievement of the plans and goals for the HIV and AIDS programme. This led to a sequence of discussions and activities aimed at laying a solid foundation for the implementation of the plan, including the development of M&E Framework for the programme. A comprehensive M & E Framework was developed to monitor the resources invested, the activities implemented, services delivered and evaluate outcomes and impacts achieved. One of the key focus areas was to integrate and improve the current data collation and collection to improve its quality, validity and accuracy for the HIV and AIDS programme.

HIV and AIDS continue to affect the lives of millions of people in South Africa and a sense of urgency has developed to respond to the epidemic by increasing efforts for the prevention of HIV and AIDS, care and support including the provision of antiretroviral treatment. To strengthen the management of the HIV, AIDS and STIs in the country, the Cabinet approved the Operational Plan for Comprehensive HIV and AIDS Care, Management and Treatment for South Africa (Department of Health, 2004: iii). The Operational Plan for Comprehensive HIV and AIDS Care, Management and Treatment holds a significant position in international public

health since it is the largest and most ambitious plan in the world for HIV and AIDS care (Department of Health, 2004: 22).

The South African Operational Plan for Comprehensive HIV and AIDS Care, Management and Treatment Plan focuses on two pillars (Department of Health, 2004: 2):

- It must be a comprehensive programme that will include:
 - Ensuring that the great majority of South Africans who are currently not infected with HIV remain uninfected.
 - Enhancing efforts in the prophylaxis and treatment of opportunistic infections, improved nutrition and lifestyle choices;
 - Effective management of those HIV-infected individuals who have developed opportunistic infections through appropriate treatment of AIDS-related conditions;
 - Provision of antiretroviral therapy in patients presenting with low CD4 counts to improve functional health status and to prolong life;
 - Integration of traditional and complementary medicine into the comprehensive care, management and treatment programme; and
 - Providing a comprehensive continuum of care, support and treatment.

- It should strengthen the National Health System as a whole in order to ensure the effective delivery of comprehensive HIV and AIDS care and treatment.

The M & E Framework is designed to measure progress towards the achievement of two goals of the plan. Therefore, the objectives of the M&E Framework are to collect and provide information that will be used to (Department of Health, 2004: 5):

- Track progress on implementation of all components of the comprehensive HIV and AIDS care, management and treatment plan;
- Identify gaps and weaknesses in service provision;
- Support clinical management of the patients;
- Plan, prioritize, allocate and manage resources;

- Monitor the impact of HIV and AIDS on health care systems and communities;
and
- Measure effectiveness of treatment.

While M & E complement each other, they are two separate functions, which serve distinct purposes. Monitoring is the routine on going assessment of activities applied to assess resources invested (inputs) in the programme, services delivered (outputs) by the programme, outcomes that are related to the programme. Evaluation is non-routine assessment and will be concerned with evaluation of programme's impact on the health and lives of South Africans. The M & E Framework adopts a logical approach of input, activities, output, outcome and impact indicators to ensure on going M & E of the goals and objectives of the Plan.

Monitoring and Evaluation is a critical aspect of the plan since good (M & E) would contribute to ensuring that the objectives of the operational plan are achieved by enhancing governance. The M & E efforts will enable better treatment and care for all affected South Africans.

5.6.3 A Framework for Monitoring and Evaluation of Pro-Poor Local Economic Development.

The overall project purpose is to develop an understanding of how pro-poor Local Economic Development (LED) is interpreted and in South Africa and to develop an M & E evaluation framework. The outcomes will be of relevance to local stakeholders and have potential significance for the application of LED in other countries. According to Nel (2005: i), the challenges for the study included how pro-poor versus growth considerations are incorporated into M & E, how LED is differentiated from economic development; how the multi-stakeholder nature of LED is accommodated in LED processes; and the need to undertake M&E of economic processes and outcomes, and not just projects.

Monitoring and Evaluation mechanisms in South Africa tend to be weak since it is commonly linked to the conception of LED projects. The public sector must move beyond the conception of implementing projects to supporting economic processes, and recognise that basic infrastructure

for businesses is also essential. The use of M & E has to take account of this greater complexity. This study therefore serves as an early contributor on conceptual thinking on the use of M & E for LED, how it is being used, and issues that can be considered during the case study work (Nel, 2005: 2). The key M & E questions for this project are:

- What types of outcomes are municipalities using and how are they appropriate, for pro-poor LED?
- What types of outputs are municipalities using and how are they appropriate, for pro-poor LED?
- What types of indicators and targets are appropriate for the outputs and outcomes?
- What types of processes are appropriate for evaluating achievements at output and outcome level and for monitoring activities and outputs?;
- What learning's are there?

Nel (2005: 19) citing Doreen Atkinson (2003) suggests that an M & E system for LED needs to be strong enough to track and evaluate programmes and evaluate the fundamental assumptions of programmes and policies. The following issues need to be considered for the LED process;

- *Indicators* The need for indicators to be set by persons who understand the content;
- *Institutional location of M & E* Monitoring and Evaluation needs to be incorporated into the daily work of officials at all levels;
- *Training of M & E staff* Training is needed for staff to understand the content and context of the exercise;
- *Collection of data* The data collected is not of the required accuracy, validity and reliability levels this is often shallow and systems need to provide incentives for municipalities to collect accurate data regularly;
- *Participatory methods* Communities have to be involved creatively in the M&E process;
- *Verification of data* Provision has to be made for checking the veracity of data and usefulness of M & E tools employed;
- *Reporting* Decision-makers need to be clear about what they want to learn from M & E; and

- *Dissemination* Using M & E as part of mutually supportive learning networks is essential.

In terms of the evaluation findings, economic impact feedback was limited as LED is still relatively new and impacts are not properly monitored at this stage. Data collection is seldom done by municipalities and census data is not focussed enough to reveal localised LED impacts. Staff is often new and have focussed primarily upon issues of policy and implementation rather than assessment. Where results were provided on impacts, this does not disclose an optimistic picture.

Nel (2005: iii) notes the other evaluation findings as:

- Majority of the municipalities do not differentiate between pro-poor and economic growth activities;
- Many municipalities have as their outcomes, poverty reduction, job creation and growth targets;
- Municipalities commonly stated skills development, SMME creation and expansion and tourism development as the output indicators;
- There were a total of twenty six activity indicators with the large metros undertaking most of the activities; and
- Municipalities are undertaking evaluative activities via census data, business data, three monthly reports submitted to Treasury and the SDBIP.

The study utilised the World Bank, Rural Economic and Enterprise Model and the sustainable livelihood approach to LED and proposed the following M & E framework of Pro-Poor LED in municipalities (Nel, 2005: iii);

Table 9: Monitoring and Evaluation framework of the pro-poor local economic development

<p>Outcomes</p>	<ul style="list-style-type: none"> ● Improving jobs, growth rates and reducing inequality ● Quality of livelihoods, which can be measured by : <ul style="list-style-type: none"> ○ Financial Assets- levels of incomes and wealth ○ Human assets – improved skills, confidence and security from crime, poor health and nutrition ○ Social assets- strong communities and social structures ○ Natural assets- availability and quality of natural resources fro enjoyment and for economic use ○ Physical assets- access to suitable personal (e.g. housing) and public assets (e.g. electricity) ○ Reduction in vulnerability of households to stressors and shocks ● Sustainable use of resources 	
<p>Outputs</p>	<p>Livability (good area to live and work)</p>	<p>Effective governance and management</p>
	<ul style="list-style-type: none"> ● Availability of basic public service ● Functioning and effective infrastructure ● Sufficient environmental standards ● Adequate housing ● Secure and safe environment ● Availability of amenities and culture 	<ul style="list-style-type: none"> ● People centered and participatory-local organizations, groups and associations representing the poor recognized as building blocks with in communities active and involved in managing their own development ● Active and accessible networks of community-level service providers ● Effective responsive, coordinated and accountable management and delivery of services, notably of local government. ● Autonomy of local government ● Strategic direction, redistribution and oversight by national government ● Vertical and horizontal coordination and partnerships across government as well as with private sector and non-government organizations ● Effectiveness of leadership at different levels ● Ongoing learning from success and failure by all stakeholders (learning institutions)
	<p>Competitiveness</p>	<p>Bankability</p>
	<ul style="list-style-type: none"> ● Active private sector institutions and linkages ● Sound business environment that fosters investment and entrepreneurship ● Access to integrated and open markets ● Access to modern technology ● Sustainable transport system ● Availability of transport system 	<ul style="list-style-type: none"> ● Effectiveness of community’s financial management ● Creditworthiness of local authority ● Stability of intergovernmental fiscal flows ● Attraction of local and non-local private investment

Source: Nel, E, World Bank-Netherlands Partnership Program (BNPP), A Framework for Monitoring and Evaluation of Pro-Poor Local Economic Development, (2005: 20).

The output and outcome indicators are utilised to construct the framework. Outcome indicators include, improving jobs, growth rate and reducing poverty; quality of life and sustainable use of resources. The output indicators include liveability, competitiveness, bankability and effective governance and management. Therefore M & E through better governance supports LED.

5.7 INTERNATIONAL EXPERIENCES

India is a democracy with a large proportion of its population living in poverty and therefore experiences great demand for basic services. The Bangalore experience has been selected due to its relevance for community participation in basic service monitoring. Australia is a leader in implementing public sector and public management reforms, in particular, the implementation of the GWMES. While Chile, a developing country, is recognised for its successful GWMES. South Africa could learn from both Australia and Chile with regards to making its GWMES more effective and improving service delivery by encouraging community participation.

5.7.1 India: Using citizen report cards to hold the state to account in Bangalore.

Bangalore experienced poor quality in water, electricity, transport, hospitals and regulation of land service delivery. The purpose of the evaluation was to solicit and document the views of the public service beneficiaries, widely publicise the findings and to pressurise the public service providers to improve service quality (World Bank, 2004: 8). The evaluation methodology included stratified random samples of household, sample of slums, the respondents provided information of the various services they used in the last six months, the findings were extensively publicised and the survey was repeated (World Bank, 2004: 8).

Evaluation findings showed that only 10.5 percent of households were satisfied with services. In the repeat survey, the percentage rose to 40.1 percent. The level of dissatisfaction decreased from 37.5 percent to 17.9 percent in the repeat survey. Evaluation recommendations were that the agencies and their staff discuss the findings and agree on action plans, systematic feedback

from the public must be promoted and transparency and efficiency must be increased to reduce the need and opportunity for bribes (World Bank, 2004: 9). The evaluation impacts were highly visible and the Citizen Report Card had a catalytic effect on the service provider and the service beneficiaries.

Municipalities in KZN should adopt the transparent Citizen Report Card approach to ascertain the perceptions of the communities with regards to the quality of service delivery and engage communities to monitor report on the progress made.

5.7.2 Chile – GWMES

Chile has implemented its GWMES and is acknowledged to be performing well containing many elements from which other countries can learn. The M & E system was locally developed since it focused on its own M & E needs and not those of the donor countries. Further, it is managed by a capable and respected finance ministry that developed the system progressively to accommodate the annual budget cycle and its information needs (Mackay, 2006: 2). The fiscal pressure and public reforms guided the development of the M & E system through the following main critical interventions:

- Cost-benefit analysis was required for all government projects (1974);
- Performance indicators were collected for all government departments (1994);
- Comprehensive spending reports (1996);
- Government programme evaluation (1996) review programmes and includes programme details, logframe analysis and desk review of existing data;
- Rigorous impact evaluations (2001) entail primary data analysis and use of control groups; and
- Comprehensive spending reviews of all programmes within a functional area and considers the inefficiencies and duplications of the programmes (Mackay: 2006: 2).

It would appear that the M & E information is of a high quality and is extensively used for resource allocation decisions by the Ministry of Finance. The individual ministries make budget requests in logframe format and allocations are aligned with the government priorities and

strategies (Scott, Joubert and Anyogu, 2005: unnumbered). Due to the forcefulness of the finance ministry, there is a general lack of ownership and utilisation by the sector ministries and its agencies (Mackay, 2006: 3). Further, the use of consultants and agencies also reduces the sense of ownership and use of the information in by other ministries. The M & E system is sustainable and the Chile government has identified a number of priorities which includes the finalisation of the constitutional reforms, fight against poverty and unemployment, continued pro-growth agenda, improving government transparency and social protection, health and education reforms for the poor (Scott, Joubert and Anyogu, 2005: unnumbered).

5.7.3 Australia

Australia has been widely acknowledged as an exemplar of both public sector reform and public management (Halligan (1997), Christensen and Lagreid (2001); Pollitt and Bouckaert (2000)) and its reforms were committed to systemic evaluations. In 1983 a series of public sector reform was implemented by the government and one aspect of the reform was to provide public managers with greater autonomy to manage their departments with more direct link to the budgetary process. The benefits derived were the restriction of expenditure to cash limits, greater certainty of future resource allocations for the department and reduction of departments through amalgamation (Mackay, 1998: 2).

The Department of Finance (DoF) drove the reform initiatives in a strict budgetary climate that led to a compliance culture. In 1986, the concern for the efficient and effective use of public finances led the DoF to regularly provide programme evaluation advice to the departments which eventually led to an evaluative culture. Due to the poor quality of evaluation reports, a formal evaluation strategy was adopted by the Cabinet and all line departments had to comply to undertake evaluations, provide information of programme performance and to strengthen accountability (Mackay, 1998: 2). Each Ministry was required to develop an evaluation plan for its programmes to be evaluated on a cyclical basis (Shand, 2001: 63). To support the formal evaluation strategy a separate branch within DoF was formed to provide the departments with evaluation advice.

In 1995 the DoF undertook comprehensive reviews in all departments to improve programme objectives and performance information and an accompanying plan of action to carry out the improvements. The new Liberal and National Government came into power in 1996 and introduced the principles-based performance management framework. The approach entailed that detailed and lengthy plans were not necessary for decision making and departments should not be straddled with excessive controls on their internal activities. Evaluation requirements were reduced and this led to weakened central policy capacity and evaluation skills (Shand, 2001: 63).

The evaluation strategy continues to focus on the quality, costs and use of the evaluation information. According to Ryan (2003: 6), practical rather than an institutional approach should be utilised for evaluation capacity development which encourages a learning approach to public management and a strategic emphasis on internal evaluations. The key factors that contributed to the success of the GWMES are the strong DoF and a supporting Cabinet, sustained commitment by the government, expert advice offered by the evaluation branch within the DoF, the focus on value for money and budgetary control has led to the evaluative culture and evaluation capacity development throughout the country (Mackay, 2004: 16).

According to (Mackay, 2006: 5), the best practice principles for building country wide Monitoring and Evaluation systems are as follows:

- Extensive government demand is a pre-requisite for the institutionalisation of M & E;
- Strong incentives are necessary for the successful implementation of the M & E functions;
- Champions in the form of a powerful minister or senior official who is a strong leader and drives the institutionalisation, prioritisation and resourcing for the M & E system;
- Centrally driven by a capable ministry with reliable ministry data systems;
- Danger of over-engineering the M & E system by creating too many indicators;
- Monitoring and Evaluation system must be utilisation focussed and it is the measure of success of the M & E system;

- Reliance on laws, decrees and regulations to create an M & E system is irrelevant to the success of the M & E system. Its relevance is only to create an awareness of the reform efforts by the government;
- Monitoring and Evaluation objectivity and quality of M & E must be ensured by engaging third parties; and
- It is a long-term intervention which requires patience, focused and intense efforts to build the different components of M & E.

South Africa should review its GWMES initiative in terms of the above criteria, in particular, the capability of the current Performance, Monitoring and Evaluation Ministry to provide the drive and energy to implement the GWMES. Further, the identification of champions, ECD, government demand and the provision of incentives need greater emphasis if the GWMES is to be successful.

5.8 CONCLUSION

The current M & E systems in developed countries have emerged from thirty years of experimentation, learning and sustained capacity development and would positively contribute towards the development of M & E systems in developing countries. Every country and programme has unique set of circumstances that requires the selective use of lessons learnt by other countries and programmes. The best practices have been selected for their relevance to the South African service delivery and M & E challenges and provide evidence of the positive impact of M & E systems on governance.

CHAPTER SIX

RESEARCH DESIGN AND METHODOLOGY

6.1 INTRODUCTION

Research entails the use of methods and tools to create scientifically obtained knowledge through objective procedures (Welman, 2001: 2). Scientific knowledge should be acquired by means of systematic observation rather than selective observation. Systematic observations include the interrelationships and interdependencies of the subsystems within which the research is undertaken. Selective observation is limited to the observations that fits with the researcher's preconceptions and ignore what differs. The observations made are intended to fulfil the aims and objectives of research, namely, to describe how things are, to explain why things are the way they are and to predict phenomena with the aim of using the information.

This empirical study focuses on municipalities in the KZN Province and surveys were conducted through interviews and mailed questionnaires to obtain primary data. The degree of control over the research is relatively low and the aim is to provide a broad overview of a representative sample of a large population (Mouton, 2001: 152). The strength of a surveys is its ability to generalise the findings to the population and its limitation is the lack of depth and insider perspectives. The aim, research questions, problem statement, significance of the study and literature survey have been discussed in Chapter One.

6.2 RESEARCH DESIGN

Research design is the plan to obtain research participants and to obtain information from them (Welman, 2001: 46). Yang (2008: 76) asserts that the purpose of the research design is to define the structure of the enquiry into a research problem that would produce a valid and useful argument for the researcher's audience within the resources and time available. The focus in research design is to specify and combine key elements and methods to maximise validity. According to Creswell (2009: 3), the three types of research design are quantitative, qualitative and mixed method.

6.2.1 Quantitative research design

Aluka (2005: 210) citing Horna (1994: 121), describes quantitative research as being characterised by the assumption that human behaviour can be explained factually through methodologies using deductive reasoning. Creswell (2009: 4) notes that quantitative research tests objective theories by examining the relationship among variables which are measured in a predetermined and specific way and the data are numeric. The numeric data can be used for comparative analysis, statistical analysis and repeatability of data collection to verify reliability. Fouche and Delport (2011: 63) citing Leedy and Ormond (2005), summarise the characteristics of quantitative research as follows:

- It is used to answer relationships about measured variables;
- Structured guidelines exist;
- The study variables are isolated;
- Standardised procedure for data collection and analysis exists; and
- It relies more on deductive reasoning.

The strengths of quantitative research include its appropriateness to measure overt behaviour, in measuring descriptive aspects of a study, it allowing for comparison and replication, and reliability and the fact that validity are more objectively determined (Aluka, 2005: 202). The criticism of the quantitative approach is its limitation to ascertain underlying meaning of social phenomena even though there is a high degree of reliability and validity in the data. Schulze (2003: 12) confirms that the quantitative research produces generalisable results although they neglect the reality of situations.

6.2.2 Qualitative research design

Qualitative research involves the interpretative approach from the interviewee's perspective rather than ethically measuring discrete observable behaviour (Aluka, 2005: 203). According to Blanche, Kelly and Durrheim (2009: 275), the interpretive approach does not focus on isolating and controlling variables, but on highlighting the power of ordinary experiences to aid in understanding the world occupied by human beings. Fouche (2011: 65) citing Kumar (2005), describes qualitative research as being unstructured, it is more appropriate to explore the nature

of the problem, issue or phenomenon and if the primary purpose of the study is to describe a situation or phenomenon. Qualitative researchers gather multiple sources of data rather than a single data source and try to develop a complex and holistic view of social phenomena (Fouche, 2011: 65 citing Creswell 2007).

The rigour of qualitative research is guided by its credibility, transferability, dependability and confirmability (Shah, 2006: 1829). The advantages of the qualitative approach includes its ability to explore affective components of social behaviour in greater depth; it encourages the interviewee to introduce concepts of importance rather than respond to pre-determined issues, and it permits the identification of longitudinal changes in social behaviour. The main criticism of the qualitative approach is its validity since it is difficult to ascertain the truthfulness of the results.

6.2.3 Mixed method research

Mixed method research uses both the quantitative and qualitative approaches in tandem so that the overall findings of the research are more reliable and valid as opposed to the use of an individual approach (Creswell, 2009: 4). When both the quantitative and qualitative approaches are used, the latter reduces researcher manipulation of the situation under investigation (O'Sullivan *et al.*, 2003: 38). According to Shah and Corey (2006: 1832), the use of multiple methods is necessary to build accurate, generalisable, and practically useful theory in the complex field of management research.

This study uses the mixed method design that incorporates both the quantitative and qualitative approaches (Leedy and Ormond, 2010: 99) by using both mailed questionnaires and structured interviews to improve interpretive validity and reduce researcher manipulation of the research process.

6.2.4 Triangulation

According to Silverman (2008: 212), triangulation attempts to obtain a true revelation of a situation by researching a situation from different methods or findings. Triangulation is used in

research when multiple sources of data are collected and analysed to ascertain their convergence to a particular theory (Leedy and Ormond, 2010: 99). It promotes interpretive validity and the extent to which the conclusions based on qualitative data are supported by the quantitative instruments used in the research (Maree, 2007: 39).

Data from the mailed questionnaires and the structured interviews would be triangulated to achieve better validity of the findings.

6.2.5 Validity

Silverman (2008: 210) considers validity as another word for truth. Therefore validity is achieved when the researcher measures what was supposed to be measured. The measure should provide a good fit between the conceptual and operational definition of the construct and the measurement should be usable for the purpose it was designed (Durheim and Painter, 2008: 148). Threats to validity are reduced by general control procedures, control over subject and experimenter effects, control through the selection and assignment of subjects and control through specific experimental design (Graziano and Raulin, 1997: 204). According to Welman (2001: 97), internal validity of a conclusion highlights the causal relationship between the dependent and independent variable and to the extent to which the dependant variable is influenced by the independent variable.

6.2.6 Reliability

Reliability refers to the ability of the measurement instrument to obtain the same results on repeated trials (Durheim and Painter, 2008: 152). O' Sullivan *et al.* (2003: 107) define reliability as the evaluation of the degree of random error associated with a measure. Reliability occurs when the measuring instrument measures the variables more than once and results in the same outcome (Roestenburg, 2011: 177). The effect of random error diminishes as the number of trials increase. Systemic error involves bias that impacts on the reliability of the measure.

6.2.7 Questionnaire as a measuring instrument

Questionnaires are defined as a document containing questions designed to obtain information necessary for the assessment of the research objectives and questions, for the analysis

(Roestenburg, 2011: 186). Welman (2002: 165) offers the following guidelines for developing and constructing questionnaires:

- Choose judiciously between open-ended and close-ended questions;
- Take the respondents literacy level into consideration;
- Be careful not to offend;
- Be brief and focused;
- Maintain neutrality;
- Use a justified sequence; and
- Be sure the question is appreciable to all respondents.

Questionnaires are usually used to obtain biographical details, behaviour, opinions, beliefs, convictions and attitudes (Welman, 2002: 146). According to Gillham (2000: 5), a closed question is where the possible answers are predetermined and an open question requires the respondent to provide the answer. It is an effective and convenient method of obtaining answers to both structured and unstructured questions and the researcher has to evaluate the advantages and disadvantages (Table: 10) of using the questionnaire for the particular study. Gillham (2000: 5) lists the advantages and disadvantages of the use of questionnaires in the Table 10 below.

Table 10: Advantages and disadvantages of using questionnaires

Advantages	Disadvantages
Low cost in time and money.	The completeness and accuracy of data could be a problem.
Easy to obtain information from a large number of people in a short period of time.	Typically has a low response rate.
Respondents can complete the questionnaires at their convenience.	Respondents may not be motivated.
Analysis of closed questions is simple.	Misunderstandings cannot be corrected.
There is no pressure for an immediate answer.	Impossible to check the seriousness and honesty of answers.
Respondents may remain anonymous.	Respondent may not have the required literacy skills.
Lack of interviewer bias.	Assumes that the respondents have the answers available in an organised fashion.
Questions may be standardised.	Question structure may have a major effect on the answers.
Can provide suggestive data for proving a hypothesis.	Lack of control over the order of answering the questions.

Source: Gillham B, Developing a Questionnaire, (2000: 8).

The study used the questionnaire due to the low cost factor of posting the questionnaire rather than making personal visits to all sixty-one municipalities in KwaZulu-Natal. The main disadvantage was the low response rate and the lack of understanding of the questions due to the interviewee's literacy skills and M & E experiences.

6.2.7.1 Structure of the mailed questionnaire

The study utilised questionnaire surveys for collecting primary data from the Municipal Managers' office and the municipal officials. The structure of the questionnaire mailed to the Municipal Managers comprised eight sections, A to G, which are listed below:

Section A	This section requested the detail of the municipality and the biographical details of the respondents;
Section B	Information requested related to general matters regarding M & E;
Section C	Respondents were asked to provide the information with regards to the factors that determine the need for an M & E system;
Section D	This section focussed on the readiness of municipalities to plan and implement an M & E system;
Section E	Respondents were requested to provide information with regards to co-operative governance;
Section F	The focus of this section was on corporate governance and capacity development in municipalities; and
Section G	Respondents provided information regarding excellence in municipalities.

6.2.7.2 Structure of the questionnaire used in the interviews

The questionnaire consisted of twenty questions comprising of both open and closed questions. The structure of the questionnaire is listed below:

Question1	Referred to the current governance issues in municipalities;
Question2	Requested information with regards to the M & E supporting the municipality to achieve its developmental objectives;
Questions 3 & 4	Related to M & E sustainability and demand in municipalities;
Questions 5 & 6	Interviewees were asked to comment on the municipality's M & E readiness.
Questions 7 & 8	Referred to M & E improving co-operative governance and the improvement of intergovernmental relations;
Questions 9 & 10	Focussed on governance and capacity development;
Questions 11 to 14	Interviewees were asked to comment on excellence in municipalities;
Questions 15 to 17	Referred to a systems approach to plan and implement an M & in municipalities; and
Questions 18 to 20	Requested general comments and the factors that would shape the future of municipalities.

The responses submitted reflected the interviewees seniority and experience in M & E tasks. The more senior the interviewee, greater was the exposure and understanding of M & E issues.

6.3 RESEARCH METHODOLOGY

The case study method was chosen for this study. A case study involves the study of a case or a few cases in detail using the appropriate research design and methodology with the overall objective being to develop a deeper understanding of the case even though there are many specific research objectives and questions (Punch, 1998: 150 cited in Silverman, 2008: 126). According to Creswell (2011: 13), case studies are a strategy of inquiry where the researcher explores in detail a programme, activity, process or one or more individuals. The case study approach was selected since the study aims to get detailed views of the respondents and interviewees with issues regarding the objectives of the study.

6.3.1 Sampling

A sample is a subset of units selected from a larger set of the same units and it provides data for the use in estimating the characteristics of the larger set (O' Sullivan *et al.*, 2003: 134). The purpose of sampling is to choose a set of units that are representative of a population so that the results can be generalized to the population (Gelo *et al.*, 2008: 274). Durheim and Painter (2008: 132) confirm that effective sampling ensures resemblance of the elements to that of the population. To ensure representativeness of the sample, probabilistic and purposive sampling may be undertaken.

6.3.2 Probability sampling

In probabilistic sampling, each unit of the population has the same probability to be included in the sample (Gelo *et al.*, 2008: 274). In probability sampling, the researcher is able to determine the probability that any element or member of the population will be included in the sample. Examples of probability sampling are simple random samples, stratified random samples, systematic samples and cluster samples.

6.3.3 Non-probability sampling

Non-probability sampling refers to the sampling method where the selection of the elements of the population is not determined by statistical principle of randomness (Durheim and Painter, 2008: 138). Here the researcher is not able to specify the probability that the element or member of the population would be included in the sample. Examples of non-probability samples are accidental or incidental samples, purposive sampling, quota samples and snowball samples.

6.3.4 The target population and sampling

Section 155 of the Constitution of the Republic of South Africa Act 108 of 1996, established three categories of municipalities, namely,

- Category A* Metropolitan municipalities with exclusive municipal executive and legislative authority in their areas.

- Category B* Local municipalities that share municipal executive and legislative authority in their area with the category C municipality within whose area they fall.

- Category C* District municipalities, having municipal executive and legislative authority in an area that includes more than one local municipality for which the district council is responsible.

The KZN province has one metropolitan region, 50 local municipalities and 10 district municipalities.

The number of cases to be studied depends on the degree of theoretical development in the field of study, on how much detail one is likely to gather in each case and the constraints imposed by budgets and deadlines (Kelly, 2008: 289). In this regards, the Higher Degree Committee of the University of KwaZulu-Natal recommended that only six municipalities be investigated. Kelly (2008: 289) suggests that for semi-structured interviews, attempting to gain a range of opinions that exist over a large number of cases, six to eight sample elements would suffice for a homogeneous sample. If the interview periods are reduced, ten to twenty samples are adequate.

Leedy and Ormand (2010: 189) and Welman (2002: 147) confirm that postal surveys have the lowest response rate of all the survey methods. For the purposes of this study, the questionnaire was mailed to all of the sixty municipalities in KZN rather than to only six municipalities as recommended by the Higher Degrees Committee. The response rate for the mailed questionnaire and the semi-structured interviews were thirty three percent, making the research findings representative of the population.

6.3.5 Interviews

Interviewing assumes that the researcher can understand how the world is known by asking the interviewee to answer questions about their experiences (Shah, 2006: 1828). Interviews assist with the understanding of the subject matter as they allow for flexibility, observation and control of the environment. Wellman (2002: 158) suggests that the advantages of interviews are that they create great flexibility and adaptability and the interviewer is in control. However, they can also be costly and time-consuming. Interviews can be structured, semi-structured and unstructured (Kelly, 2008: 297). Structured interviews consist of a list of standard questions. Unstructured interviews are conducted to deal with the interviewees' feelings and experiences. Semi-structured interviews are the most popular and an interview schedule, consisting of key topics, is developed in advance.

The qualitative aspect of this study would include semi-structured interviews with public sector employees involved in the municipal performance management functions. The study started from the premise that the interviewees relate to their own experiences and were empowered to express their views through dialogue and active listening.

6.3.6 Pilot studies

Pilot studies are preliminary studies on small samples that help to identify problems with the design of the questionnaire. The questionnaires were piloted to three respondents and three interviewees. The study highlighted that the questionnaire for the quantitative data was pitched at persons in senior management posts in the municipality who had M & E experience. It was found that the questionnaire was also too lengthy and was appropriately shortened. The

interviewees were not able to respond to a few questions since they did not fully understand the questions. The questions were simplified and the questionnaire was also shortened.

6.3.7 Data collection

Good research cannot be built on poorly collected data (Gillham, 2000: 1). The raw data consist of the collected questionnaires. The first stage in data preparation is to transform the raw data into electronic format in the form of spreadsheets. The data were coded and entered into the SPSS software programme in a compatible format.

A letter was initially posted to all municipal managers in KwaZulu-Natal introducing the researcher and, the research topic and informing them that a questionnaire would be posted within two weeks, which was done. Approximately two weeks after the questionnaires were posted, the Municipal Managers' offices were telephonically contacted.

However, many municipal managers' offices were not telephonically contactable. Where contact was made, some staff indicated that they had not received the questionnaire via the post. The questionnaire was then e-mailed to all the Municipal Managers' office. After another two weeks telephonic queries were once again made. Due to the poor response, the questionnaire was posted on another three occasions and e-mailed on five occasions. Telephonic queries were periodically made to obtain feedback with regards to the submission of the completed questionnaires. At a visit to one municipality, the Municipal Manager's secretary suggested that the questionnaire be re-sent after receiving it previously on eight occasions. These were some of the challenges of the research process.

Where the respondents submitted the completed questionnaires and the details of the staff to be interviewed, the interviewees were contacted in advance to make an appointment. A structured interview questionnaire was developed for the face-to-face interviews to collect qualitative data. The data were coded and captured. A content analysis was conducted for each question and captured in a grid format.

6.3.8 Data analysis

The quantitative and qualitative data collected were captured and arranged into themes, trends and relationships. The aim of data analysis is to understand the elements of the data by investigating the existence of relationships between concepts, constructs and variables with the use of descriptive and inferential statistics. According to Mouton (2001: 110), data analysis errors could be attributed to the use of incorrect statistical techniques in quantitative analysis; drawing inferences that are not supported by the data and biased interpretation through selectivity.

6.3.8.1 Descriptive statistics

The aim of descriptive data analysis is to describe the data by investigating the distribution of scores on each variable, and by determining whether the scores on each variable are related to each other (Durrheim, 2008: 192). According to Graziano and Raulin (1997: 96), descriptive statistics consists of three groups, namely, frequency counts and frequency distributions, graphical representations of data and summary statistics. Descriptive statistics include measuring the mean, frequency, range, variance and standard deviation.

6.3.8.2 Inferential statistics

Inferential data analysis allows the researcher to draw conclusions about the population from sample data (Durrheim, 2008: 192). The data collected from the responses was analysed with the PASW Statistics version 18.0. The results are presented in the form of graphs, cross tabulations and tables. The Cronbach alpha was used to measure internal consistency of the data within a group and it is the most commonly used reliability measure (Roestenburg, 2011: 177). The coefficient is calculated using the SPSS computer package and the values range between zero and one. The figures closer to one generally indicate a high reliability. A reliability coefficient of 0.70 or higher is considered as “acceptable”.

Descriptive and inferential statistics were utilised to transform the data into meaningful information for the study.

6.4 RESEARCH ETHICS

Wassenaar (2008: 61) outlines the main focus of research ethics as the welfare of the research participants, scientific misconduct and plagiarism. Ethical considerations are also important at three stages of the study, namely, when participants are recruited, during the intervention and when releasing the results (Welman, 2002: 171). Research participants' dignity and welfare should always take a higher priority than the interest of the research. Strydom (2011: 115) identifies the following as ethical issues: avoidance of harm to the research participants and/or the respondents, voluntary participation, informed consent and violation of privacy and confidentiality.

Resistance to ethical review of research focuses on the curtailment of academic freedom and the delays incurred in the ethical clearance process. Wassenaar (2008: 63) argues that academic freedom sanctions freedom of intellectual enquiry but does not sanction research that adversely affects the rights and dignity of others. The process of obtaining ethical clearance may delay the commencement of the research due to the intervals between the ethical committee meetings, proposals returned for amendments and the competency of the ethical committee members to review the technical aspects of the research.

According to Wassenaar (2008: 67), principlism is the philosophical approach that guides ethical research and consists of the following four principles:

- *Autonomy and respect for the dignity of persons* Requires the researcher to obtain voluntary informed consent from all the research participants;
- *Non-maleficence* Requires the researcher to ensure no harm is done to the research participants as a direct and indirect consequence of the research;
- *Beneficence* Obliges the researcher to maximise the benefit that the research will afford to the research participants; and
- *Justice* Requires the researchers to treat the research participants with fairness and equity during all stages of the research.

Prior to commencement of the research, the researcher obtained an ethical clearance certificate from the University of KwaZulu-Natal, which is attached as Appendix 2. The researcher

submitted to each of the respondent and interviewee a letter of informed consent. Confidentiality of the participants submissions were maintained by not making direct references to their personal particulars or the details of the municipality. In terms of principilism, the research participants were treated with respect, dignity, and fairness, and no harm was allowed to befall any of them. Therefore the research was ethically conducted.

6.5 LIMITATIONS OF THE STUDY

There is a dearth of information in respect to systemic MWMES in South Africa. Other limitations of the study were as follows:

- It is restricted to municipalities in KwaZulu-Natal which poses a problem for extrapolation and generalization across all municipalities in South Africa.
- The municipal officials engaged in performance management functions were interviewed where the Municipal Manager provided the necessary contact details of the officials.
- Monitoring and Evaluation systems are not fully implemented in municipalities resulting in the respondents having limited knowledge of a MWMES.
- Municipalities that did not submitted the questionnaires within the available time had to be excluded

There was a high correlation between the seniority of the interviewee in the municipality and the quality of the information provided. Notwithstanding these limitations, the report reflects a fairly informed picture of the M & E landscape within the Local Government sphere in KwaZulu-Natal.

6.6 CONCLUSION

This chapter focussed on the research design and research methodology used to achieve the aims and objectives of the study. The overall methodology for the study was a fusion of both quantitative and qualitative methods which increased the validity of the study. Both descriptive and inference statistical tools were used to explain the findings of the study. The sample size and the response rates were adequate to generalise the findings to the entire population. Finally the study complied with the ethical standards as prescribed by the philosophies included in principilism.

CHAPTER SEVEN

DATA ANALYSIS AND INTERPRETATION OF RESULTS

7.1 INTRODUCTION

The Chapter presents the results and discusses the findings of the research survey. Two sets of questionnaires were administered to the officials of the municipalities. The quantitative questionnaire was mailed by post and electronically to senior officials of the municipality. The qualitative questionnaire was used to conduct structured interviews with municipal employees involved in M & E or performance management tasks. The qualitative questionnaire was also used to conduct structured interviews with an independent group consisting of a performance management consultant, the manager for municipal performance in Department of Local Government and Traditional Affairs (DLGTA) and the senior manager for M & E in DLGTA. The completed questionnaires were then analysed and the SPSS software programme was used to measure the reliability of the data from the questionnaires received from the municipal managers.

Two different organisational perspectives to the responses are provided for the two questionnaires in the survey. In the mailed questionnaire to the Municipal Managers' offices, a strategic perspective is provided by the Senior Managers. The respondents to the structured interviews presented an operational perspective of the issues. The operational issues are related to the strategic objectives of the municipalities as components of the strategic perspective. This theme continues throughout the analysis and interpretation of the data.

7.2 RELIABILITY

Reliability is computed by taking several measurements on the same subjects. A reliability coefficient of 0.70 or higher is considered as "acceptable". The results are presented in Table 11 below.

Table11: Cronbach's Alpha Values

		Cronbach's Alpha
Section B	Q4	0.776
	Q6-8	0.840
Section C	Q2	0.741
	Q3	0.809
Section D	Q1	0.581
	Q3	0.955
	Q4	0.875
Section E	Q5	0.585
	Q6	0.885
	Q7	0.922
Section F	Q2	0.940
	Q6	0.893
Section G	Q5	0.795
	Q6	0.952
	Q7	0.902

The overall scoring pattern indicates that the alpha values are greater than the recommended value, apart from two values which are only slightly less than the recommended value. The high Cronbach's alpha values indicate a degree of consistent scoring for the various aspects of the questionnaire.

The slightly low alpha values were obtained for ranking the importance of various organisational factors in planning and implementing an M & E system (Section D, Question One) and the requirements from National and Provincial Governments in terms of co-operative governance (Section E, Question Five). The low alpha values could be attributed to the fact that each municipality has a unique set of institutional challenges due to its specific socio-economic conditions; financial and human capacity needs, and developmental objectives that directly impact on their requirements of co-operative governance from National and Provincial Governments. Therefore each municipality should be considered as a unique system and all

interventions by National and Provincial Governments should be adapted to the municipality's specific circumstances.

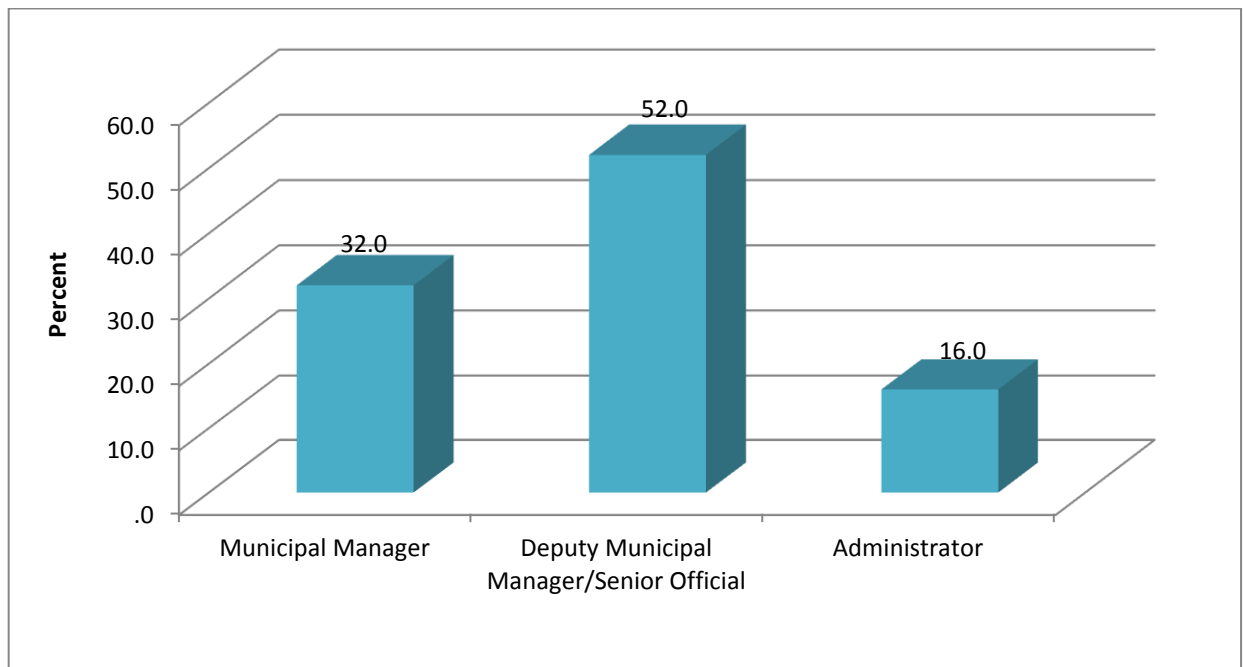
7.3 DEMOGRAPHIC AND BIOGRAPHICAL PROFILE OF THE RESPONDENTS

The section presents the descriptive statistics based on the demographic and biographical information of the study.

7.3.1 Composition of sample by post held

The figure below indicates the posts held by the respondents.

Figure 15: Composition of sample by position of incumbents



Nearly a third of the sample (32%) was Municipal Managers and the majority (52 %) were either Deputy Municipal Managers or administrators. This indicates that all of the respondents were senior administrative staff.

7.3.2 Gender composition by qualification and age group

The table below indicates the cross tabulation of gender composition by qualification and age.

Table 12: Gender composition by qualification and age group

Gender			Age Group			Total
			26-45	46-60	60+	
Male	Grade 12	Count	0	0	1	1
		% of Total	.0%	.0%	5.9%	5.9%
	Diploma	Count	0	1	0	1
		% of Total	.0%	5.9%	.0%	5.9%
	Degree	Count	4	2	1	7
		% of Total	23.5%	11.8%	5.9%	41.2%
	Post graduate degree	Count	3	5	0	8
		% of Total	17.6%	29.4%	.0%	47.1%
	Total	Count	7	8	2	17
		% of Total	41.2%	47.1%	11.8%	100.0%
Female	Grade 12	Count	1	0		1
		% of Total	12.5%	.0%		12.5%
	Degree	Count	1	1		2
		% of Total	12.5%	12.5%		25.0%
	Post graduate degree	Count	4	1		5
		% of Total	50.0%	12.5%		62.5%
	Total	Count	6	2		8
		% of Total	75.0%	25.0%		100.0%

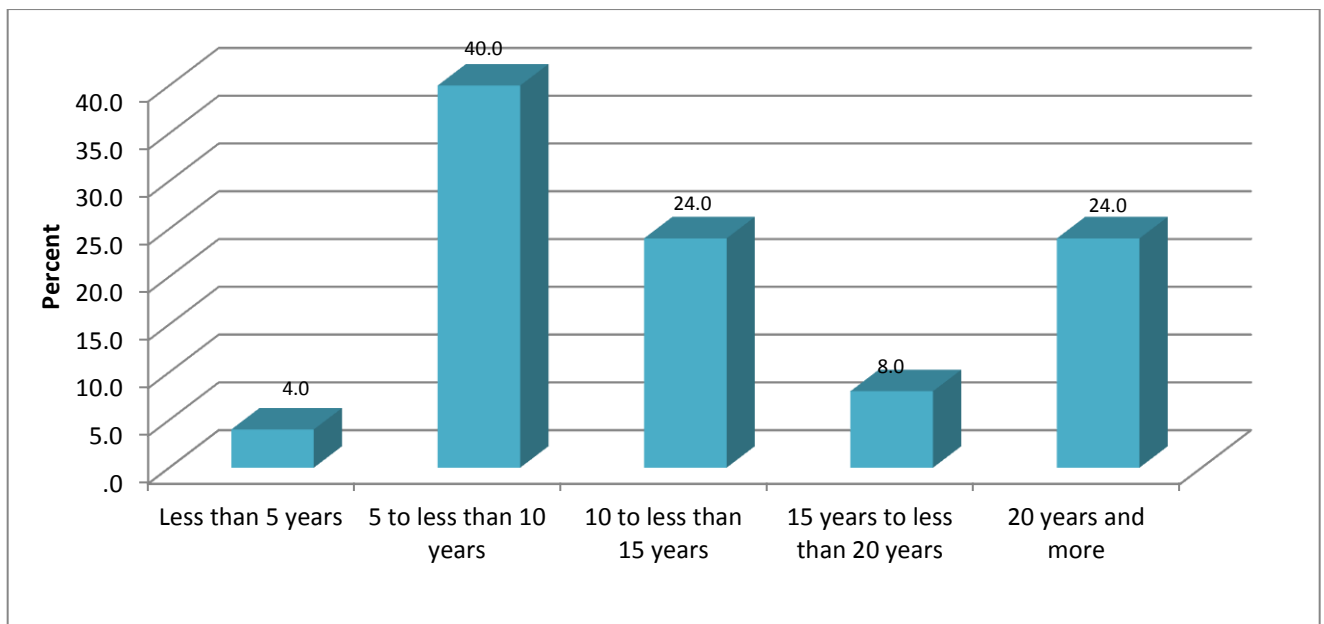
The majority of males (88.3%) had at least a degree; over half were males (47.1%) and had a post graduate degree as their highest qualification. Nearly 30% of these were between the ages of 46 to 60 years. The majority of the females (87.5 %) had at least a degree with nearly two thirds having a postgraduate degree. Seven respondents (28%) who had degrees were in the 26-45 years age group while six respondents (24%) with post graduate degrees were in the 46 to 60 years age group.

Only about a third (32.0%) of females occupy senior administrative posts which creates more opportunities for females to be employed in management posts, in terms of gender equity. Due to the majority of the respondents being graduates, they should have had knowledge of basic management principles that would have given them a better understanding of the questions in the questionnaire.

7.3.3 Length of service of respondents

The figure below indicates the length of service of the respondents.

Figure 16: Length of service of the respondents



More than half of the respondents have had at least 10 years of public sector experience. This illustrates that that the majority of the respondents have had exposure to public administration and management.

While females occupied about one third of the posts, the majority of the respondents had an academic qualification and at least five years' experience in a public management environment.

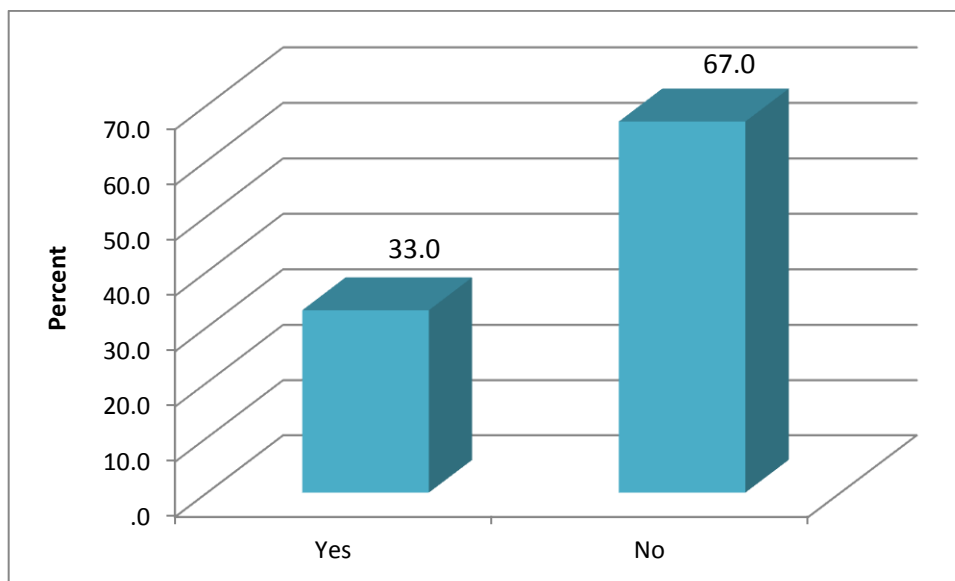
7.4 GENERAL MONITORING AND EVALUATION INFORMATION

The section presents the findings for the M & E policy in municipalities; resources currently dedicated to M & E functions; challenges in planning and implementing an M & E system, and benefits and limitations of M & E systems.

7.4.1 Monitoring and Evaluation policy in Municipalities

The figure below indicates the responses for the existence of an M & E policy in municipalities.

Figure 17: Municipalities that currently have an M & E policy.

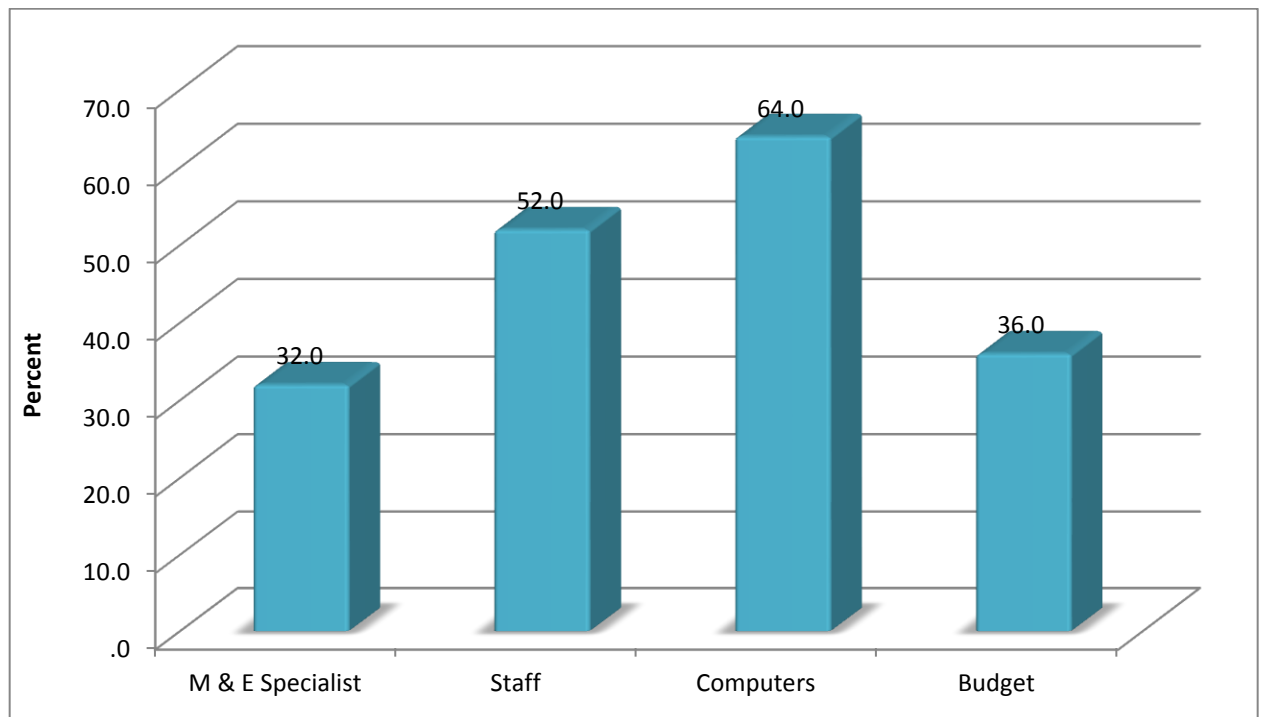


Approximately one-third of the respondents (33%) indicated that the municipality had an M & E policy while the majority (67%) of the municipalities did not have an M & E policy. It would seem that Category A and Category B municipalities that generally have adequate administrative capacity and resources would have a formal M & E policy. The majority of the smaller municipalities do not have the resources and skills to compile an M & E policy.

7.4.2 Resources currently dedicated to Monitoring and Evaluation functions in the Municipalities

The figure below indicates the dedicated resources for M & E functions in the municipalities.

Figure 18: Resources dedicated to Monitoring and Evaluation functions



Approximately one third of the municipalities have M & E specialists (32%) and budgets (36%) dedicated for M & E functions. Over half (52%) and nearly two thirds (64%) of the respondents have dedicated staff and computers for M & E functions respectively.

The high response rates could be due to the understanding by the respondents of M & E being the current Performance Management System which focuses on the appraisal of Section 56 and 57 managers' performance as per their performance contracts. This is evidenced in the response given for the reasons for M & E demand as:

“To set goals and outputs in terms of the Section 57 managers annual performance agreement”.

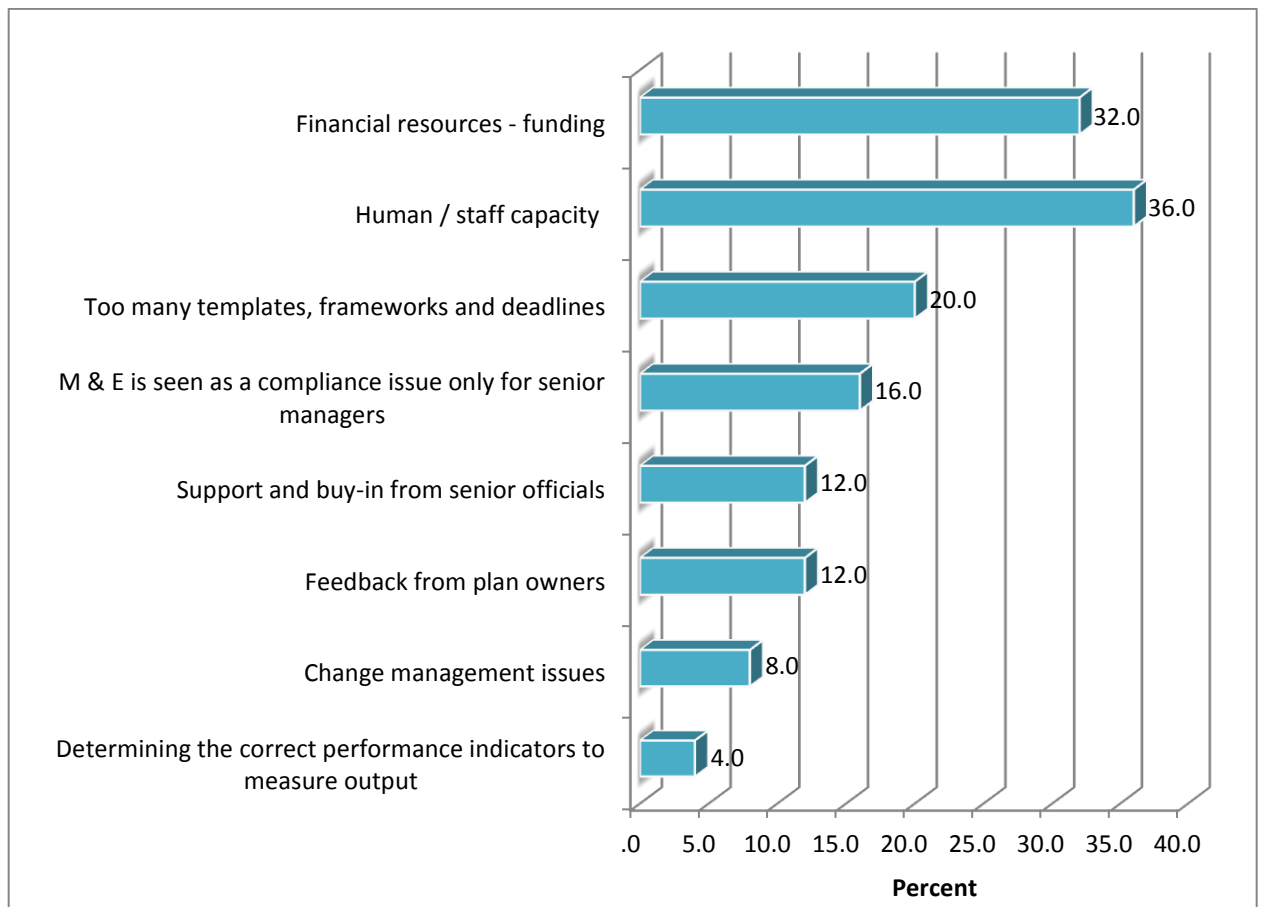
When requested to motivate the level in which the M & E system is to be implemented, the respondent commented that:

“Currently, the M & E system focuses on HODs - while the subordinates are not directly part of the system”.

7.4.3 Challenges in planning and implementing a successful Monitoring and Evaluation policy

The figure below highlights the challenges in planning and implementing an M & E policy.

Figure 19: Challenges in planning and implementing a successful M & E policy



The lack of human resources and capacity (36%) was the greatest challenge followed by a lack of funding (32%). Another important challenge is the number of templates, frameworks and

meeting of deadlines which create the perception that M & E is exclusively about reporting and compliance. There is also limited understanding of M & E as the perception is that it focuses only on the senior managers rather than all the employees in the municipality. This view has been confirmed by the following comments by an interviewee:

“The M & E system, as well as processes to enhance the current system is to ensure compliance and ease of reporting. We are moving at a fast paced rate in complying with the Treasury Regulations”.

Other challenges experienced are support and buy-in from senior managers; change management issues; feedback from plan owners; and developing the correct performance indicators.

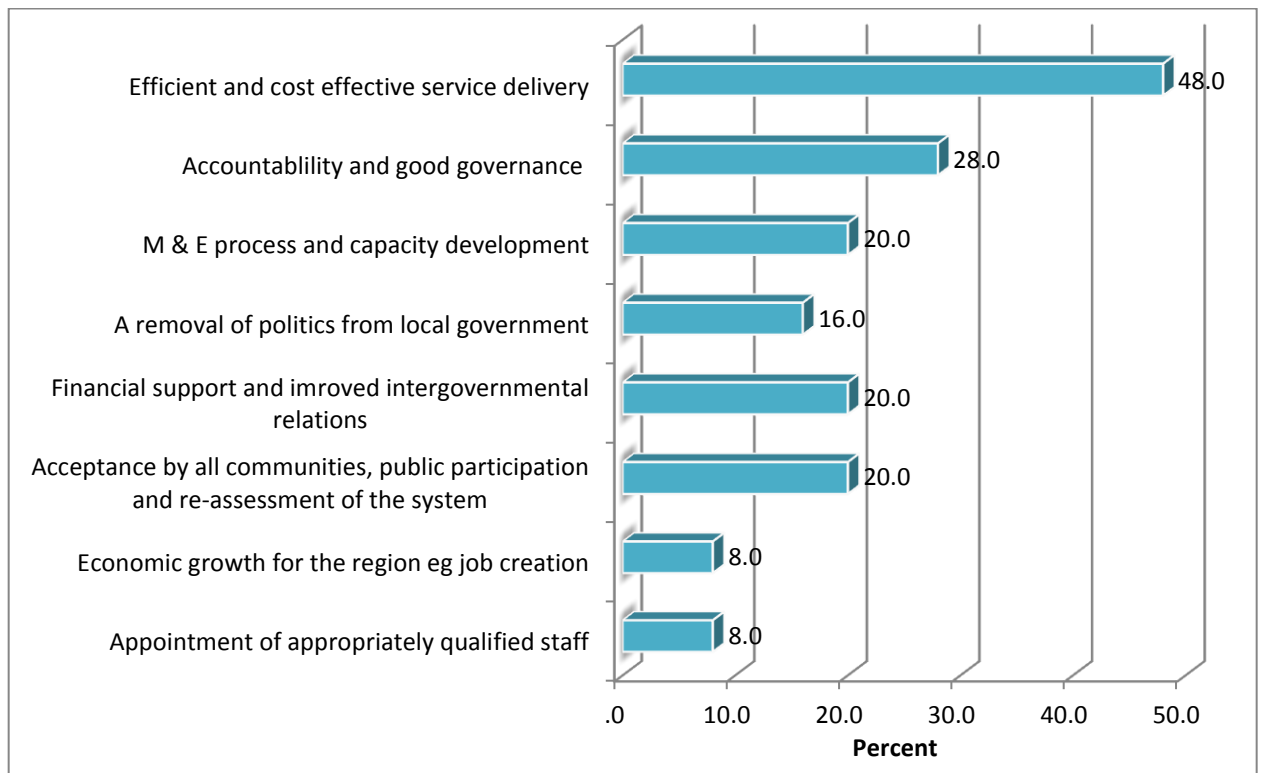
The interviewees indicated that organisational systems and structures; capacity; community participation; and co-operative governance pose challenges for the planning and implementation of an M & E policy. Difficulty is experienced in implementing the current organisational systems due to the large number of vacant critical posts. There is no clear understanding of performance management, monitoring and evaluation. The councillors, administrators and the public have to be capacitated to understand their roles and that of the municipalities' developmental roles and responsibilities. The level of public participation and the poor quality of input is a challenge. Political interests take precedence over the interest of the public to receive service delivery. Poor co-operative governance hinders communication and hence service delivery.

The key challenges for the respondents and interviewees are the focus on compliance; a lack of funding; and capacity of staff and councillors to plan and implement an M & E policy.

7.4.4 Critical factors that would shape the future of Local Government

The figure below highlights the responses to the factors that would shape the future of Local Government.

Figure 20: Factors that shape the future of Local Government



The greatest future challenge for municipalities is to provide efficient and cost effective service delivery (48%). Accountability and good governance practices (28%) are then followed by M & E processes and capacity development (20%). Currently, service delivery protests and poor performance of municipalities due to the lack of good governance practices are regularly reported in the media. Every municipality is required by law to implement an M & E strategy.

The remaining factors that would shape the future of Local Government are financial support from National and Provincial Governments; improved intergovernmental relations; community participation and acceptance of the municipality as a legitimate representative of the government

as the service provider. The removal of politics from Local Government can be understood as the unnecessary interference of politicians in the administration of the municipality.

Interviewees identified political deployment, political and administrative roles and responsibilities, co-operative governance and financial viability of the municipality as major challenges. Political deployments are initiated by political parties where people are placed into posts without having the necessary qualifications and experience. The politically deployed staff are not committed or motivated to undertake their tasks, thus adversely affecting the performance of their subordinates and ultimately service delivery. Roles and responsibilities involve political interference into the administrative functions of the municipality. There must be a balance between the administrative and political office bearers' powers to ensure service delivery.

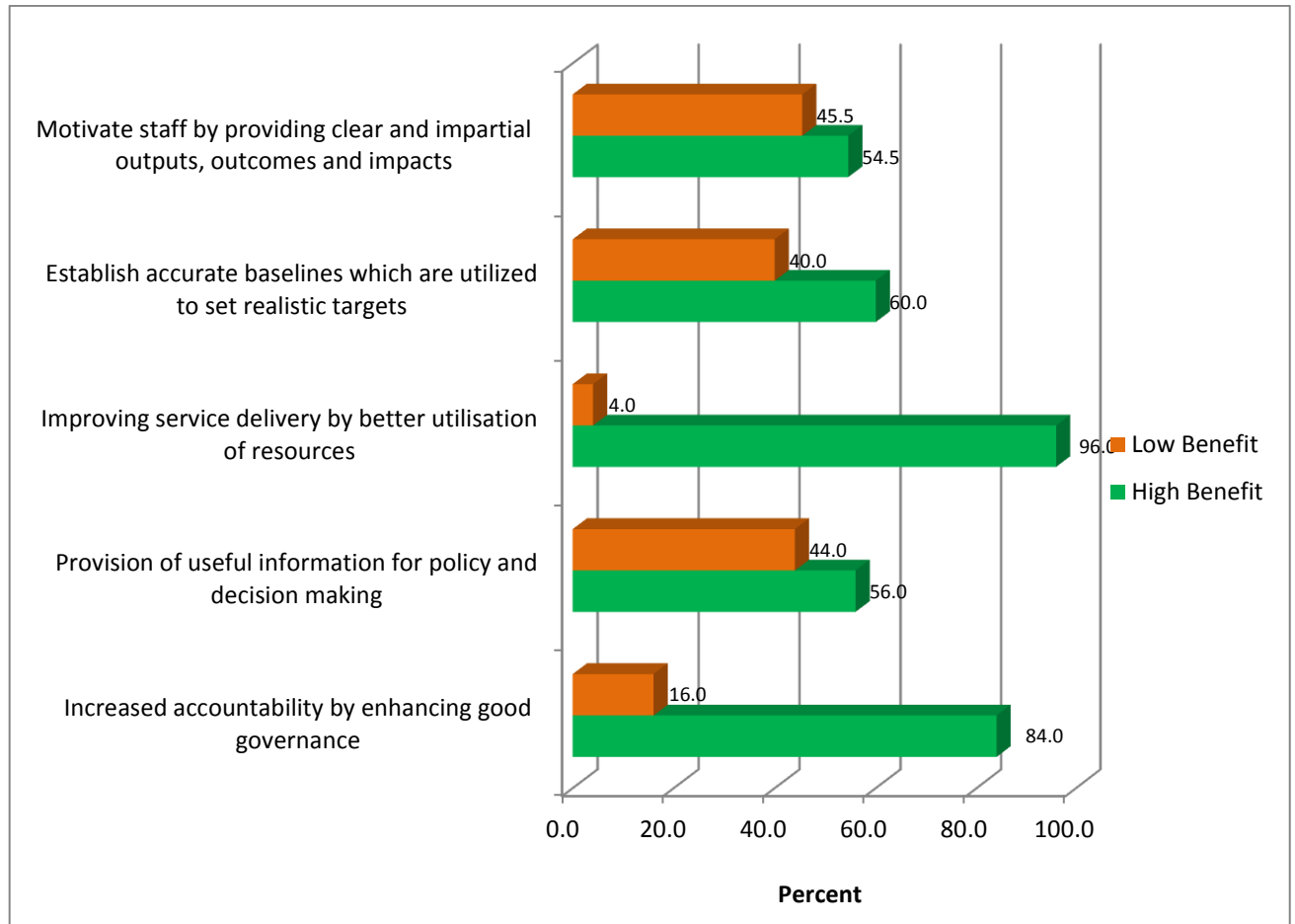
Respondents perceive Provincial Government as a hindrance to service delivery due to the delays in resource allocations. Similarly, district municipalities are perceived to be irrelevant since the municipalities should undertake the provision of all basic services to the communities. It is proposed that both the Provincial Government and District municipalities be disbanded and the staff join either National or Local Government.

Both the senior managers and operational staff have identified the similar challenges that would affect the future of the municipalities, with the main issues being service delivery, accountability, political interference, co-operative governance and capacity development.

7.4.5 Benefits of a Monitoring and Evaluation system to the Municipalities.

Benefits of M & E are highlighted in the figure below.

Figure 21: Benefits of Monitoring and Evaluation system to the municipality.



Respondents identified major benefits for service delivery through better resource management (96%) and increased accountability (84%). The high response rate for service delivery and accountability could be attributed to the regular media reports of service delivery protests and issues of bad governance in municipalities. Another explanation could be the identification of resource constraints that have been created through weak accountability systems in the municipality.

The remaining three statements indicating high levels of low benefit could be attributed to the lack of performance appraisal for the lower levels of staff in the municipality, lack of accurate data to be utilised in setting achievable targets and the minimal involvement in policy development by management. These responses could show a lack of awareness of the technical issues of M & E that can only be understood through experience undertaking M & E functions.

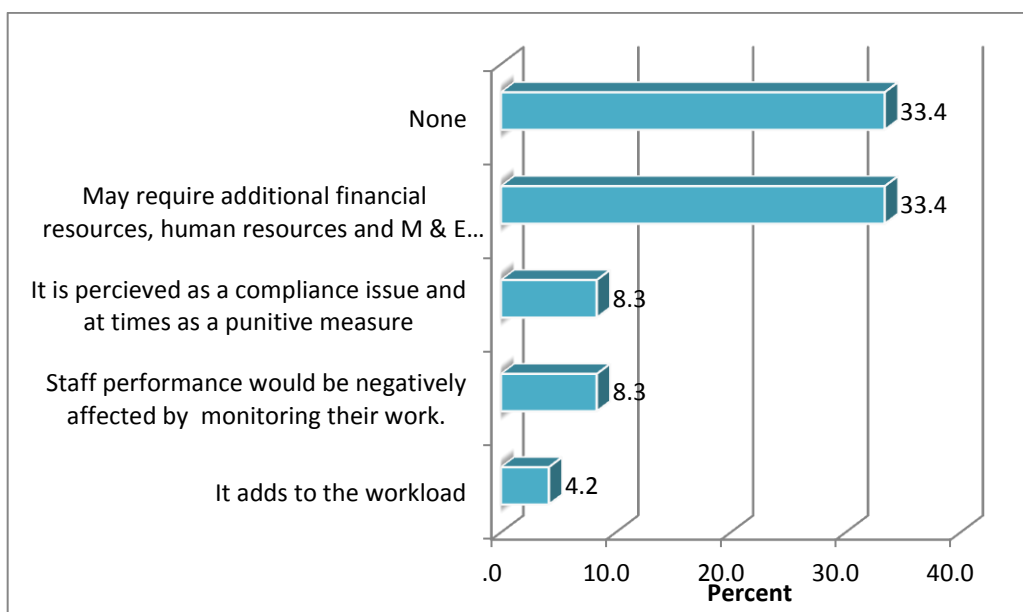
Better performance of the IDP, governance, service delivery and public participation are noted as benefits of the M & E system to the municipalities by the interviewees. The M & E system improves service delivery, transparency, considers the need of the communities and better municipal performance through the IDP.

Therefore there is confirmation that the M & E improves service delivery and accountability in municipalities which are also the key future challenges that municipalities confront (refer to Section 7.4.4).

7.4.6 Disadvantages/limitations of Monitoring and Evaluation systems in municipalities

The response to the question, “What are the disadvantages/limitations of having a Monitoring and Evaluation system in the municipality?” are highlighted in the figure below.

Figure 22: Disadvantages/limitations of having a Monitoring and Evaluation system in the municipality

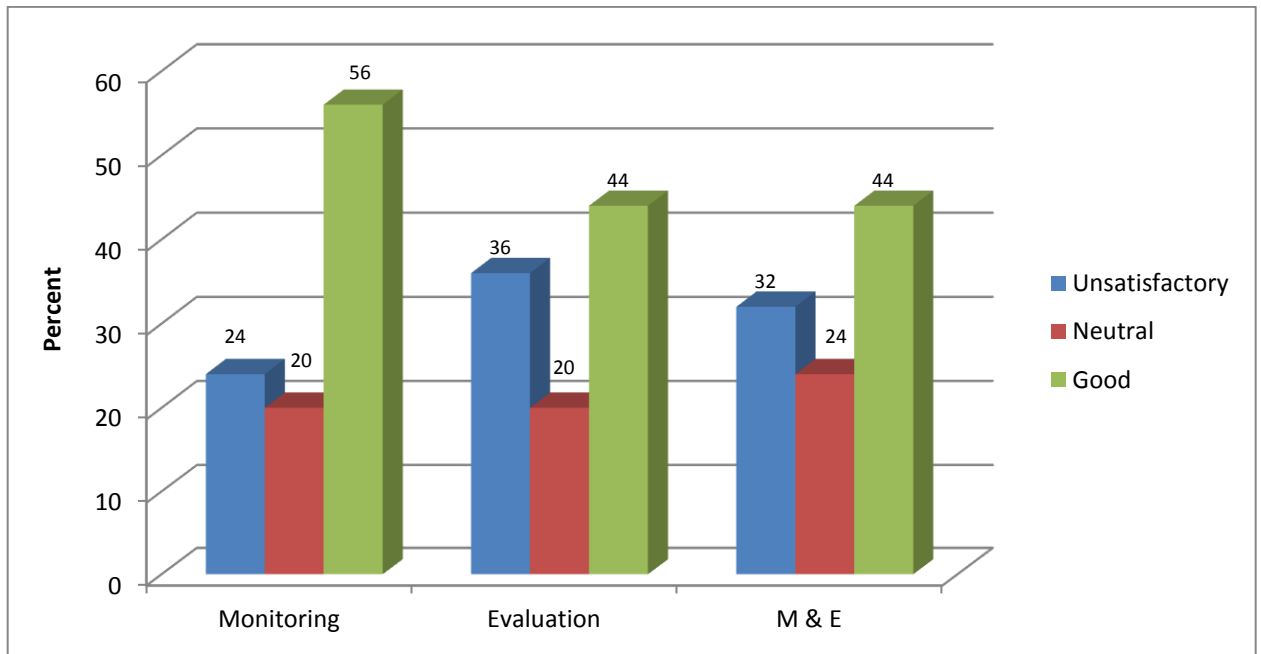


A third of the respondents (33.4 %) indicated that there were no disadvantages or limitations of having an M & E system in the municipality. An equal percentage (33.4%) reported that additional financial, human resources and M & E training would be required. The remaining respondents viewed M & E initiatives negatively as a punitive measure driven by compliance; adding to their workload, noting that their performance would be adversely affected by monitoring their tasks. The respondents are not fully capacitated in terms of the benefits and mechanisms of a sustainable M & E system in the municipality.

7.4.7 Monitoring and Evaluation of policies, programmes and projects in municipalities

The figure below indicates the composite results for the extent of M & E on the outcomes and impacts of policies, programmes and projects; and the rating of the current M & E functions in the municipality.

Figure 23: Composite ratings of Monitoring, Evaluation and Monitoring and Evaluation activities in the municipality



More than half (56%) of the respondents indicated that monitoring of outcomes and impacts was good, while 44% of the respondents reported that evaluation and the M & E activities was good in the municipalities. The remaining respondents indicated the monitoring (24%), evaluation (36%) and M % E activities (32%) were unsatisfactory. An average of 20% of respondents reported a neutral response to these questions. The higher level of monitoring confirms that the monitoring activities are easier to undertake than the evaluation functions.

None of the interviewees indicated that a systemic MWMEs was in operation in any of the municipalities. Therefore, the current M & E activities are undertaken in a fragmented manner within the departments focussing on specific projects or programmes. The fragmented approach limits the benefits of M & E since the various stakeholder perspectives may not have been considered. It can therefore be inferred that the respondents reported on the M & E of programmes and projects outcomes and impacts rather than an MWMEs.

Table 13: Correlation among Monitoring, Evaluation and the Monitoring and Evaluation system

	To what extent are the outcomes and impacts of projects, programmes and policies monitored?	To what extent are the outcomes and impacts of projects, programmes and policies evaluated?	How do you rate your current M & E activities in the municipality?
To what extent are the outcomes and impacts of projects, programmes and policies monitored?	1		
To what extent are the outcomes and impacts of projects, programmes and policies evaluated?	.866**	1	
How do you rate your current M & E activities in the municipality?	.476*	.534**	1

There is a significant, positive and directly proportional relationship among the variables, as indicated in Table 13. Monitoring and Evaluation are inter-related and the monitoring function precedes evaluation of an intervention resulting in a high correlation value of .866. The respondents have indicated that the purpose of the current M & E system is to monitor and evaluate the activities of the municipality, therefore resulting in the correlation values of .476 and .534.

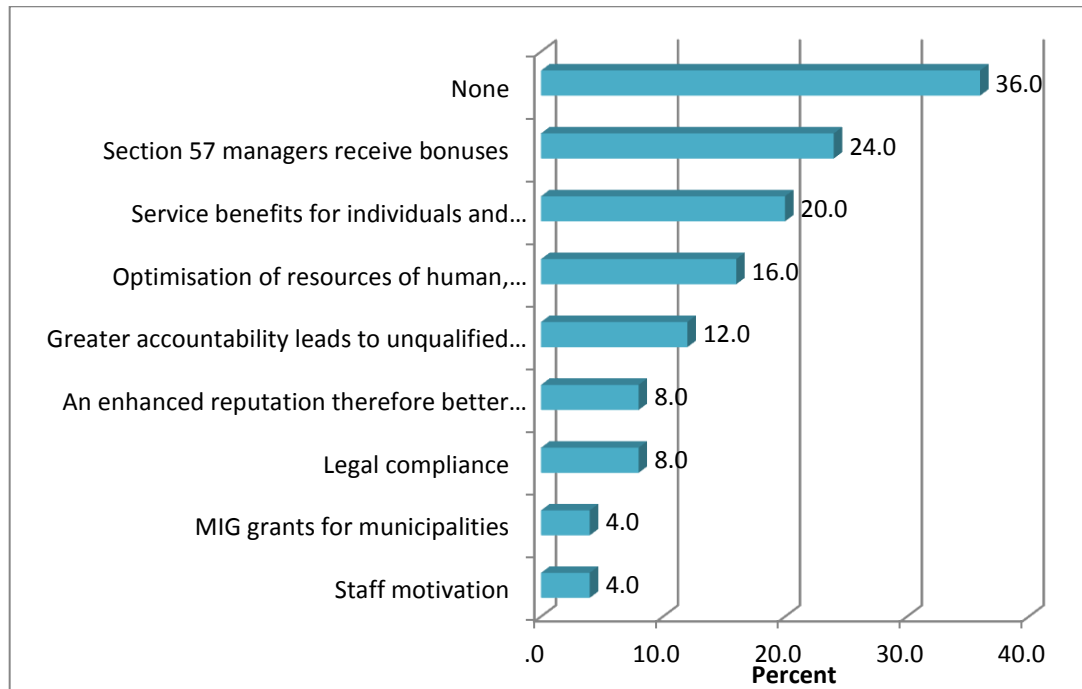
7.5 FACTORS THAT DETERMINE THE NEED FOR A MONITORING AND EVALUATION SYSTEM IN MUNICIPALITIES

The section presents the findings for incentives, stakeholders and instruments determining the need for M & E system.

7.5.1 Incentives for municipalities to plan and implement an effective and efficient Monitoring and Evaluation system

The graph below illustrates the different incentives that are currently available to the municipality for the planning and implementation of an M & E system.

Figure 24: Incentives to plan and implement a Monitoring and Evaluation system.



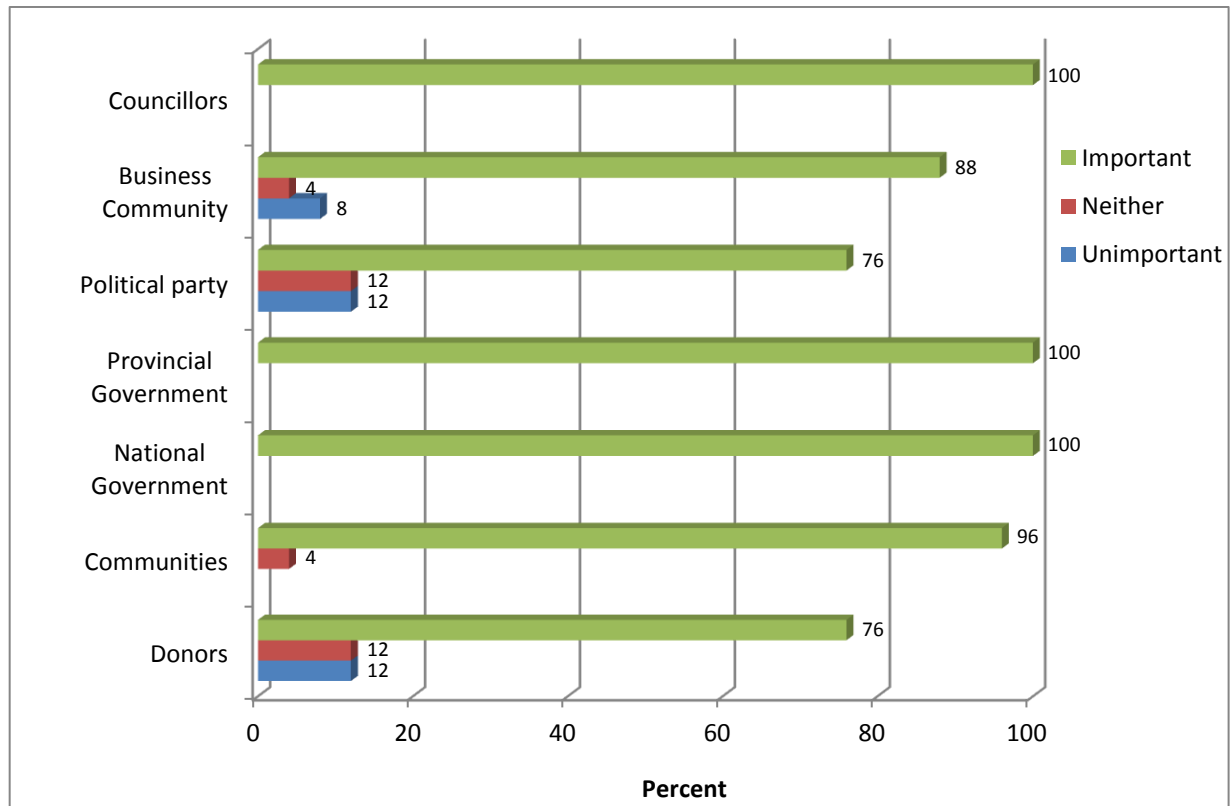
The only incentive that exists for municipalities to plan and implement an M & is the Municipal Infrastructure Grants (4.0%). Just above a third of the respondents clearly indicated that there are no incentives currently available for the planning and implementation of M & E systems in municipalities. The remaining respondents misunderstood the benefits of an M & E system as incentives, namely, being legally compliant, more accountable by achieving unqualified audit reports, greater legitimacy with the community, better planning, resource allocation and customer care.

The comment by the respondents (24%) that the Section 57 managers receive performance bonuses further confirms their understanding of the M &E system as the performance management system for senior managers.

7.5.2 Stakeholders creating the need for implementing a Monitoring and Evaluation system in municipalities

The figure below indicates the need created by the stakeholders for M & E systems.

Figure 25: Stakeholders that create a need for Monitoring and Evaluation systems



There is total agreement that the following stakeholders are responsible for creating the need for an M & E system: Councillors, Provincial and National Government. Communities rank very close to the above factors (96%).

The remaining factors are also important, but to a slightly smaller extent. Business communities are currently not fully engaged in the municipal planning process. Data suggest that the opposition political parties do not have sufficient representation to make significant changes in most municipalities due to the African National Congress (ANC) having majority representation in the municipal council. Donors contribute a very small percentage of the municipality's revenue base and do not have the influence to direct municipal performances.

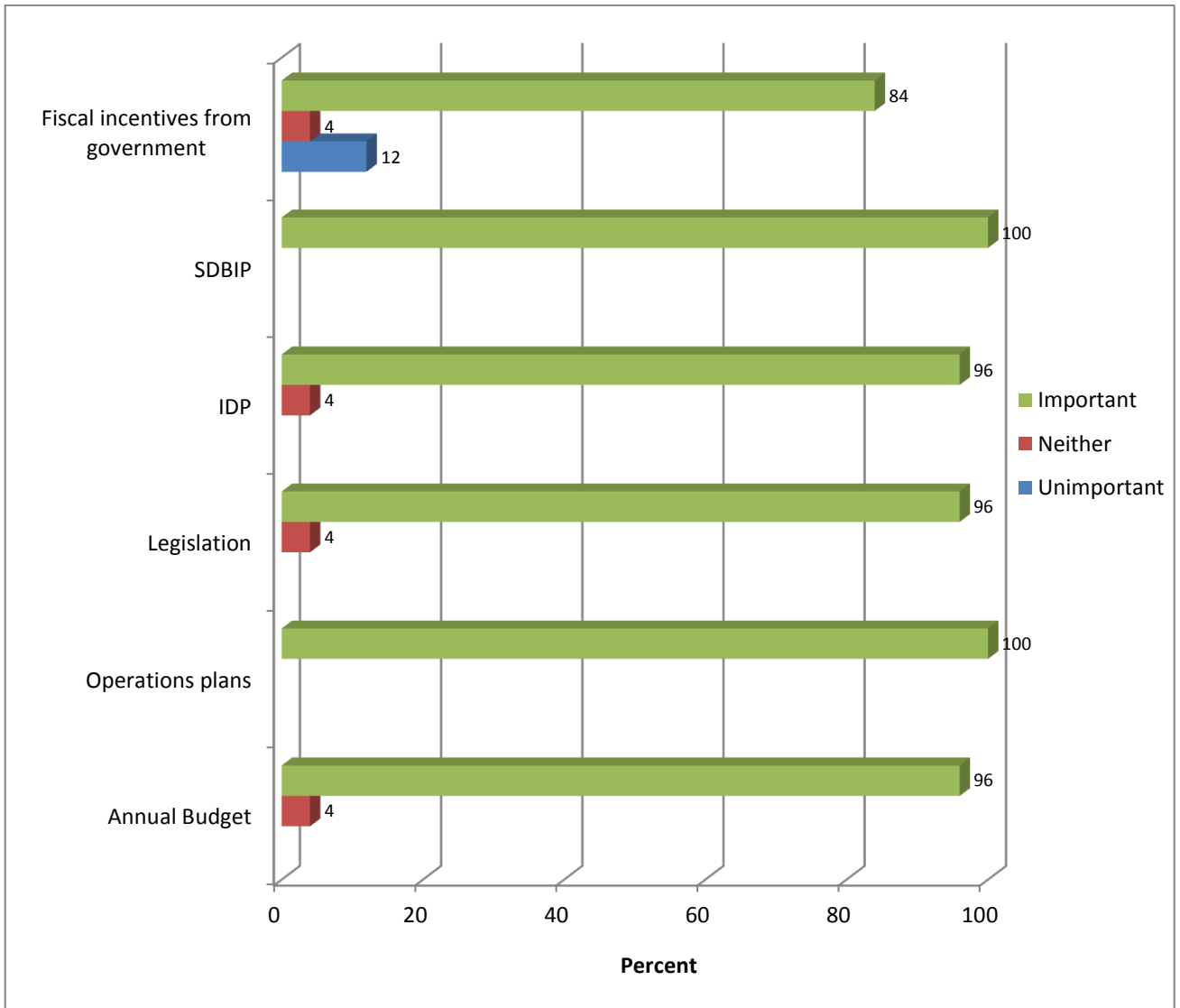
Interviewees identified, legislation, government agencies and opposition parties as stakeholders creating a demand for M & E. Legislative compliance emanates from the national and provincial legislation, local by-laws, Auditor-General's office and Treasury. Legislative compliance includes managing the budgets and submitting timeous reports to the various stakeholders. Political parties, other than the ANC, create a demand to a lesser extent due to the minority representation in the municipal councils.

The focus on the current M & E initiative is legislative compliance of financial matters by the municipality and is driven by National and Provincial Governments; Treasury and the Auditor-General's office. All the respondents have indicated an overwhelming demand for M & E systems for ensuring compliance with National and Provincial Governments' requests for information. The majority of the interviewees (95%) suggested that demand for M & E in municipalities is sustainable.

7.5.3 Instruments creating the need for implementing a Monitoring and Evaluation system in Municipalities.

The instruments that create a need for implementing an M & E system in municipalities are shown in the figure below.

Figure 26: Instruments that create a need for implementing a Monitoring and Evaluation system in the municipality



The SDBIP; IDP; legislation; operations plans; and annual budgets are important in the management of the municipality. Respondents have indicated that all of the above instruments need to be included in the M & E system. Fiscal incentives from government, while slightly

lower than the other instruments are in contradiction with the findings that there are minimal incentives from the government in terms of the MIG (refer to Section 7.5.1). It could be inferred that the respondents view fiscal incentives as a key motivator for the planning and implementation of the M & E system.

Interviewees (76%) commented that operational changes created the greatest source of demand for M & E. Operational changes include effective evaluation of IDP process, impact evaluation of change interventions, identification of performance gaps and implementation of the corrective actions. Alignment of budgets with the IDP and legislative compliance provide value adding services.

Majority of the respondents are in agreement of the IDP, SDBIP, annual budgets, operational plans and legislation are important instruments that create the demand for M & E in the municipalities. Therefore M & E can be an integral component of municipal planning through the IDP, the budgeting process and operational plans that are aligned to the legislative mandate.

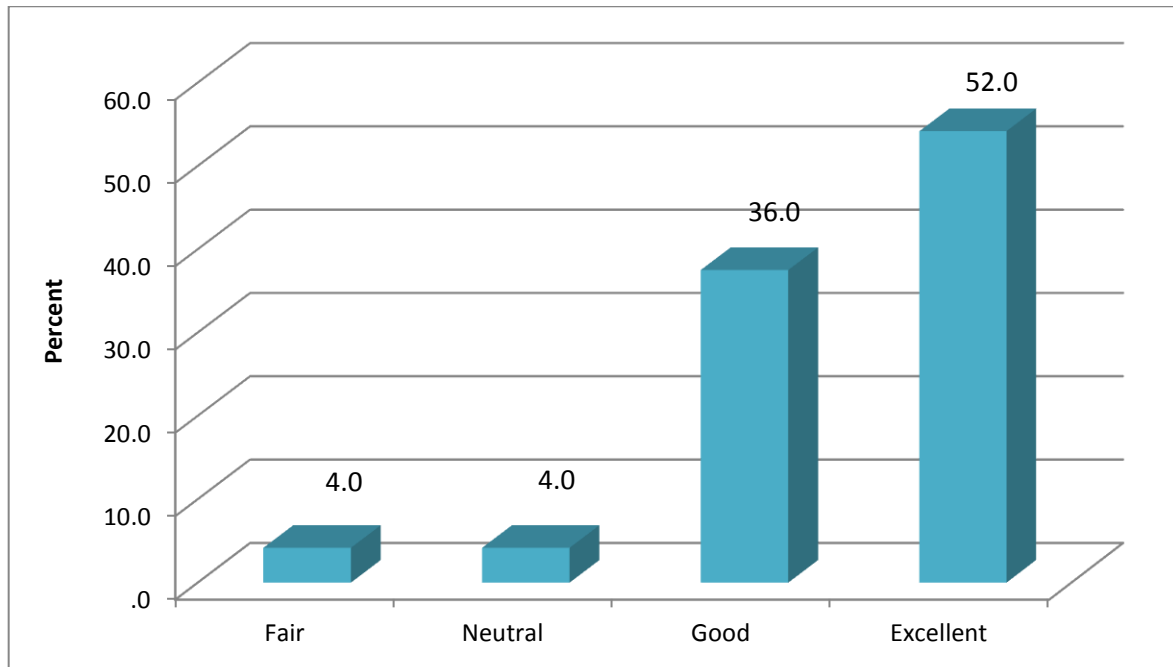
7.5.4 Inclusion of the instruments in the Monitoring and Evaluation system enhance governance

The table below indicates the frequencies and percentages while the next figure highlights the responses to the inclusion of the instruments in the M & E system.

Table 14: Frequency and percentage ratings for the various instruments.

	Frequency	Percent	Valid Percentage	Cumulative Percentage
Fair	1	4.0	4.2	4.2
Neutral	1	4.0	4.2	8.4
Good	9	36.0	37.5	45.9
Excellent	13	52.0	54.1	100.0
Total	24	96.0	100.0	
Missing	1	4.0		
Total	25	100.0		

Figure 27: Impacts of the instruments on the M & E system to enhance governance



Just over one third of the respondents (36%) indicated that the instruments would have a good impact on governance and over half of the respondents (52%) reported that the impacts of the instruments would have an excellent impact on municipal governance. Budgeting, IDP planning process and legislation are both a mandatory and an integral component of every municipal environment and any M & E initiative should first include the above instruments for inclusion in the M & E system.

7.5.5 Additional comments with regard to the need for a Monitoring and Evaluation system to enhance governance

Respondents indicated that staff should have a good understanding of performance management and a simple and standardised electronic system should be used for performance management. The M & E initiative has to be driven at the senior management level and should be legislated, audited and enforced on a continuous basis. M & E monitors how the government is delivering services and acts as an early warning system so that proactive steps can be taken to address irregularities.

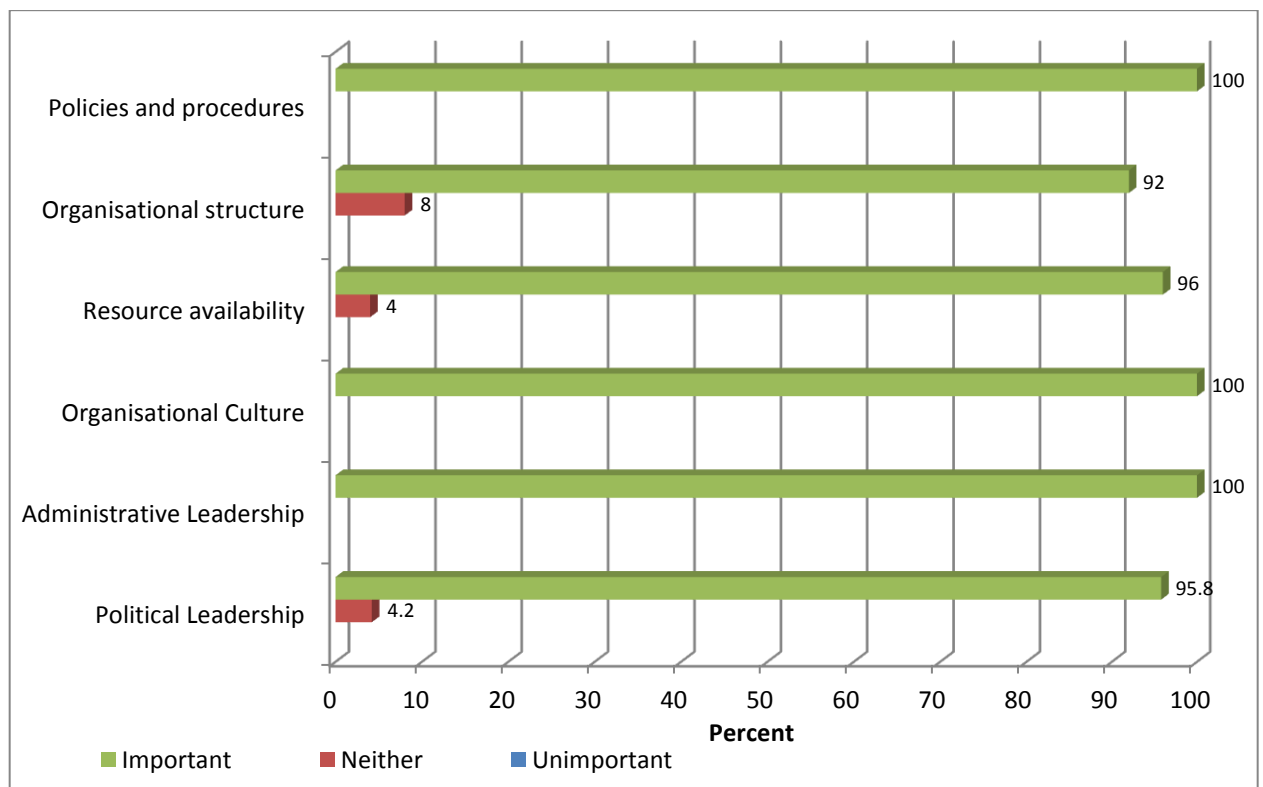
7.6 READINESS ASSESSMENT FOR PLANNING AND IMPLEMENTING MONITORING AND EVALUATION SYSTEMS IN MUNICIPALITIES

The section highlights the findings of the organisational factors impacting on the planning and implementation of M & E systems; requirements for implementing an M & E system; provision and the availability of resources for implementing an M & E system; and the readiness of municipalities to implement an M & E system.

7.6.1 Organisational factors impacting the planning and implementation of Monitoring and Evaluation systems in municipalities

The bar graph below shows the organisational factors impacting the planning and implementation of an M & E system.

Figure 28: Organisational factors affecting the planning and implementation of an M & E system



None of the factors were considered as being not important. Only 3 statements showed minimal degree of uncertainty, with strong importance being assigned to all statements. Administrative leadership, organisational culture and policies and procedures (100%) were unanimously ranked

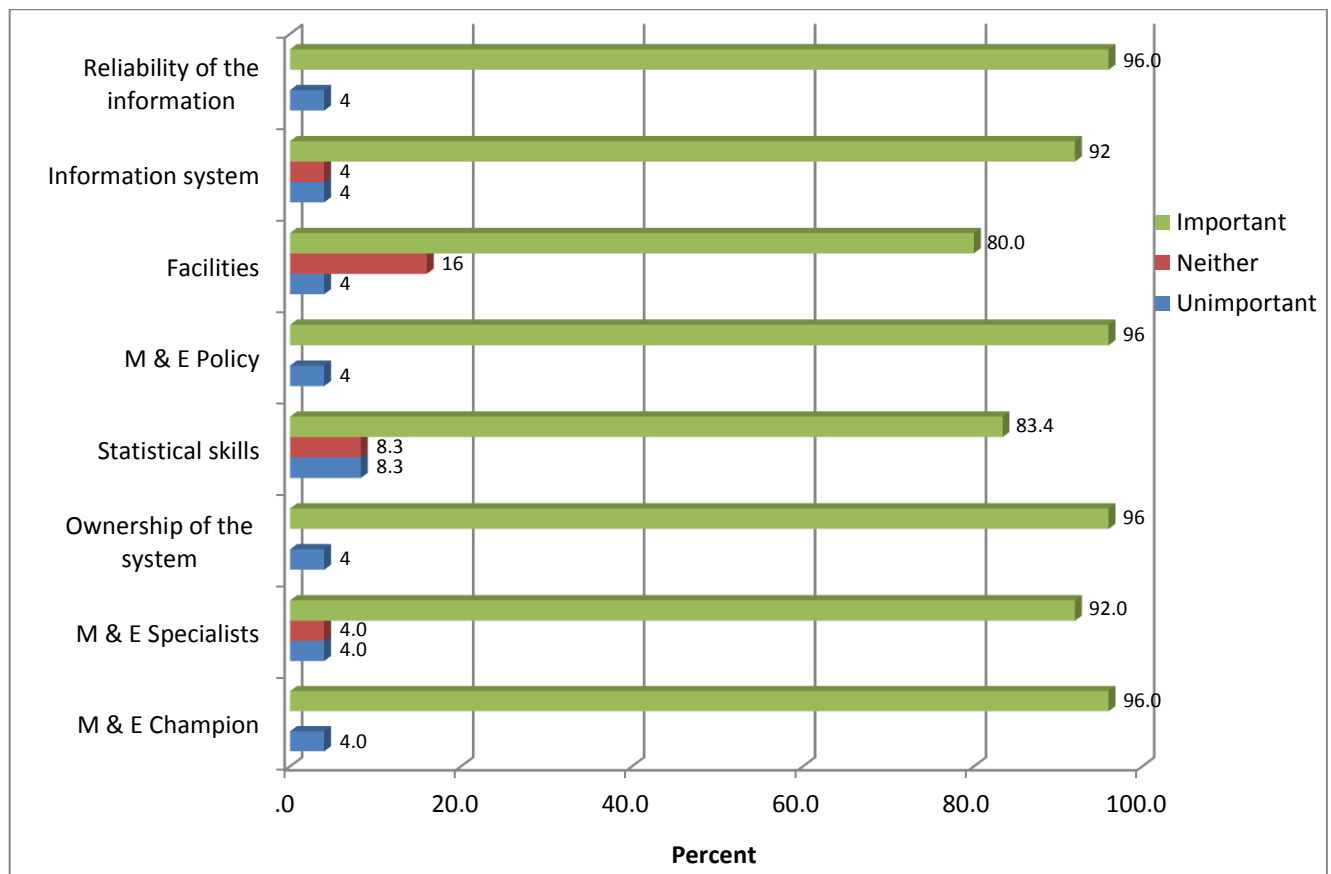
as important. Administrative and political leadership have led to the poor performance of many municipalities in the KZN province. The respondents have indicated that both the factors are key to the readiness of municipalities to plan and implement an M & E system.

Interviewees also commented that the critical factors that need to be assessed for M & E readiness are resource availability (48%); the integration of the M & E with the existing systems (38%); capacity development (29%) and organisational culture (19%).

7.6.2 Requirements for planning and implementing a Monitoring and Evaluation system in municipalities

The figure below indicates the requirements for planning and implementing an M & E system.

Figure 29: Requirements for planning and implementing an M & E system



All the factors, except facilities, have been ranked as very important (above 80%). Statistical skills have received a lower rating (83%) either due to the lack of use of statistics in performance

measurement or because is limited awareness of the use of statistical techniques in M & E. The possible reason for the lowest rating for facilities is due to the abundance of state administrative buildings that provide the required offices for the use by M & E staff.

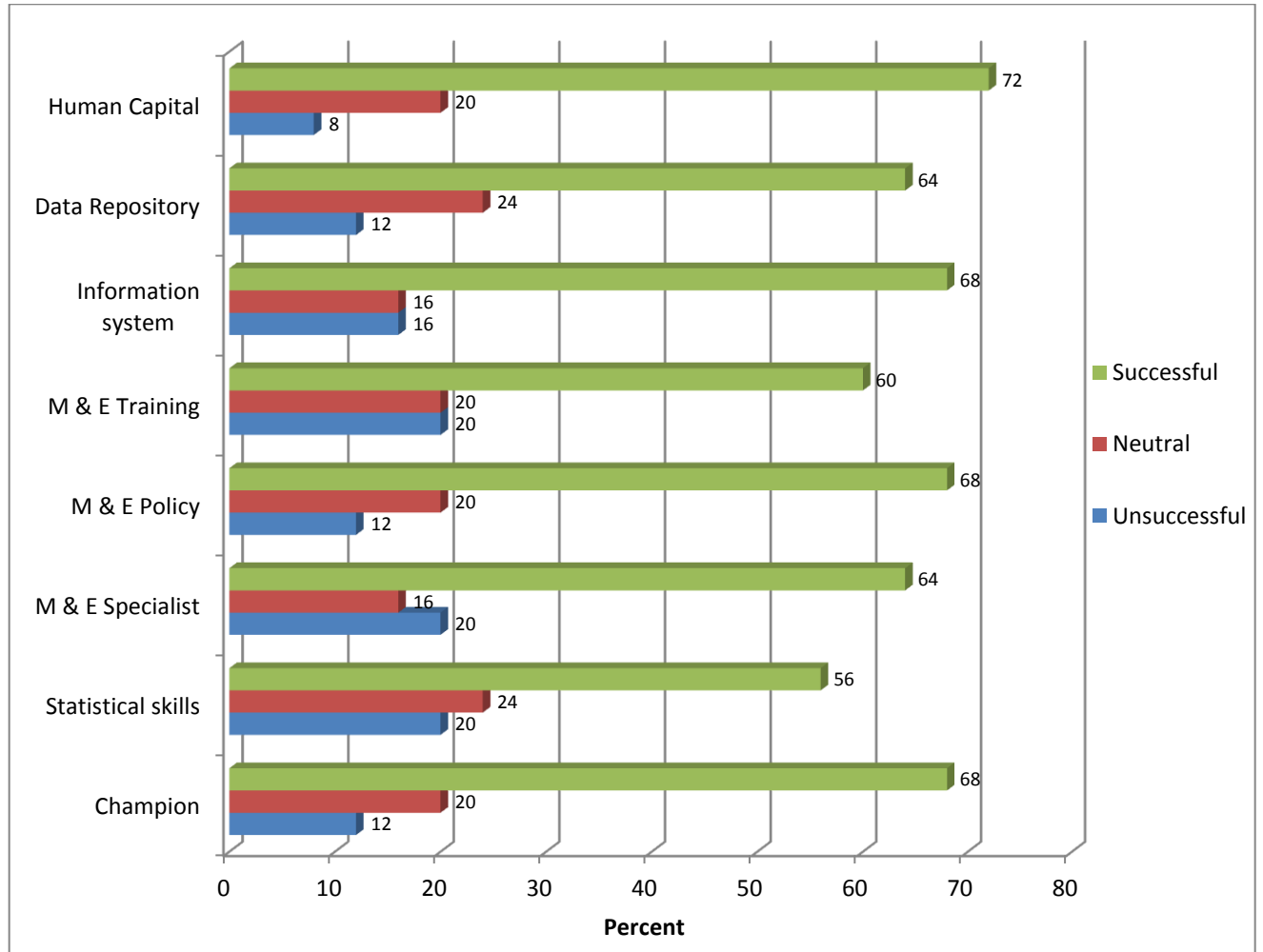
Interviewees stated that M & E experts and champions; resources; capacity development; organisational culture; compliance with legislation; buy-in from both the political and administrative leaders and an integrative information system needs to be assessed for the M & E readiness of the municipality. The M & E expert is required to provide the technical and statistical knowledge, while the M & E champion needs to drive the M & E process in the municipality.

Both the quantitative and qualitative data have highlighted the majority of the requirements for the M & E readiness assessments in the municipality. The factors that were not mentioned by the interviewees are the reliability of the information and the ownership of the M & E system. This could be attributed to the current lack of a holistic M & E system in municipalities.

7.6.3 Provision of resources by the Municipality for planning and implementing a Monitoring and Evaluation system

The figure below illustrates the extent to which the municipality can provide the resources for planning and implementation of the M & E system.

Figure 30: Provision of resources for the planning and implementation of an M &

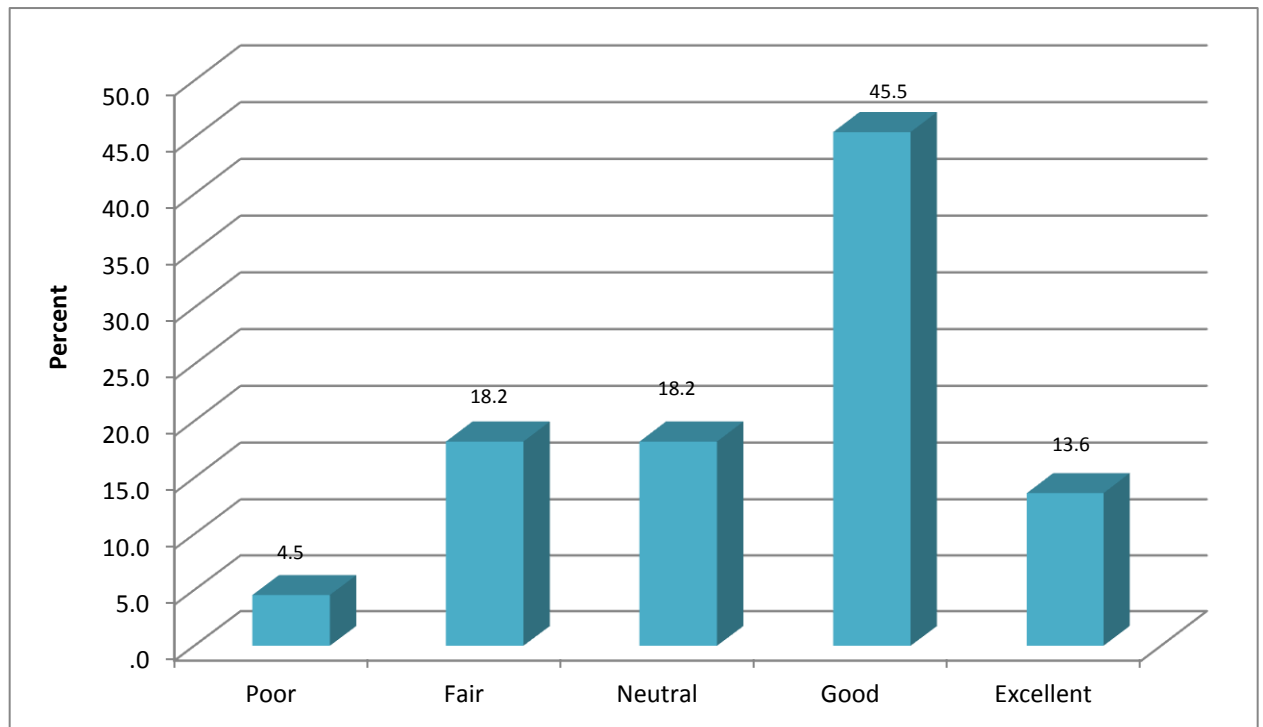


Approximately two thirds of the municipalities can successfully provide the resources to plan and implement an M & E system. The greatest challenge is the provision of M & E training (60%) and the statistical skills (56%). For the smaller municipalities, M & E training and statistical skills need to be acquired from the Provincial and/or National Government or M & E specialists. The relatively high level of uncertainty could be attributed to the lack of detailed knowledge of each of the requirements for the planning and evaluation of the M & E system.

7.6.4 Availability of resources in the municipality for planning and implementing an Monitoring and Evaluation system

The Graph below illustrates the current availability of the resources required for the planning and implementation of an M & E system.

Figure 31: Resources currently available for planning and implementing a Results-Based Monitoring and Evaluation system in Local Government

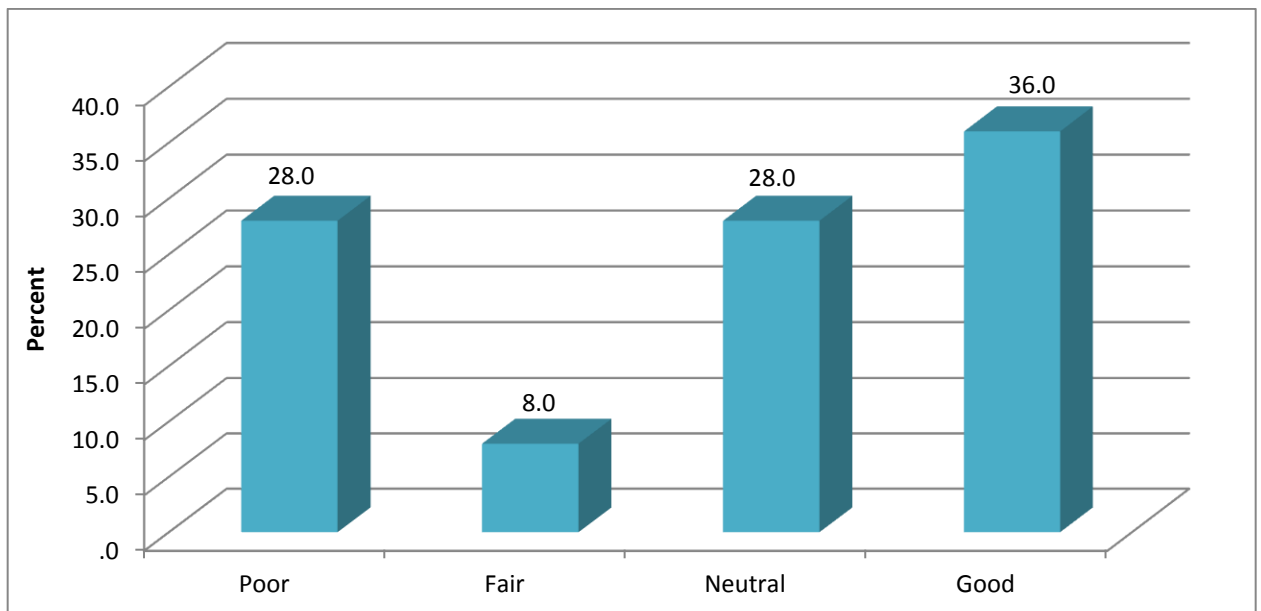


Nearly two thirds (59%) of the respondents indicated that the requirements for the planning and implementation of a results-based M & E are at least good. This result was consistent with Sections 7.6.2 and 7.6.3 where the respondents indicated that approximately two thirds of the municipalities were able to provide the necessary resources for planning and implementation of an M & E system.

7.6.5 Current readiness of municipalities to plan and implement a Monitoring and Evaluation system

The figure below illustrates the readiness of municipalities to plan and implement an M & E system.

Figure 32: Current readiness for the planning and implementation of a Monitoring and Evaluation system



Over a third of the respondents (36%) indicated that the current readiness for the planning and implementation of an M & E system was good, and 28% indicated that the current readiness is poor.

In Section 7.6.2 and 7.6.3, two thirds of the municipalities could provide the required resources and approximately 60 % of the municipalities currently possess the required resources. However, the low percentage (36%) of municipalities that are ready for planning and implementing an M & E system could be attributed to the lack of M & E expertise and capacity in the smaller municipalities.

7.6.6 Additional comments with regard to the readiness assessment

The current PMS is not functioning properly despite being in operation for a number of years. A good performance audit committee is key to enhance M & E readiness. Monitoring and Evaluation have only recently been established and it will take time before full functionality is achieved. The municipality is not ready as M & E currently appears as a provincial initiative.

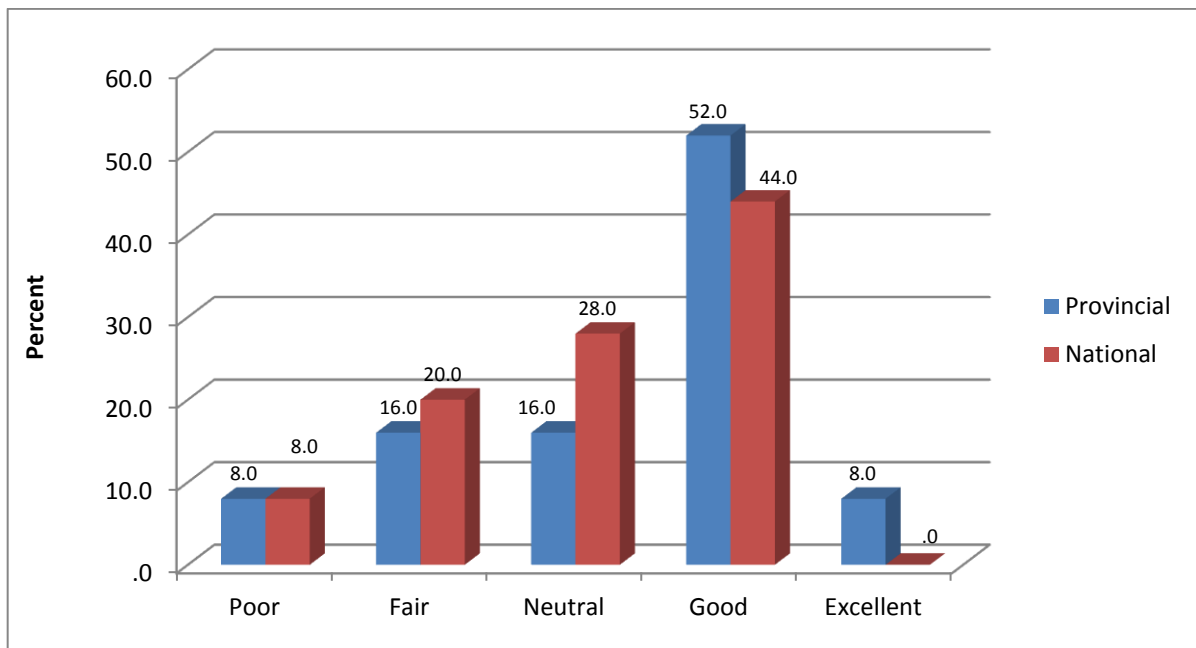
7.7 IMPACT OF MONITORING AND EVALUATION TO ENHANCE CO-OPERATIVE GOVERNANCE IN MUNICIPALITIES

This section provides the findings with regard to co-operative governance among the three spheres of government; the requirements for co-operative governance; and the support received by the municipalities from the National and Provincial Governments.

7.7.1 Co-operative governance among the municipalities; National and Provincial spheres of government

The figure below is a stacked bar graph for the two questions contained in it, namely, how do you rate the current co-operative governance between the municipality and the Provincial Government and how do you rate the co-operative governance between the municipality and the National Government?

Figure 33: Co-operative governance among the municipalities and the National and Provincial spheres of government

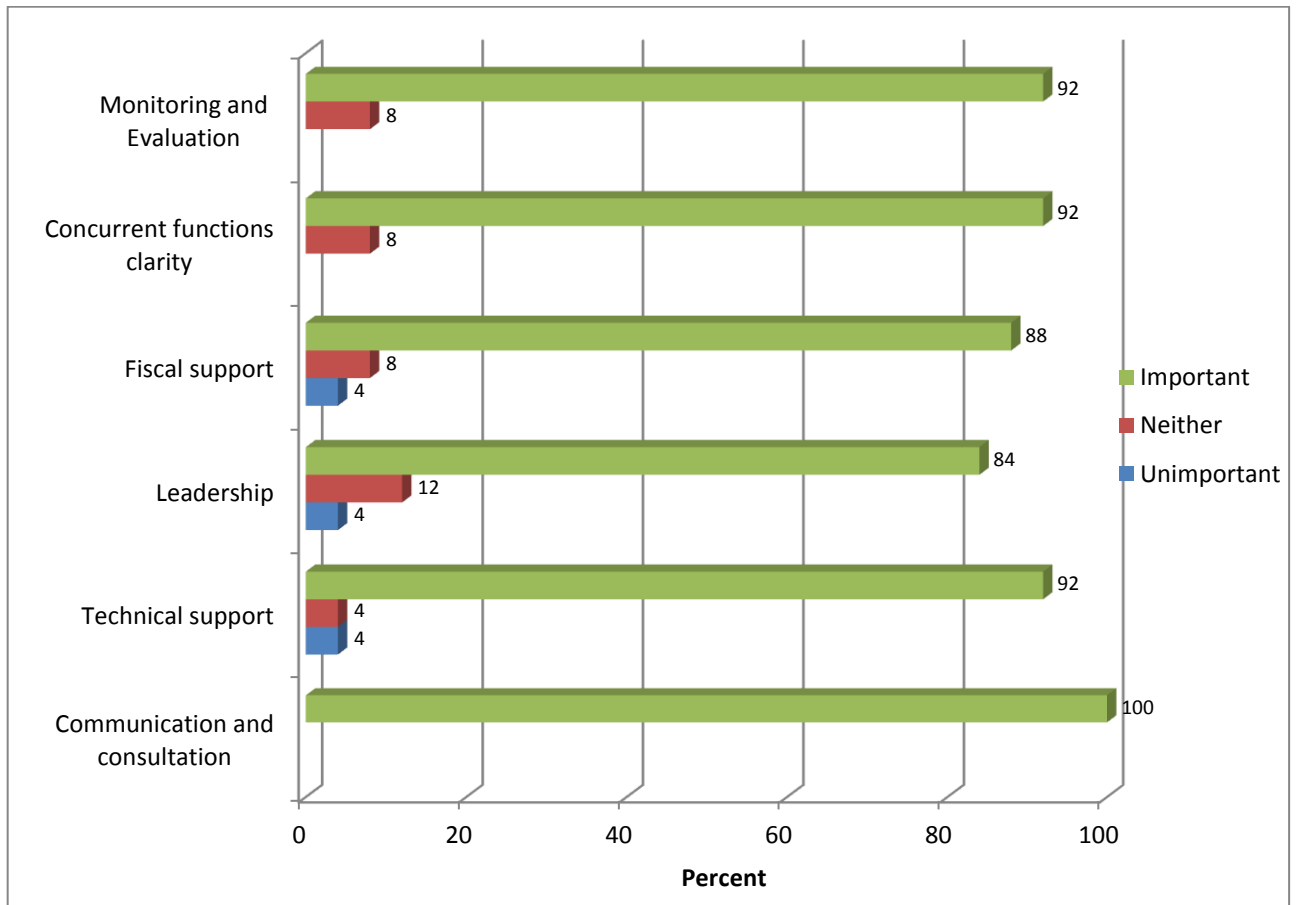


Respondents indicated the existence of better co-operative governance between the Provincial Government and the municipality (60%) than between the National Government and the municipality (44%). The majority of the municipalities communicate directly with the Provincial Government due to the oversight role of the province, the performance of their concurrent duties and fiscal allocations.

7.7.2 Co-operative governance requirements of the municipalities from the Provincial and National Governments

The bar graph below indicates the requirements for co-operative governance.

Figure 34: Requirements for co-operative governance

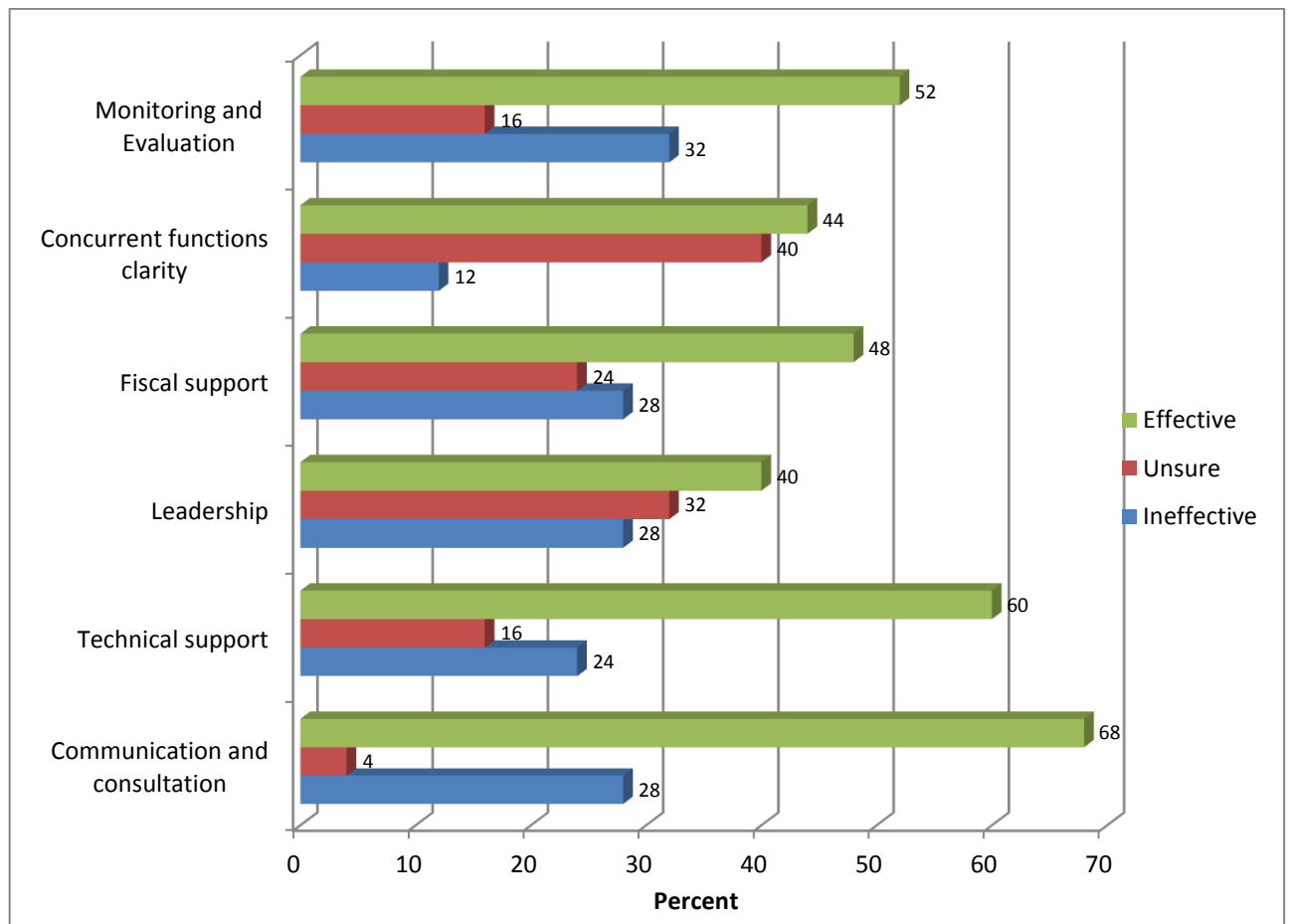


All the above requirements have been indicated to be important (greater than 80%). Communication and consultation (100%) were regarded as critical for co-operative governance. Monitoring and Evaluation, clarity of the concurrent functions and technical support (92%) followed. There is a great need for support by the municipalities from Provincial and National Governments to undertake the municipal tasks efficiently and effectively.

7.7.3 Co-operative governance support received by municipalities from Provincial Government

The figure below indicates the provincial support to municipalities

Figure 35: Provincial support to municipalities



The most effective support received from the Provincial Government was communication and consultation (68%), followed by technical support (60%) and Monitoring and Evaluation (52%). Leadership support (40%) was least effective.

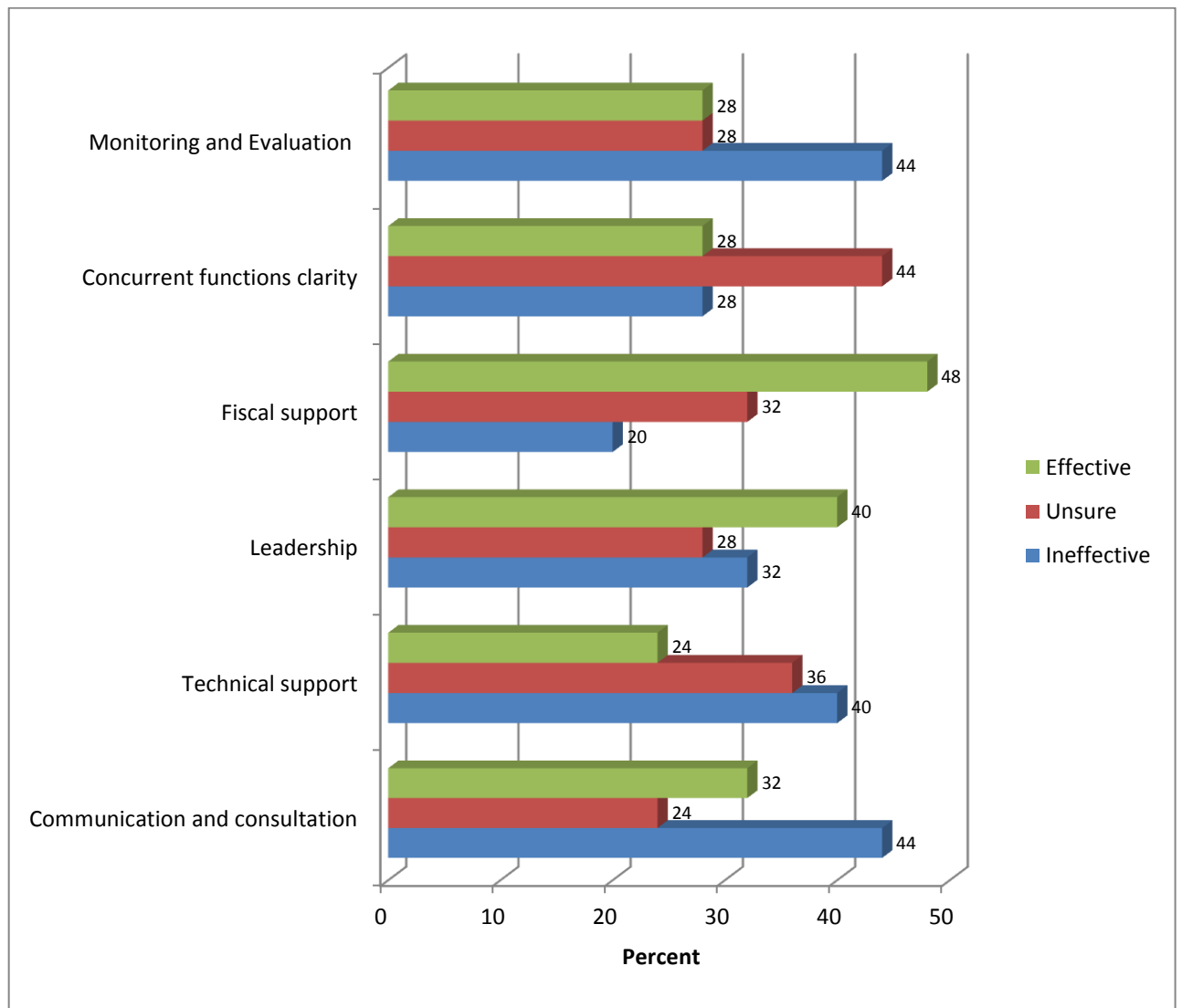
The high “unsure” levels could be attributed to the current low levels of co-operative governance among the smaller municipalities and the Provincial Government resulting in a lack of

understanding of the roles and responsibilities of both the municipality and the Provincial Government on co-operative governance.

7.7.4 Co-operative governance support received by the Municipalities from National Government

The bar chart below highlights the support received from National Government.

Figure 36: Support received from National Government



Fiscal support (48%) and leadership (40%) from the National Government has been effective although at low levels. Monitoring and Evaluation (44%), technical support (40%) and communication and consultation (44%) have been ineffective.

A large proportion of respondents were unsure of the support received from National Government. This could be attributed to the limited communications and consultations with the National Government and/or the lack of knowledge of the concurrent functions. Municipalities communicate more regularly with the Provincial Government due to the provinces fiscal duties and oversight roles over the municipalities.

Municipalities require support from both the National and Provincial Governments in a number of areas to perform their tasks more effectively and efficiently. The support received from National Government is lower than that received from the Provincial Government. Respondents are generally unsure of the relationship between the National Government and the municipality and the roles and responsibilities of each sphere of government.

7.7.5 Additional comments with regard to the impact of Monitoring and Evaluation systems enhancing co-operative governance in municipalities

Through dialogue and communication among the different spheres of government improved service delivery can be achieved. Provided that all stakeholders are in support of one common goal and are not divided along political lines, better information sharing and transparency is achievable and would enhance co-operative governance. Monitoring and Evaluation provides better alignment of National, Provincial and Local Governments' programmes and policies and assists in the achievement of national priorities through the provision of funding, legislative support and elimination of barriers to undertaking service delivery.

Monitoring and Evaluation assists with transfer of skills; mentorship and advice to low capacity municipalities, and setting of achievable targets that enforce compliance.

7.7.6 Qualitative data from the interviews with municipal staff

Respondents commented that M & E improves co-operative governance through better alignment (43%), goal achievement (33%), communications (19%), and an oversight role (5%). Alignment involves the three spheres of government working together to be more effective, efficient and economical by avoiding duplications of service delivery programmes. Better goal achievement can be achieved through support from National and Provincial Governments about their programmes and the assessment of the progress towards the service delivery goals.

To encourage better intergovernmental relationships and co-operative governance, the interviewees proposed better communication (52%), alignment (19%), prioritising intergovernmental relationships (19%), and capacity development (14%). Currently, the intergovernmental relations forums exist but are not effective due to the lack of urgency given to this matter. Further, communication among the municipalities and the two spheres of government is perceived to be prescriptive and a “big brother approach” is being projected. More regular open and candid interactions that share daily service delivery challenges are preferred by the municipalities. For better alignment a single window of governance should be utilised, with a single point of entry for information requests from the municipality. Intergovernmental relations should be prioritised by approaching them with urgency via the Speaker and Premiers’ offices.

The quantitative data highlighted a strategic focus on co-operative governance, while the qualitative data from the interviews focussed on operational and tactical issues within the municipality. However, communications has been identified as the common critical factor for better intergovernmental relations and co-operative governance.

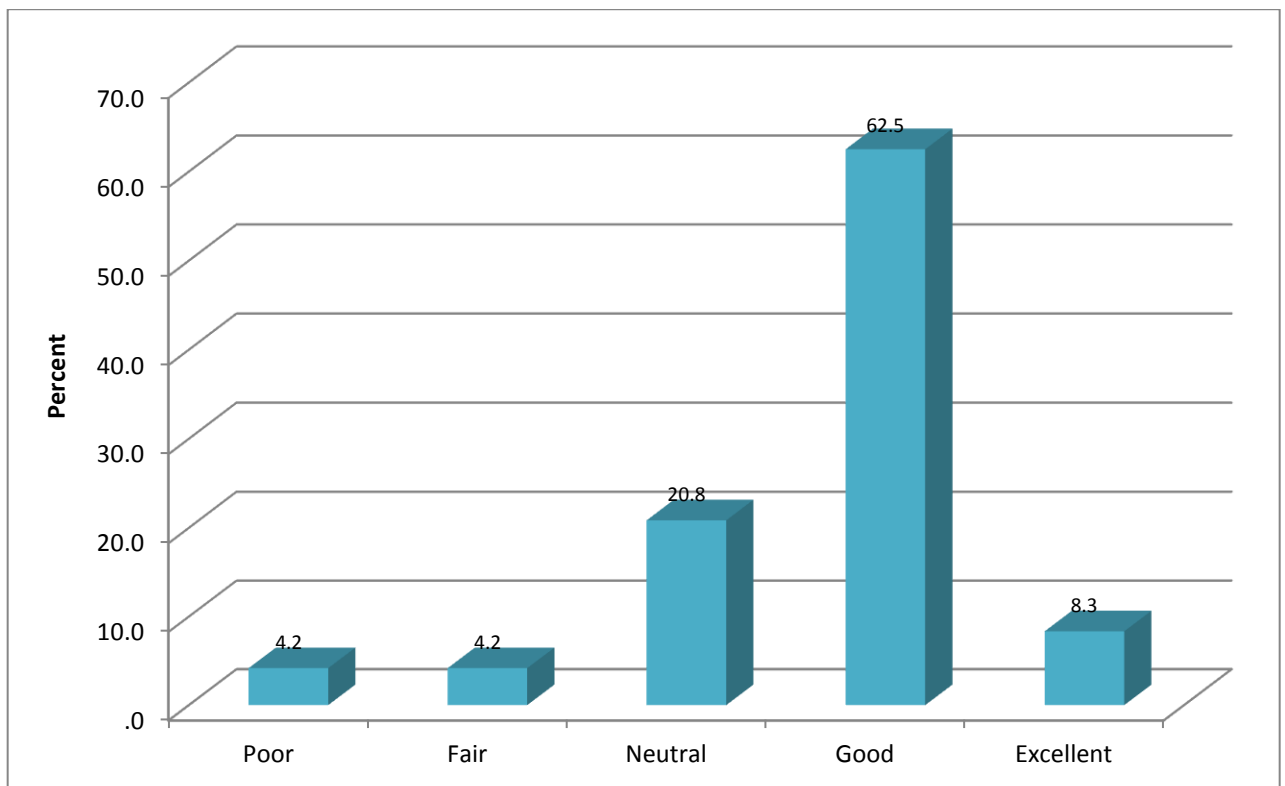
7.8 THE INFLUENCE OF MONITORING AND EVALUATION ON CORPORATE GOVERNANCE

This section presents the findings for the level of corporate governance and the impacts of M & E on corporate governance in municipalities.

7.8.1 Current level of corporate governance in municipalities

The bar graph below illustrates the level of corporate governance in municipalities.

Figure 37: Level of corporate governance in municipalities

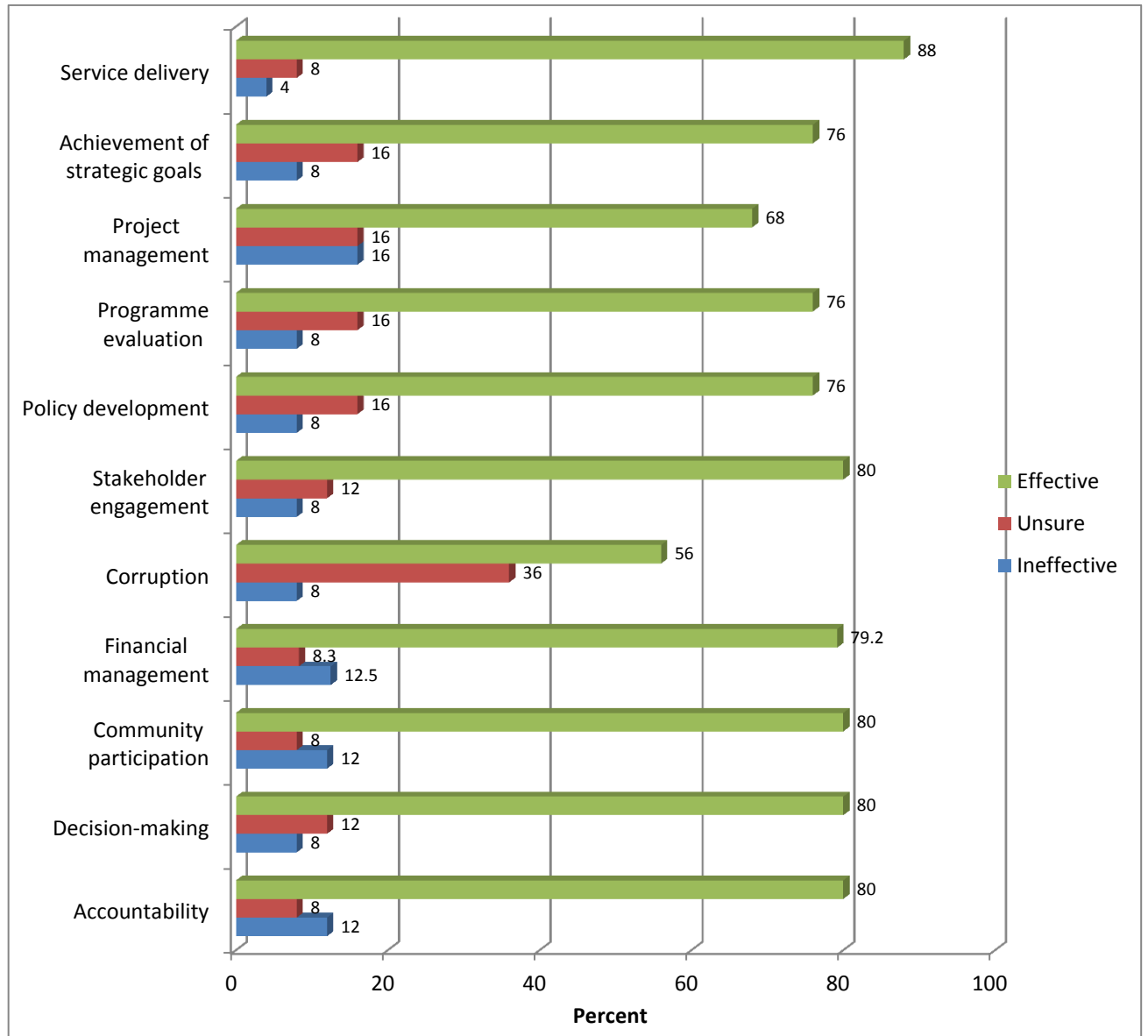


The majority of respondents (71%) indicated that the corporate governance in municipalities was good. This is due to the focus on regulatory compliance driven by the Provincial and National Governments, Treasury and the Auditor-General's Office.

7.8.2 Impact of Monitoring and Evaluation systems on corporate governance

The figure below indicates the impact of M & E systems on corporate governance.

Figure 38: Impact of Monitoring and Evaluation systems on corporate governance



Monitoring and Evaluation strongly impacts (approximately 80%) on all the above factors except on corruption and project management to enhance corporate governance. Monitoring and Evaluation has less impact on project management (68%) and on corruption (56%).

The relatively high levels of respondents being “unsure” of the effects of M & E on corporate governance indicates a lack of knowledge, exposure and understanding of both M & E and corporate governance and their inter-relationships.

Respondents identified M & E as increasing leadership, accountability, transparency and overall alignment of the processes and reporting requirements leading to a culture of reporting and accountability. Previously placed managers who lacked the competencies for the post would now be held accountable due to the introduction of M & E systems. Monitoring and Evaluation contributes towards institutional development, the correct organisational structure and better utilisation of resources. It identifies areas of excellence and improves both the quantity and quality of service delivery.

7.8.3 Additional comments with regard to Monitoring and Evaluation systems improving corporate governance

Transparency is improved and M & E must be institutionalised as part of the business processes and culture of the organisation. The M & E policy ensures that the programmes and policies are reported timeously to the public, thus making stakeholders accountable and improving service delivery. M & E assists in rectifying mistakes and facilitating changes. Therefore, corporate governance principles must also be part of the municipality and not only the domain of the private sector.

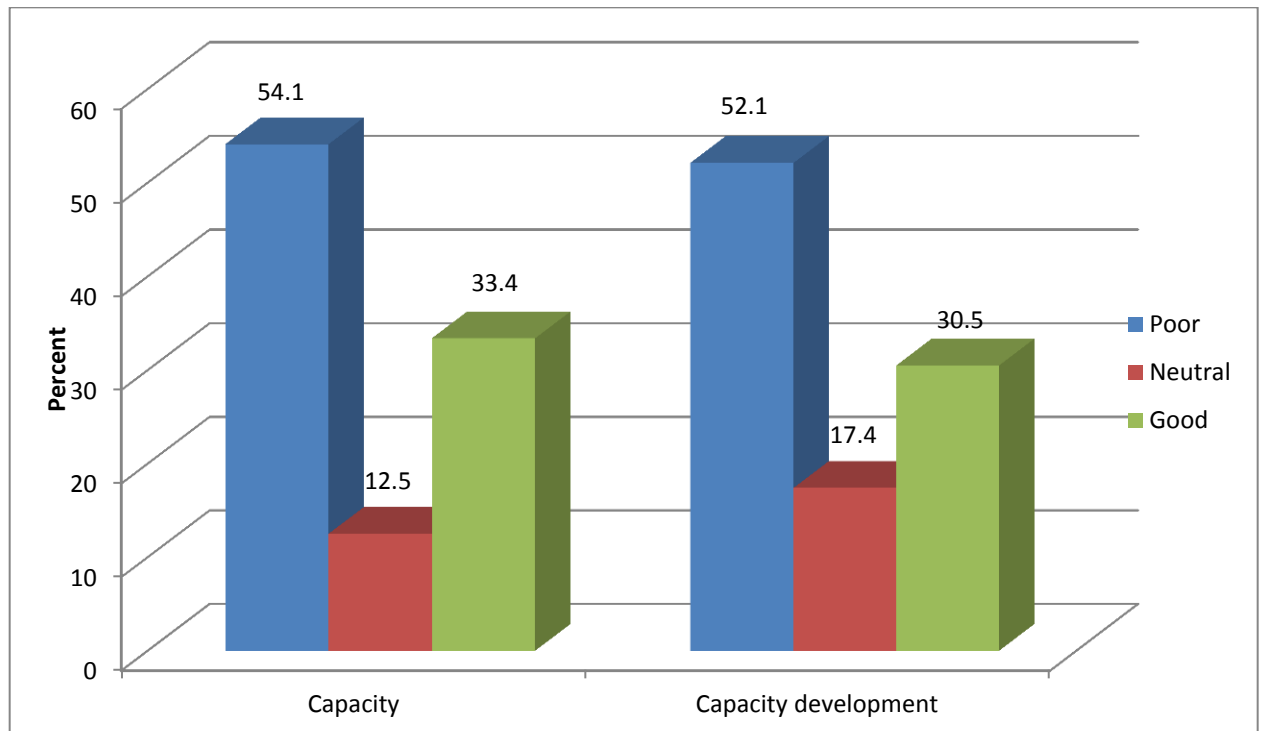
7.9 CAPACITY AND CAPACITY DEVELOPMENT

This section presents the findings for capacity and capacity development in municipalities and the impact of M & E on capacity development in municipalities.

7.9.1 Capacity and capacity development ratings in the municipalities

The figure below is a summary of the capacity rating in municipalities.

Figure 39: Capacity and capacity development ratings for the municipalities

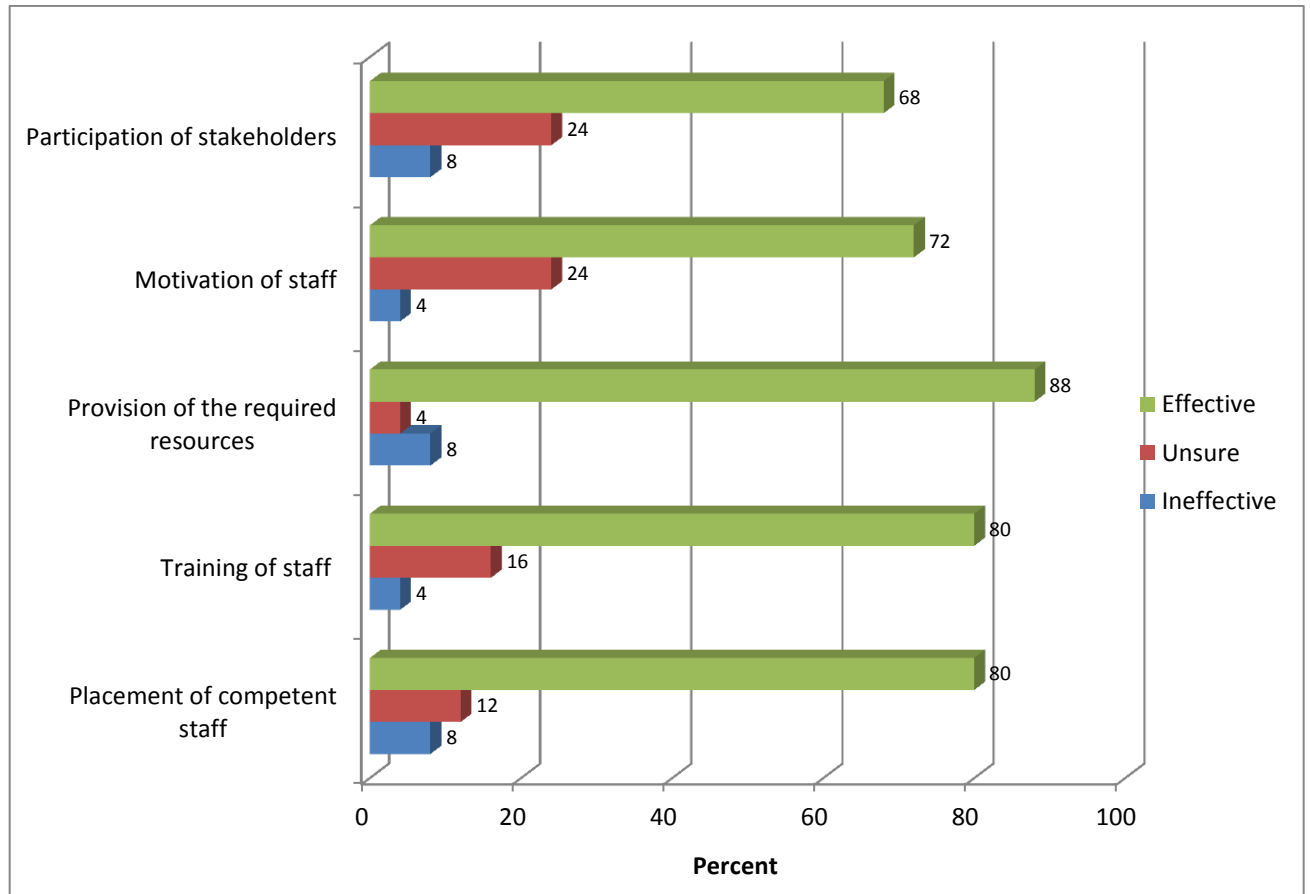


More than half of the respondents indicated that the capacity(54%) and capacity development (52%) were poor. While approximately a third of the respondents indicated that the capacity and capacity development were good, the greatest challenge for municipalities is evaluation of capacity development to create an awareness of the benefits of M & E, and to selectively transfer specialist M & E skills.

7.9.2 Impact of Monitoring and Evaluation systems on capacity development

The bar graph below illustrates the impacts of M & E on capacity development.

Figure 40: Impact of Monitoring and Evaluation on capacity development



The greatest impact of the M & E system to support capacity development is through provision of the required resources (88%) followed by the training and placement of competent staff(80%). The least effect is through the participation of stakeholders (68%).

According to the respondents, the introduction of M & E would create greater focus on community engagement in the budgeting process; job creation; better trained and staff who are mindful of the need to improve efficiency; skills and competency gaps would be identified and the corrective action be implemented. Greater involvement in the decision-making process would empower staff to work smarter rather than work harder. With regard to performance

management, M & E capacity development would give staff a better understanding of the M & E functions.

7.9.3 Additional comments with reference to the role of M & E systems to enhance capacity development in municipalities

Respondents made the following additional comments: M & E systems do enhance capacity development but require strong support from the other spheres of government; a dedicated, accountable and competent staff complement that knows their roles and are able to communicate the results to others is required and regular M & E assessments would keep the staff “on their toes” and assist in the capacity development needs.

7.9.4 Measuring the impact of the Monitoring and Evaluation system on governance and capacity development

Respondents commented that goal and target achievement, reports and clean audits could be used to measure improvement in governance and capacity development. Goal and target achievement relates to the provision of the agreed quantity and quality of service delivery within the allocated time and budget which is aligned to the agreed inputs, activities, outputs, outcomes and impacts of the project, programme or policy. The M & E system should develop KPIs and targets based on the SMART principles. The attainment of clean audits and the increase in the number of training sessions would also be good indicators of governance and capacity improvements respectively.

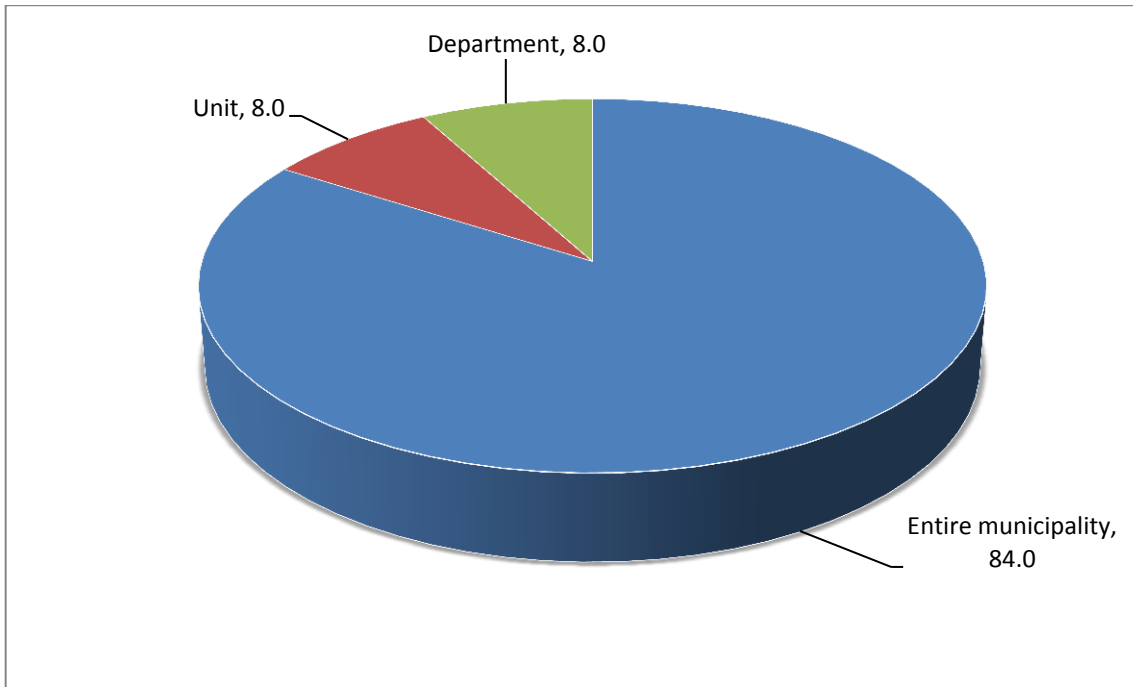
7.10 SYSTEMS APPROACH TO IMPLEMENTING A MONITORING AND EVALUATION SYSTEM

This section presents the findings for the level at which M & E should be implemented; the department responsible for M & E and the planning and implementation of M & E in municipalities.

7.10.1 Implementing a Monitoring and Evaluation system in municipalities

The pie-graph below indicates the respondents preference for the level at which the M & E system should be implemented.

Figure 41: Level at which Monitoring and Evaluation system should be implemented



There is agreement among the majority of the respondents that the M & E system should be implemented at the municipal level (84.0%) rather than at the unit (8.0%) or departmental (8.0%) level.

The responses were motivated as follows:

The entire municipality needs to understand and know what is expected by the community and other stakeholders. Since the municipality has to be accountable, M & E should be rolled out to everyone and not just a single department. It must be organisation-wide for it to be meaningful and to evaluate the organisational impact. Respondents who preferred the departmental and unit level for M & E system implementation commented that it would be cumbersome to

simultaneously implement M & E at all levels in the municipality. Monitoring and Evaluation should commence at departmental level and then spread throughout the municipality.

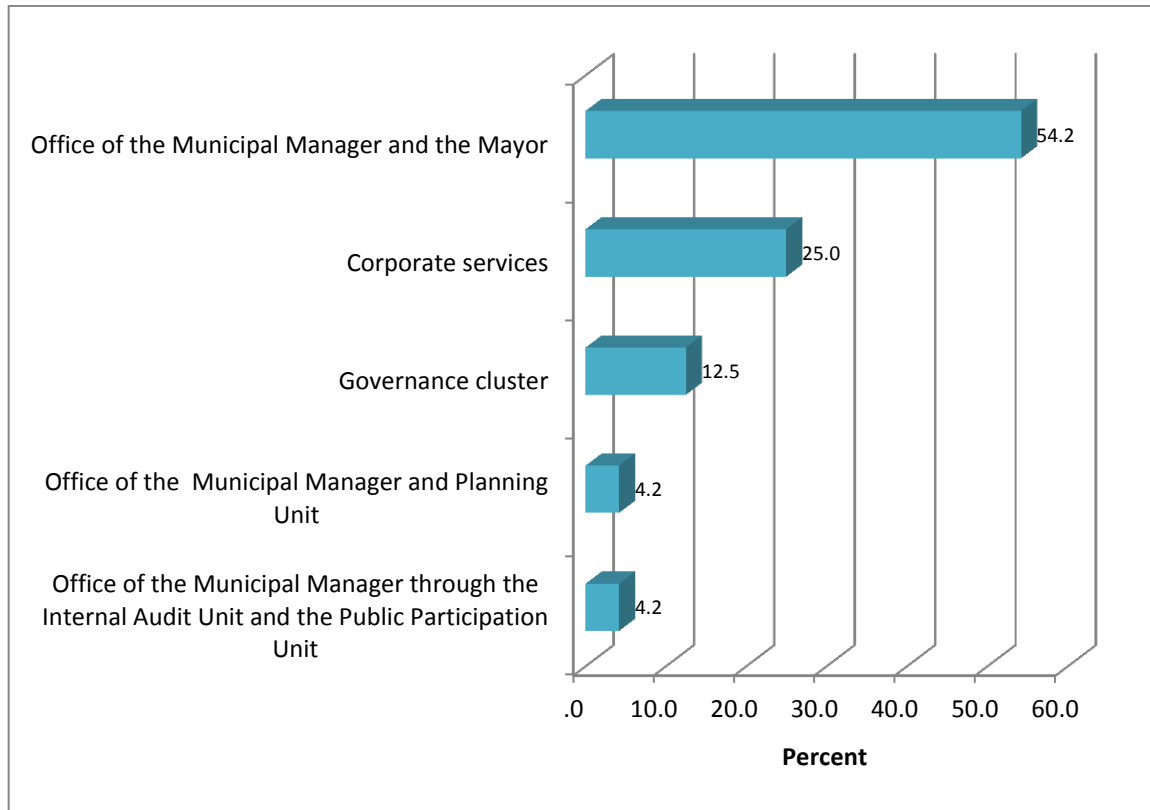
The majority of the respondents (71%) suggested that a municipal-wide level to implement M & E in municipalities was the best while the phased approach (24%) and the community approach (5%) were also recommended. For the implementation at the municipal-wide level, a systems approach has to be used that also considers the top-down and bottom-up approaches. The top-down approach is a strategic approach while the bottom-up approach focuses on the operational issues of the municipality.

There was overwhelming consensus from both sets of respondents (questionnaire and interviews) that M & E should be implemented municipal-wide.

7.10.2 Municipal department responsible for Monitoring and Evaluation

The figure below indicates the department responsible for M & E functions.

Figure 42: Department responsible for the Monitoring and Evaluation functions

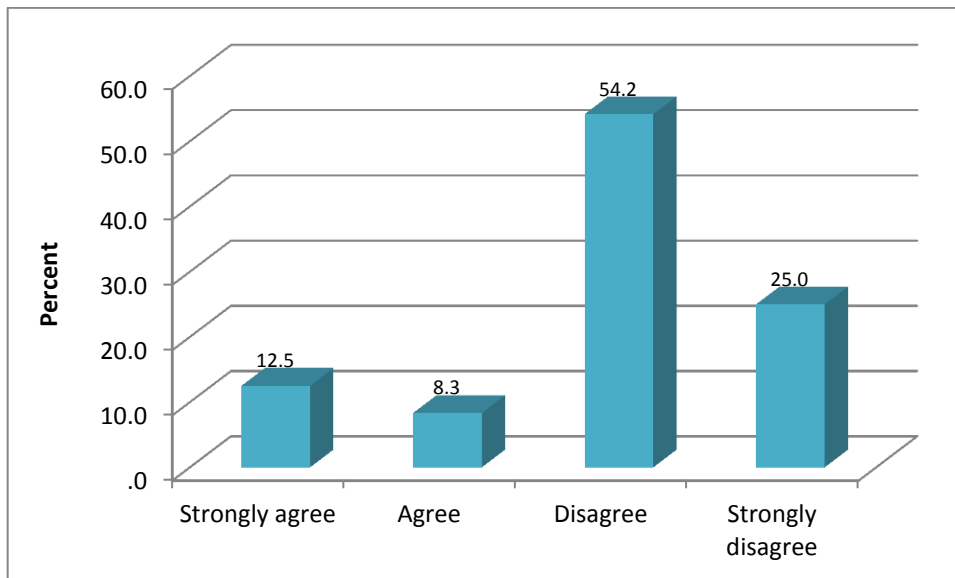


Currently, the office of the Municipal Manager and the Mayor (54%), corporate services (25%) and the governance cluster (13%) have the primary responsibility of managing the M & E activities for the whole municipality. In the smaller municipalities, the Municipal Manager and the Mayor's office work jointly to manage the M & E activities while in the larger municipalities, the municipal structure allows for the corporate services and governance cluster to manage the M & E functions. The Municipal Manager's office is key to the management of governance since the Municipal Manager is accountable for the performance of the entire municipality and reports to the municipal council.

7.10.3 Monitoring and Evaluation Unit having the primary responsibility of ensuring good governance in the Municipality

The figure below indicates the responses to whether the M & E unit or department should have the primary responsibility of ensuring good governance for the entire municipality.

Figure 43: Responses for the M & E unit to be responsible for ensuring good governance

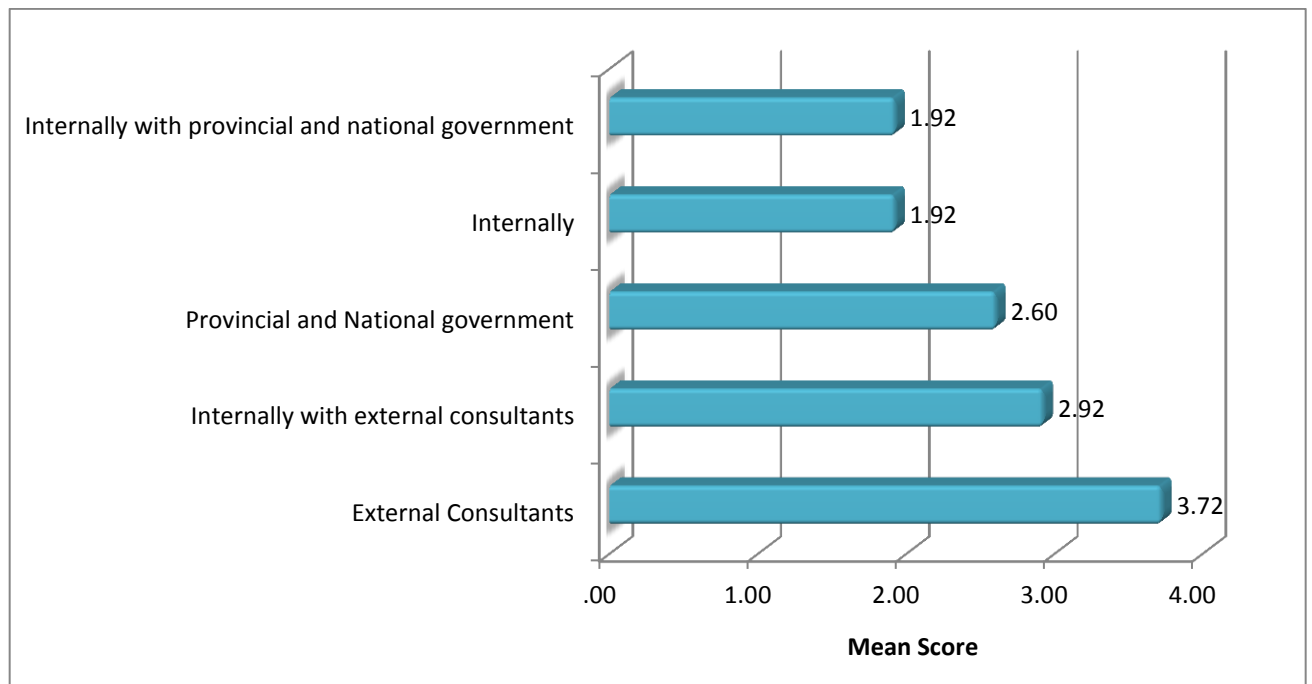


The majority of respondents (79%) disagreed about whether the M & E Unit should have the primary responsibility of ensuring good governance for the entire municipality. This could be attributed to the current experience of working with compliance agencies that implemented many templates, duplicated requests for the same information and the setting of unrealistic deadlines in many under capacitated municipal environments.

7.10.4 Planning and implementing the Monitoring and Evaluation system in municipalities

The preference to engage the various parties in implementing an M & E system is shown in the figure below.

Figure 44: Preferences on the involvement of stakeholders to plan and implement the Monitoring and Evaluation system



The figure above prioritises the factors that should be given preference. The two joint highest ranked factors are “Internally with Provincial and National Governments” and “Internally”. The lowest ranked factor is for “External Consultants”.

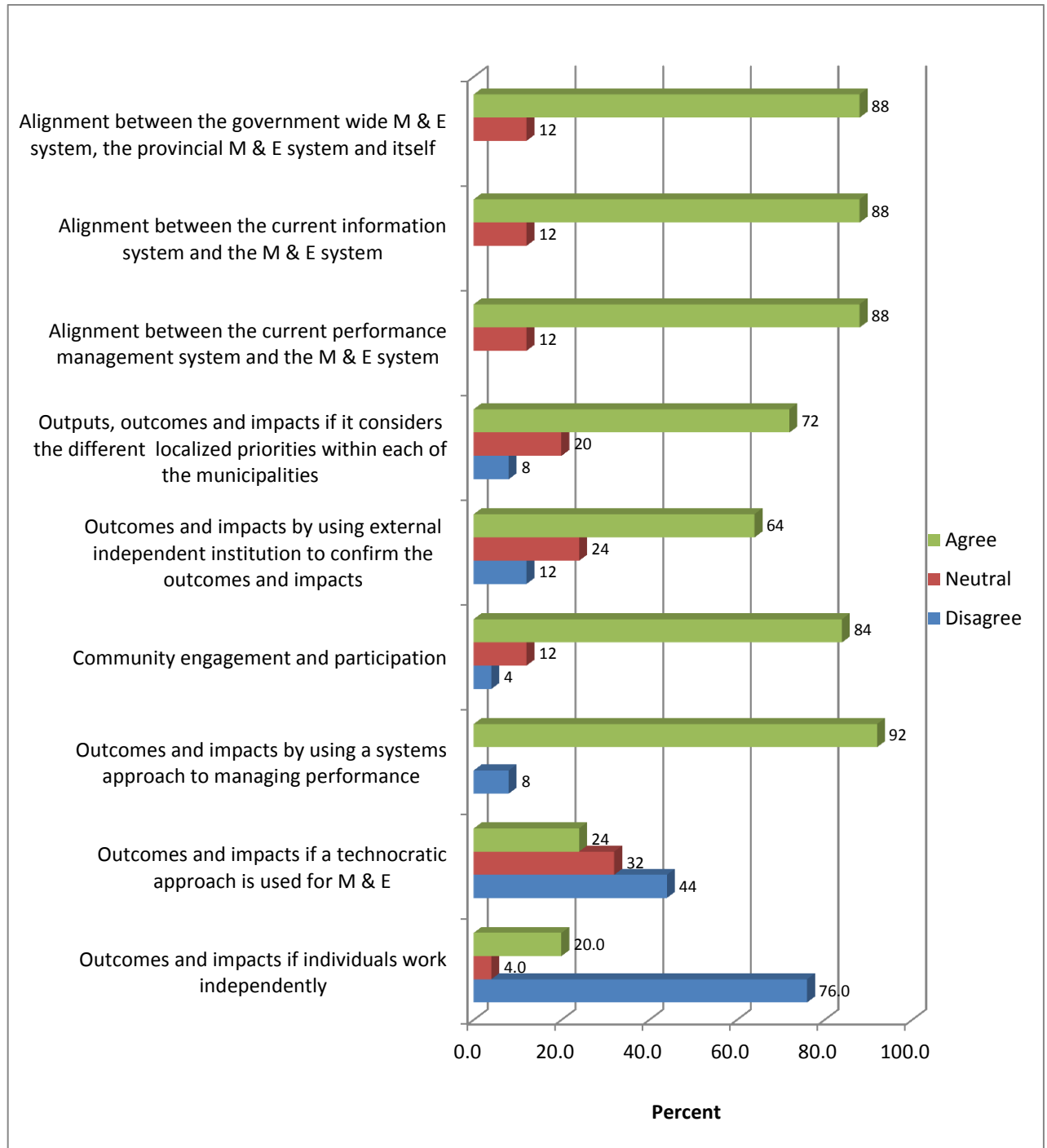
The respondents motivated their preferences with the following comments:

Internal staff has better knowledge of the municipal systems than external consultants. The use of external consultants would be time consuming and costly for the municipality. Further, reliance on consultants is less effective due to the lack of capacity to implement and manage the consultants’ recommendations. In smaller municipalities, there is a greater need for assistance from Provincial Government. Both National and Provincial Governments should ensure good communication with the municipalities, and also assist with the provisions of resources including M & E skills. The municipality should take ownership of the M & E system but plan together with the Provincial and National spheres of government.

7.10.5 Achievements of an effective and efficient Monitoring and Evaluation system

The figure below illustrates the achievement of an effective and efficient M & E system.

Figure 45: Achievements of an effective and efficient M & E system



An efficient and effective M & E system would achieve better outcomes and impacts by using a systems approach to managing performance (92%). The majority of the respondents (over 88%) indicated that better alignment between the M & E system the GWMES and the PWMES; information systems and the M & E system; and the PMS and the M & E system would result from an effective and efficient M & E system to improve the municipal performance.

Outcomes and impacts by using external independent institutions to confirm the outcomes and impacts had the lowest agreement rating (64%). This can be attributed to the fact that municipalities seldom engage external institutions to monitor and evaluate their performance.

Respondents disagreed that an effective and efficient M & E system would achieve better outcomes and impacts if individuals worked independently (76%). A technocratic approach used for M & E would not yield better outcomes and impacts (44%). The data indicated that the respondents had an understanding that M & E initiatives have to be a collaborative effort and implemented in a systemic manner.

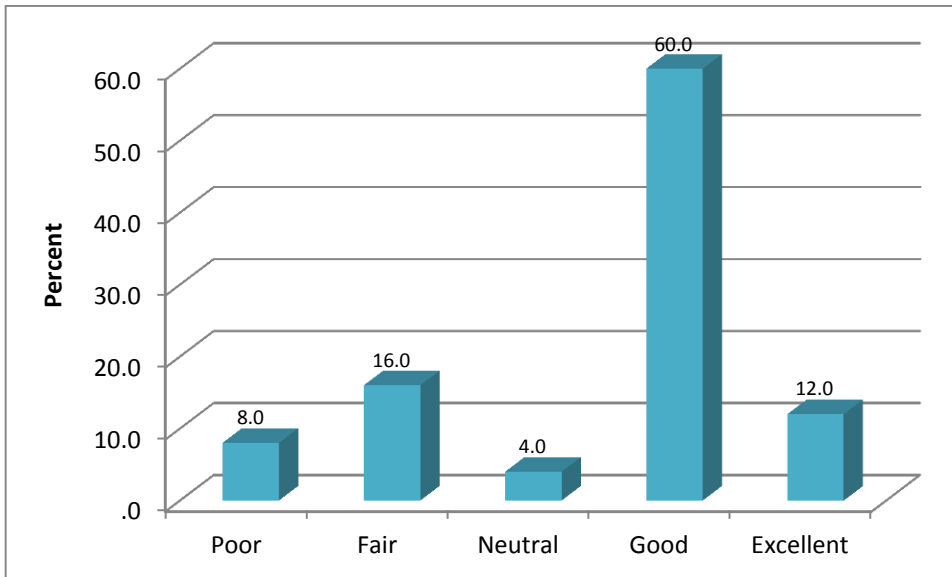
7.11 ACHIEVEMENT OF EXCELLENCE IN MUNICIPALITIES

This section presents the findings for the municipal performance ratings; assessment of the Performance Management System; performance management tools used; incentives for pursuing excellence, and the current enablers and constraints for pursuing excellence in municipalities.

7.11.1 Performance rating of municipalities

The graph below indicates the current performance of the municipalities.

Figure 46: Overall rating of the municipalities performance.

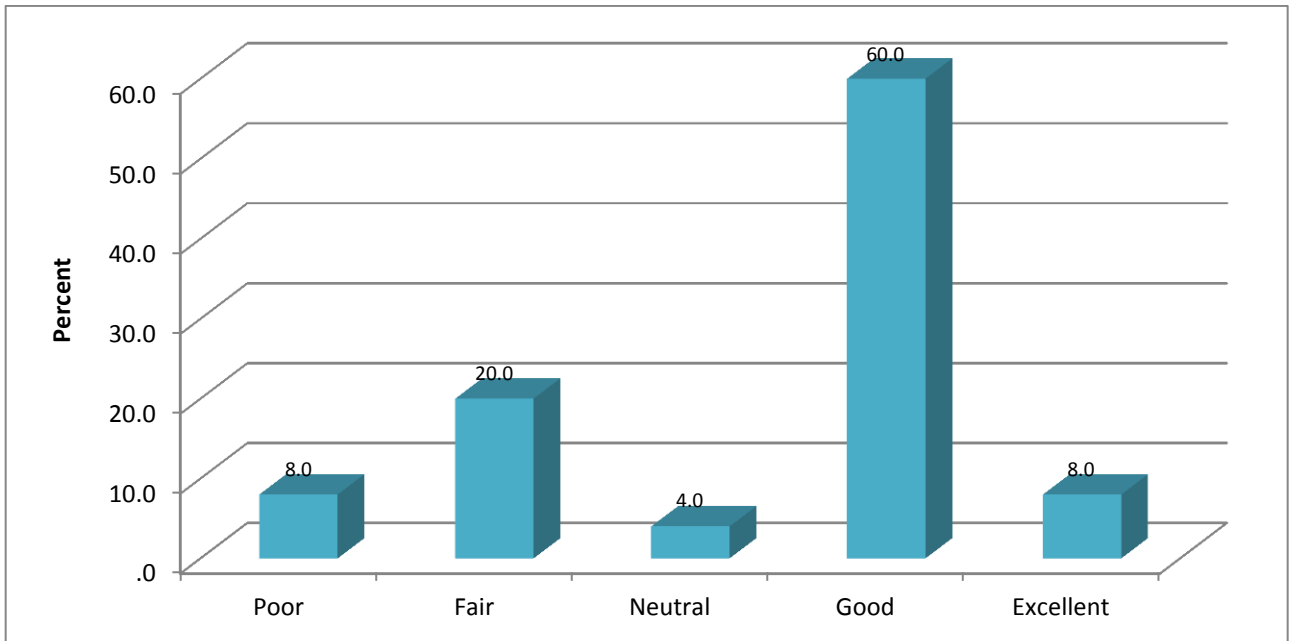


The majority of the respondents (72%) indicated that municipal performance was rated good to excellent. This response is not consistent with the National and Provincial reports on the state of Local Government and the Auditor-General's report on the performance of the municipalities. The high rating of municipal performance could be due to the respondents' biases since many respondents (senior managers) are responsible for the performance of the municipality.

7.11.2 Overall assessment of the current municipal Performance Management System

The figure below highlights the overall assessment of the Performance Management System.

Figure 47: Assessment of the Municipal Performance Management System

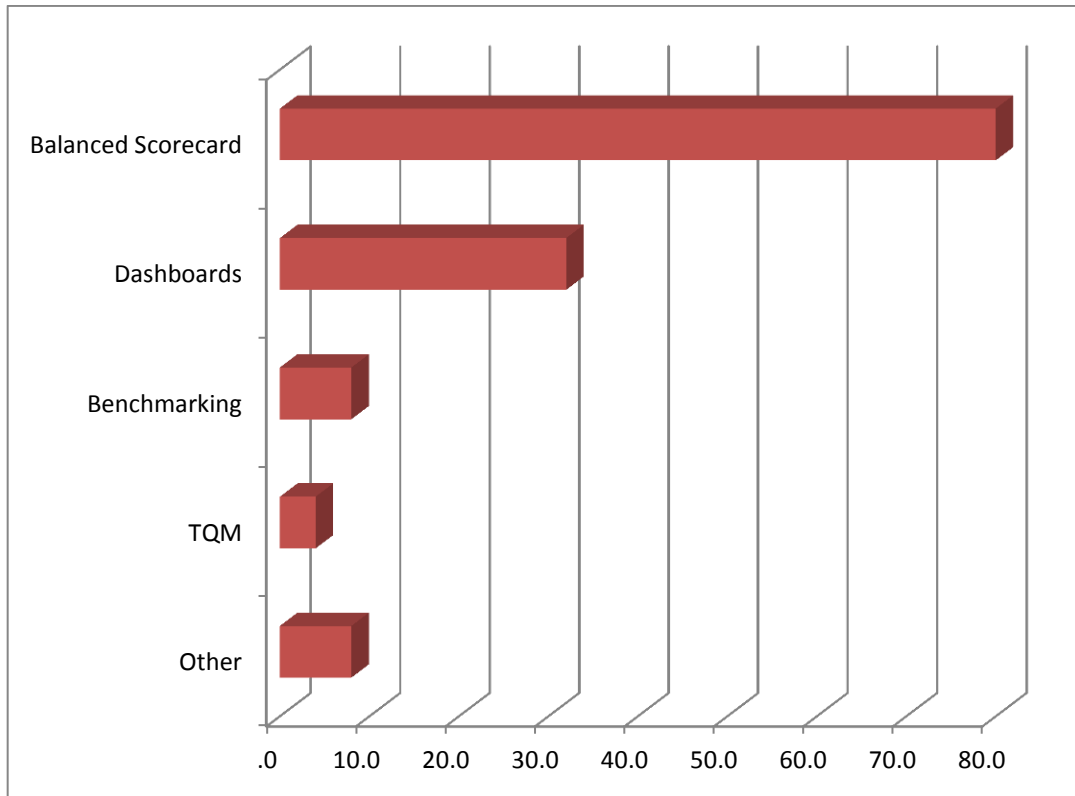


More than half of the municipalities (60%) reported that their Performance Management System was good, while 8% of the respondents indicated that it was excellent which confirms the bias of the respondents (refer to Section 7.11.2). The Performance Management System only allows for Section 57 and 56 managers to be appraised through a performance agreement. Lower levels of staff are excluded from the Performance Management System.

7.11.3 Performance management tools used to manage performance of the municipalities

The figure below highlights the performance management tools used in municipalities.

Figure 48: Performance management tools used in municipalities

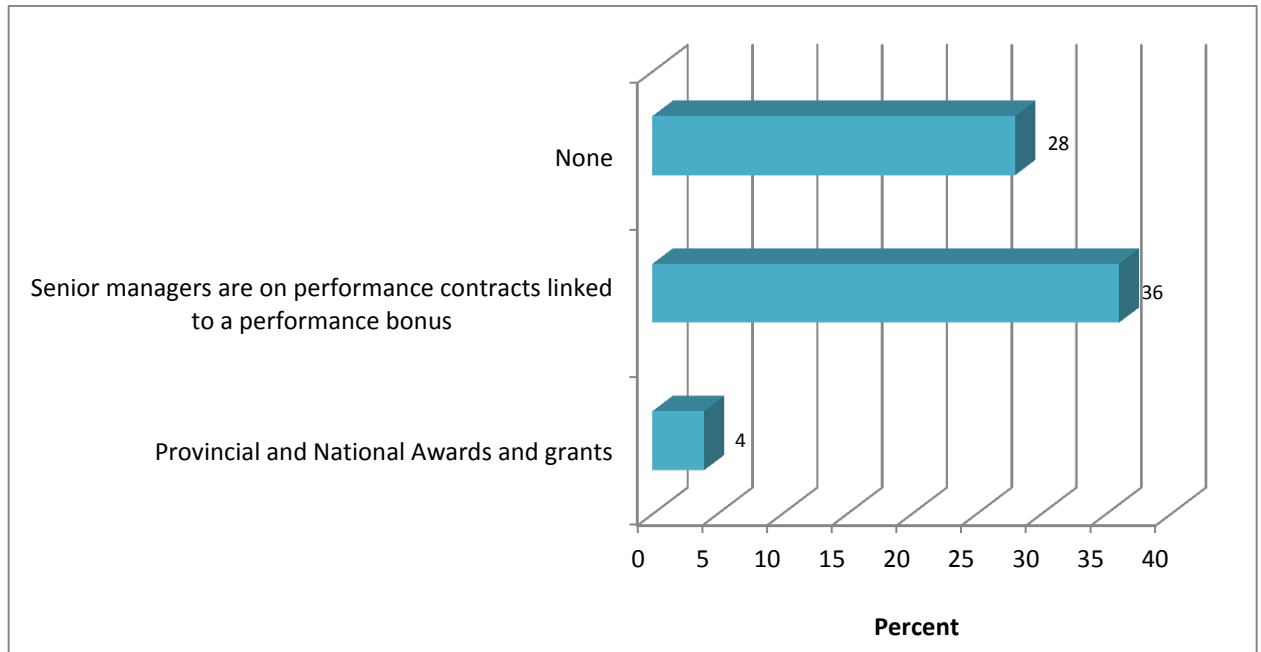


The majority of the municipalities use the Balanced Scorecard (80%), and the Dashboard (32%) which is the adapted Balanced Scorecard for the public sector. The Balanced Scorecard and the Dashboard are being used for an extended period but the current crisis or poor municipal performance continues. Municipalities either do not have the capacity to correctly utilise these tools or the tools are inappropriate for a complex adaptive system such as the municipality. Therefore, an alternate performance measurement tool, such as an M & E system based on the Excellence Model should be introduced to manage the performance of the municipalities.

7.11.4 Incentives for Municipalities to pursue and achieve excellence

The graph below illustrates the incentives for municipalities to pursue and achieve excellence.

Figure 49: Incentives to pursue and achieve excellence

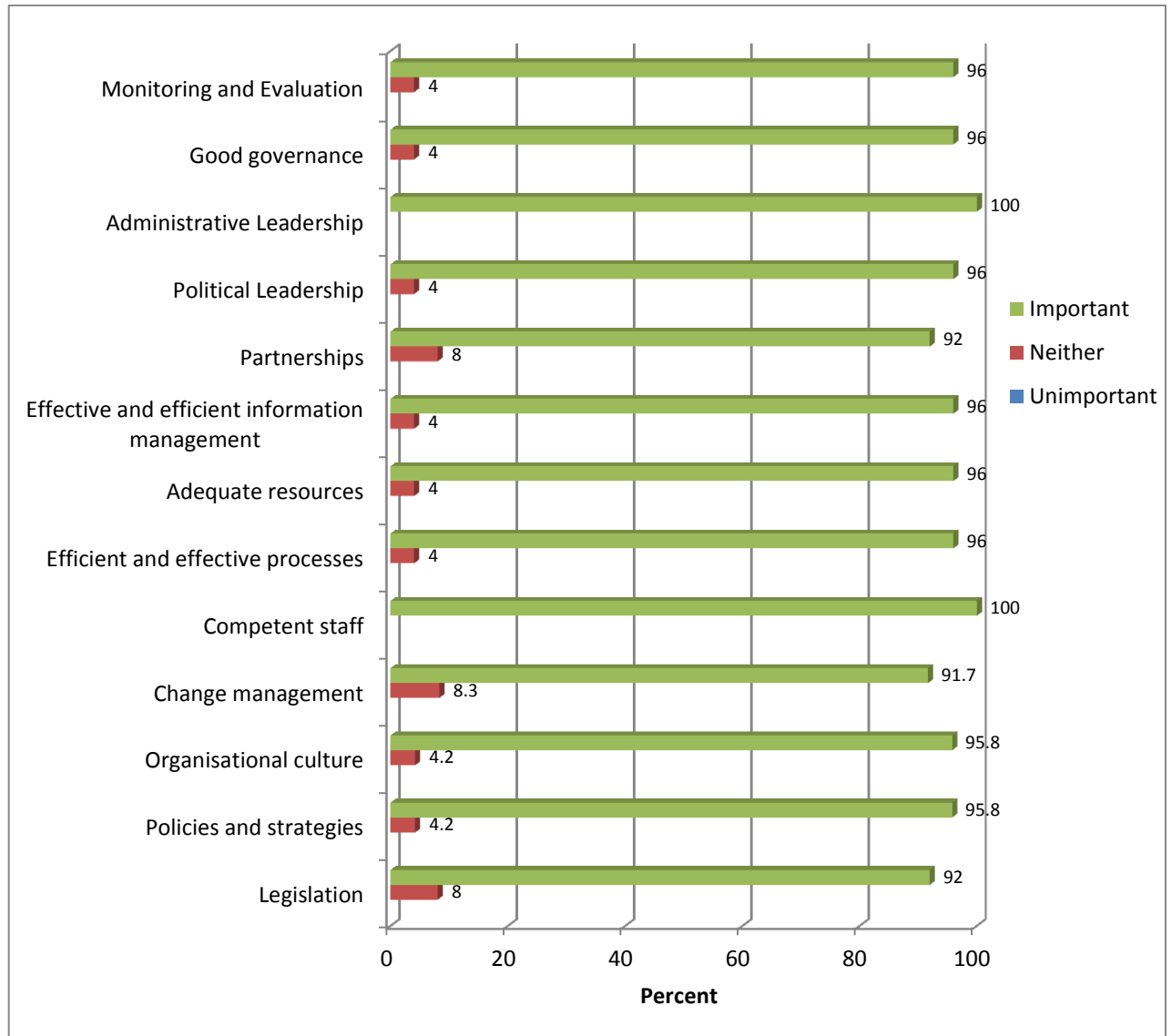


There is minimal (4%) incentive in the form of Provincial and National awards and grants. This result is consistent with the availability of incentives for municipalities to plan and implement an M & E system (refer to Section 7.5.1). Respondents (28%) indicated that municipalities are not provided with incentives for achieving excellence. Incentives are provided for the individual Section 57 managers whose performance contracts are linked to performance bonuses. Six municipalities (approximately 24%) elected not to provide any comments to this question hence it is not reflected in Figure 49.

7.11.5 Enabling factors in municipalities for achieving excellence

The bar graph below illustrates the enablers to achieve excellence in municipalities.

Figure 50: Enabling factors to pursue excellence



Respondents indicated that all the factors are important to enable the municipality to achieve excellence. Unanimity was achieved in administrative leadership (100%) and competent staff (100%). The respondents indicated the importance of understanding the municipality as a system and each of the factors to achieve excellence in the municipal systems environment. Respondents highlighted leadership; systems and processes; vision and mission; organisational

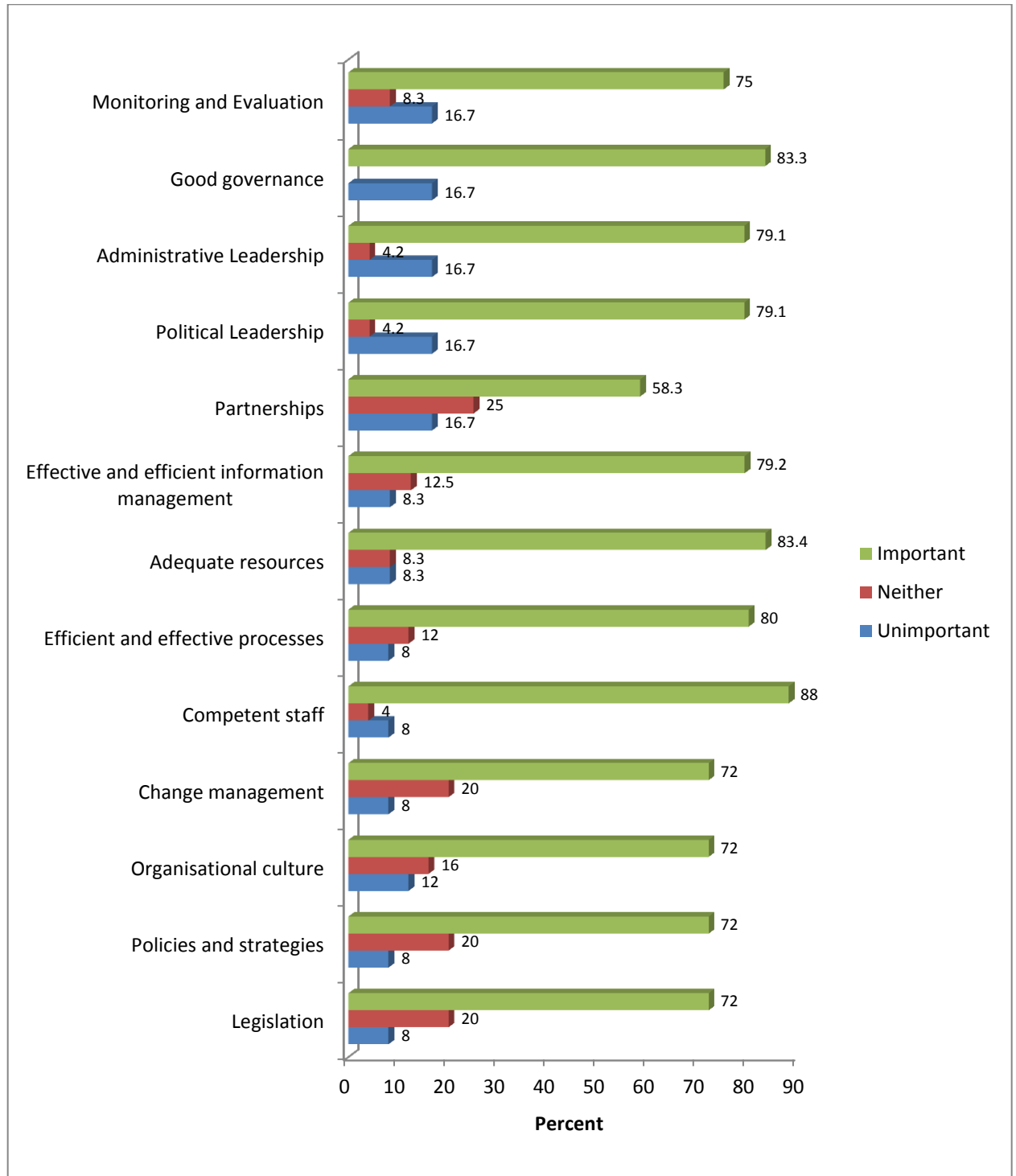
structure; organisational culture; resources; M & E; and partnerships as critical organisational factors that would assist the municipality to aspire for excellence. Due to the consistent and high rating of the various factors, the individual factors are not discussed.

All the enabling factors for achieving excellence in the municipality were common in both the quantitative and qualitative interview data.

7.11.6 Factors that are constraints to pursue excellence in municipalities

The figure below highlights the constraints to achieve excellence in municipalities.

Figure 51: Constraints to pursue excellence in Municipalities



The major constraints to achieving excellence are competent staff (88%); adequate resources (84%); good governance (83%); administrative and political leadership (79%); and information management (79%). Due to the consistent and high rating of the various factors, the individual factors are not discussed.

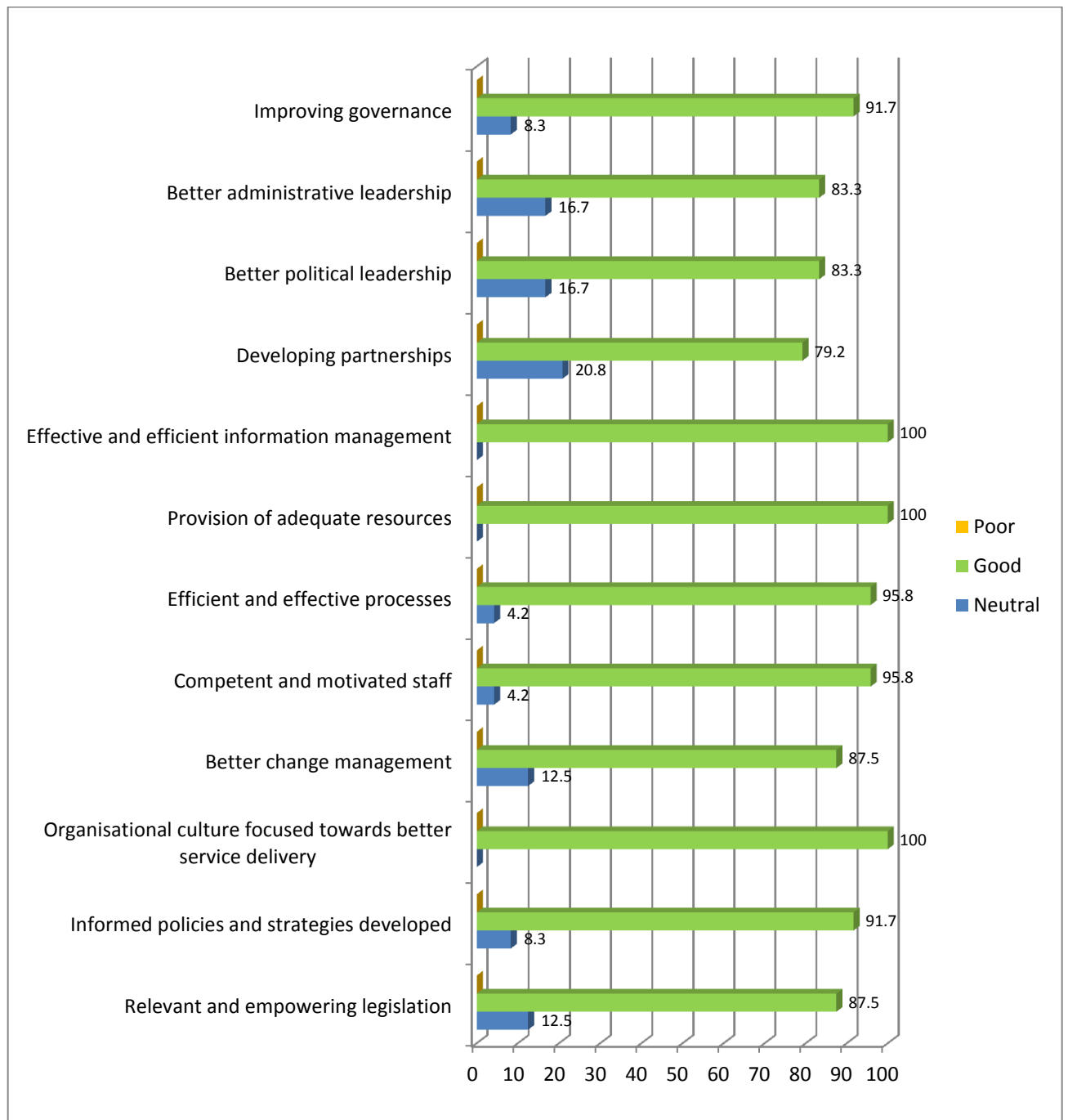
The least constraint to the pursuit of excellence is partnerships (58%) since the municipalities do not regularly form partnerships to undertake their developmental mandate.

These responses confirm the findings of the DPLG Report on the problems encountered by the municipalities as set out in Section 1.5.

7.11.7 Impact of the Monitoring and Evaluation system on achieving excellence in Municipalities

Responses to the question, “How would M & E system assist the municipality to achieve excellence?” are captured in the figure below.

Figure 52: Factors impacted by M & E systems to achieve excellence in municipalities



Monitoring and Evaluation significantly assists a municipality to achieve excellence in all the factors identified in the figure above. There was total agreement for effective and efficient information management; provision for adequate resources; and organisational culture focussed towards better service delivery (100%). Due to the consistent and high rating of the various factors, the individual factors are not discussed. Therefore, the M & E system has a tremendous impact in assisting the municipality to achieve excellence.

Similarly, the interview data indicates that processes; goal setting and achievement; accountability; budgets; performance management; and capacity building are positively influenced by M & E to achieve excellence. Here the focus is on the operational issues while the factors in the above figure highlight strategic issues for achieving excellence in the municipality.

7.11.8 Additional comments with regards to Monitoring and Evaluation systems achieving excellence in municipalities

The respondents indicated that M & E is an important tool in supporting excellence if it were implemented by staff with dedication and passion. Since there are insufficient resources in municipalities, the focus should be on service delivery rather than on administration and compliance.

The Respondents to the interview identified service delivery; community engagement; systems and; financial management as key components of an excellent municipality. Service delivery has to be relevant, adequate, effective and efficient. The communities must be engaged in the decision making process in all matters that affect their quality of life. Systems should be appropriate and functional to aid reporting of the various municipal activities. Municipalities should have sound financial systems, be financially viable and obtain a clean audit from the Auditor-General's office.

The majority of respondents (interviewed) indicated that the values required to pursue excellence in municipalities are accountability; transparency; and integrity. Other values included employee pride and commitment towards their work; good work ethics; and customer care.

7.12 ANALYSIS AND INTERPRETATION OF THE DATA FOR THE INDEPENDENT GROUP STRUCTURED INTERVIEWS

In the majority of the responses, the independent group has shown consistency with the main views of the respondents of the structured interviews. For example, all the respondents of the independent group agreed with the municipal staff that the M & E demand is sustainable; that the M & E system must be introduced at the municipal-wide level, and that the key components for an excellent municipality are service delivery; community participation; and financial management. This trend of supporting the main issues occurs throughout the analysis and interpretation and there were no new issues introduced by this group.

Therefore there is consistency in the triangulated information from the mailed questionnaires; structured interviews with the staff involved in M & E activities; and the responses from the independent group. Therefore the findings of the study are valid.

7.13 FINDINGS OF THE INSTITUTE FOR DEMOCRACY IN AFRICA (IDASA) RESEARCH PROJECT TO ASCERTAIN THE STATE OF LOCAL GOVERNANCE IN SOUTH AFRICA

In 2007-2008 IDASA applied the Local Governance Barometer in sixteen municipalities to assess the state of governance in the municipalities. The majority of municipalities, namely, ten, were from KwaZulu-Natal; four were from the Limpopo Province and two from the Free State Province. The findings *inter alia* were as follows (IDASA: 2008: 1-13):

- Political and administrative leadership is perceived to be poor in most municipalities where both the administrators and political office bearers are unclear on their roles and responsibilities;
- Intergovernmental relations are problematic, with the intergovernmental forums being ineffective due to the lack of commitment from senior and provincial staff;
- Administrative staff is often involved with a political party and are not seen to be impartial in providing service delivery;
- There is a lack of a good performance monitoring system in most municipalities, which makes it difficult to hold the responsible persons accountable for their lack of performance;

- Most municipalities do not employ adequate women in terms of their internal gender equity requirements;
- Municipal councils feel overburdened by the excessive regulations and legislations; and
- Great demands are made from communities who require more and better quality services; auditors who require proper and accurate account of public money; councillors and the Department of Provincial and Local Government.

These findings of IDASA and the research are consistent and therefore the results of the study are validated. Further, the findings indicate a lack of progress in Local Government to become more citizen- and development- oriented.

7.14 CONCLUSION

This chapter offered an analysis and interpretation of data from the mailed questionnaires and the qualitative data from the structured interviews with municipal staff and the independent group. The triangulated data show consistent responses making the study valid. The findings are encouraging in that there exists a sustainable demand for an M & E system; many municipalities possess the requirements to plan and implement the M & E system; and M & E has a potential to improve governance and capacity development and assist the municipality in pursuing excellence. Both the National and Provincial Government need to be more effective in their oversight roles and responsibilities so that the municipality can provide better service delivery.

CHAPTER EIGHT

CONCLUSIONS AND RECOMMENDATIONS

8.1 INTRODUCTION

The aim of the study was to ascertain the influence of M & E systems in enhancing corporate governance in KwaZulu-Natal municipalities. The chapter provides the findings of the key research questions, general conclusions and recommendations with regard to the objectives of the study. A Systemic Performance Analysis Model (SPAM); Monitoring and Evaluation Alignment Model (MEAM) and a Municipal Wide Monitoring and Evaluation Model (MWMES) were developed to better understand the systemic approach to planning and implementing an M & E system for the enhancement of governance in municipalities. In addition the chapter offers directions for future research and ends with a brief conclusion.

8.2 SUMMARY OF THE MAJOR FINDINGS PERTAINING TO THE KEY RESEARCH QUESTIONS

8.2.1 Factors driving the need for creating a Monitoring and Evaluation system in municipalities

Many stakeholders and instruments create a sustainable need for an M & E system within Local Government. The stakeholders include councillors, communities, businesses, political parties and donors while the instruments creating a need for implementing an M & E system include legislation, operational plans, SDBIP, IDP and annual budgets.

Currently, financial legislations and regulations, namely the MFMA and Treasury regulations are the key instruments used by the Auditor-General's office and National and Provincial Governments to drive the creation of M & E systems in municipalities. The focus of the current M & E activities is compliance rather than outcomes and impacts evaluation which is achieved through the regular submission of financial reports to the office of the Auditor-General, National and Provincial Governments.

There are no incentives for municipalities to plan and implement an effective and efficient M & E system except for the Municipal Infrastructure Grants. Performance incentives are only offered to the Section 56 and 57 managers.

The stakeholders and instruments create a strong need for M & E systems to exist in municipalities and the inclusion of the stakeholders and instruments in the M & E system enhances governance.

8.2.2 Requirements for planning and implementing a Monitoring and Evaluation system in municipalities

The following organisational factors, namely, organisational culture; administrative and political leadership; policies and procedures; organisational structure and resource availability are important in the planning and implementation of the M & E system. The requirements for planning and implementing an M & E system are M & E policy; specialists; champions; statistical skills; information systems; reliable information and M & E capacity development.

Although approximately sixty percent of municipalities are able to successfully provide the above resources and currently possess the resources to plan and implement an M & E system, only a third of the municipalities are ready for the planning and implementation of the M & E system. This could be due to the acute shortage of M & E skills, experts, M & E experience, and awareness of the availability of M & E tools.

Therefore, for the proper planning and implementation of a results-based M & E system, the participating staff should be well capacitated in terms of M & E tools, techniques and skills.

8.2.3 Co-operative governance roles and responsibilities of National, Provincial and Local Government spheres

The roles and responsibilities of both the Provincial and National Government are to provide leadership, communication and consultation for fiscal and technical support, M & E and concurrent function clarity.

Provincial Government provides effective support in communication and consultation, technical support and M & E. The remaining roles and responsibilities, namely, concurrent function clarity, fiscal support and leadership need to be improved. The role and responsibilities of National Government in terms of co-operative governance is not effective in leadership, communication and consultation, fiscal and technical support, M & E and concurrent function clarity. Provincial Government is more effective than the National Government in undertaking its co-operative governance roles and responsibilities with the municipality.

8.2.4 Monitoring and Evaluation system directly supporting better governance and capacity development

Monitoring and Evaluation enhances governance through improved service delivery, stakeholder management, financial management, community participation, decision-making and accountability. Other benefits of M & E, to a lesser extent, are policy development, programme evaluation, achievement of strategic goals, project management and the reduction in corruption.

Approximately fifty percent of the municipalities indicated that both capacity and capacity development was poor. While M & E identifies capacity limitations in the municipality, it also enhances capacity development through the provision of required resources, training of staff, placement of staff, motivation of staff and the participation of stakeholders.

8.2.5 Factors serving as a basis for excellence in municipalities

The following factors serve as the basis for excellence in municipalities: M & E; governance; administrative and political leadership; partnerships; information management; processes; resources; staff; organisational culture; change management, and legislation.

These factors could be enablers or constraints depending on the particular socio-economic and financial viability of the municipality.

8.2.6 Monitoring and Evaluation system achieving its full value in a public management systems environment

A systems approach rather than the technocratic approach should be utilised for the planning and implementation of the M & E system. Further, the M & E system should be introduced at the municipal-wide level rather than at the departmental or unit level in the municipality.

The hierarchical and linear relationships between the components of the logical framework used by the Treasury limits the evaluation findings of policies, programmes and projects of a complex adaptive system, such as the municipality.

8.3 Other findings of the study

Majority of the senior administrators in the municipalities are graduates and have at least five years' experience in the public sector. These factors should provide a better understanding of basic management principles and public administration. However, the poor performances of municipalities do not reflect the use of basic management principles by the Municipal Managers. This could be attributed to the relevance of the qualification, the work experience and political interference in administrative matters.

The major challenges in planning and implementing an M & E system are the lack of financial and human resources, difficulty in implementing the current organisational systems and a lack of understanding of performance management systems and M & E functions.

Improved service delivery and increased accountability are both the major future challenges and the greatest benefit offered by the M & E system to the municipality. Other benefits include staff motivation, better information management, capacity development and community participation.

Respondents perceive the M & E system as the performance management system dedicated to appraise the performance of the Section 56 and 57 managers.

Respondents perceive M & E as a compliance tool that would adversely affect their work performance due to the additional functions generated by the M & E system and limited human and financial resources currently available in municipalities.

8.4 GENERAL CONCLUSIONS

8.4.1 The need for a Monitoring and Evaluation system in municipalities is compliance driven

National Government, Provincial Government and the Auditor-General's office are driving the need for an M & E system through legal compliance by requesting regular financial reports thus creating a compliance culture at the expense of developing a performance culture in a learning organisation.

8.4.2 The majority of the municipalities in KwaZulu-Natal are ready to implement a Monitoring and Evaluation system

Approximately sixty percent of the municipalities are able to successfully provide the required resources to plan and implement an M & E system, but currently effect M & E functions in a fragmented manner within departments focussed on particular programmes and projects rather than implementing a systemic MWMES.

8.4.3 Oversight role of National and Provincial Government to monitor performance of municipalities in KwaZulu-Natal is not efficient and effective

Provincial and National Government both exercise their oversight roles and responsibilities to a reduced level of effectiveness and efficiency which limits the municipality in fulfil its developmental and governance duties. There is a need to improve intergovernmental relations among the three spheres of government. While the various intergovernmental relations forums exist, they are not effective in promoting intergovernmental relations among the local municipalities, district municipalities and the Provincial Government.

8.4.4 Monitoring and Evaluation systems have great impact to improve corporate governance and capacity development in the KwaZulu-Natal municipalities

Monitoring and Evaluation systems have a tremendous potential to enhance corporate governance and capacity development in municipalities. The absence of MWMEs and the poor levels of capacity and capacity development in most municipalities limit the improvement of corporate governance.

8.4.5 Monitoring and Evaluations systems can be used as a management tool for pursuing excellence in the KwaZulu-Natal municipalities

The current performance measurement tool is not producing the desired performance management outputs. Therefore M & E systems, as an alternate performance measurement tool, can assist the municipality to pursue excellence in a systems environment by utilising the South African Excellence Model.

8.4.6 Broad based and systemic Monitoring and Evaluation model for municipalities would assist in enhancing the performance of municipalities

A holistic MWMEs model is not available and currently no model exists that aligns the spheres of government, organisational factors required for M & E systems, requirements for institutionalising M & E with the impacts of M & E systems.

8.5 RECOMMENDATIONS

The study utilises the systems approach to Public Management and Administration. Therefore the recommendations are grouped to enhance the various systems and sub-systems within the municipality to provide a synergistic outcome.

8.5.1 Need for Monitoring and Evaluation systems within the local sphere of government in KwaZulu-Natal.

The following recommendations are made, namely, the implementation of a participative M & E system to incorporate more instruments and stakeholders, in particular the local communities; National and Provincial Governments introduce incentives for the implementation of an MWMES and a performance culture be developed through a learning organisation rather than the current compliance culture.

8.5.2 Planning and implementing Monitoring and Evaluation systems in KwaZulu-Natal Municipalities.

It is important to initiate a province-wide M & E initiative, by first identifying the municipalities that have the resource requirements for planning and implementing an M & E system. An action plan should be developed for the introduction of the participative M & E system in each municipality. Similarly, a programme of action has to be developed for the municipalities that do not currently have the requirements for the planning and implementing a participative M & E system. A grading system in terms of the readiness of a municipality should be developed and utilised for the incremental introduction of the M & E initiatives.

8.5.3 Improving oversight role of National and Provincial Government to monitor performance of the Municipalities in KwaZulu-Natal

Co-operative governance, in particular, intergovernmental relations, should be made mandatory and be included in the performance management contracts of all senior political and administrative leaders. Performance indicators and targets should be developed for monitoring and evaluating co-operative governance for each municipality. Regular information sharing

gatherings should be conducted to clarify the oversight roles and responsibilities of the three spheres of government.

8.5.4 Enhancing corporate governance and capacity development in municipalities in KwaZulu-Natal

Every municipality should develop and implement a formal M & E policy. The political and administrative leadership need to work co-operatively to undertake the objectives of the municipality. Sections of the various legislations impeding service delivery need to be reviewed to empower the municipalities to deliver quality services within a shorter period.

Urgent M & E capacity development interventions need to be implemented in municipalities to create an awareness of the benefits of M & E with better understanding of the M & E principles and terminology, and M & E tools and techniques. The development of Councillors and staff involved in performance management functions should be prioritised.

8.5.5 Monitoring and Evaluation systems utilised to pursue excellence in municipalities in KwaZulu-Natal

An organisational assessment has to be conducted to establish the enablers and constraints that would affect the pursuit of excellence in each municipality by utilising the South African Excellence Model. The enablers and constraints should be prioritised and the appropriate actions should be taken to support the pursuit for excellence. This would prevent the “one size fits all” approach to enhancing performance.

8.5.6 Broad based and systematic Monitoring and Evaluation models for municipalities

The study recommends Systemic Performance Analysis Model (SPAM) as a systemic approach to M & E the components of an intervention; Monitoring and Evaluation Alignment Model (MEAM) to ensure the factors in the various environments are considered and aligned to each other; and the Municipal Wide Monitoring and Evaluation Systems Model (MWMESM) to integrate performance of the various systems and subsystems of the municipal environment.

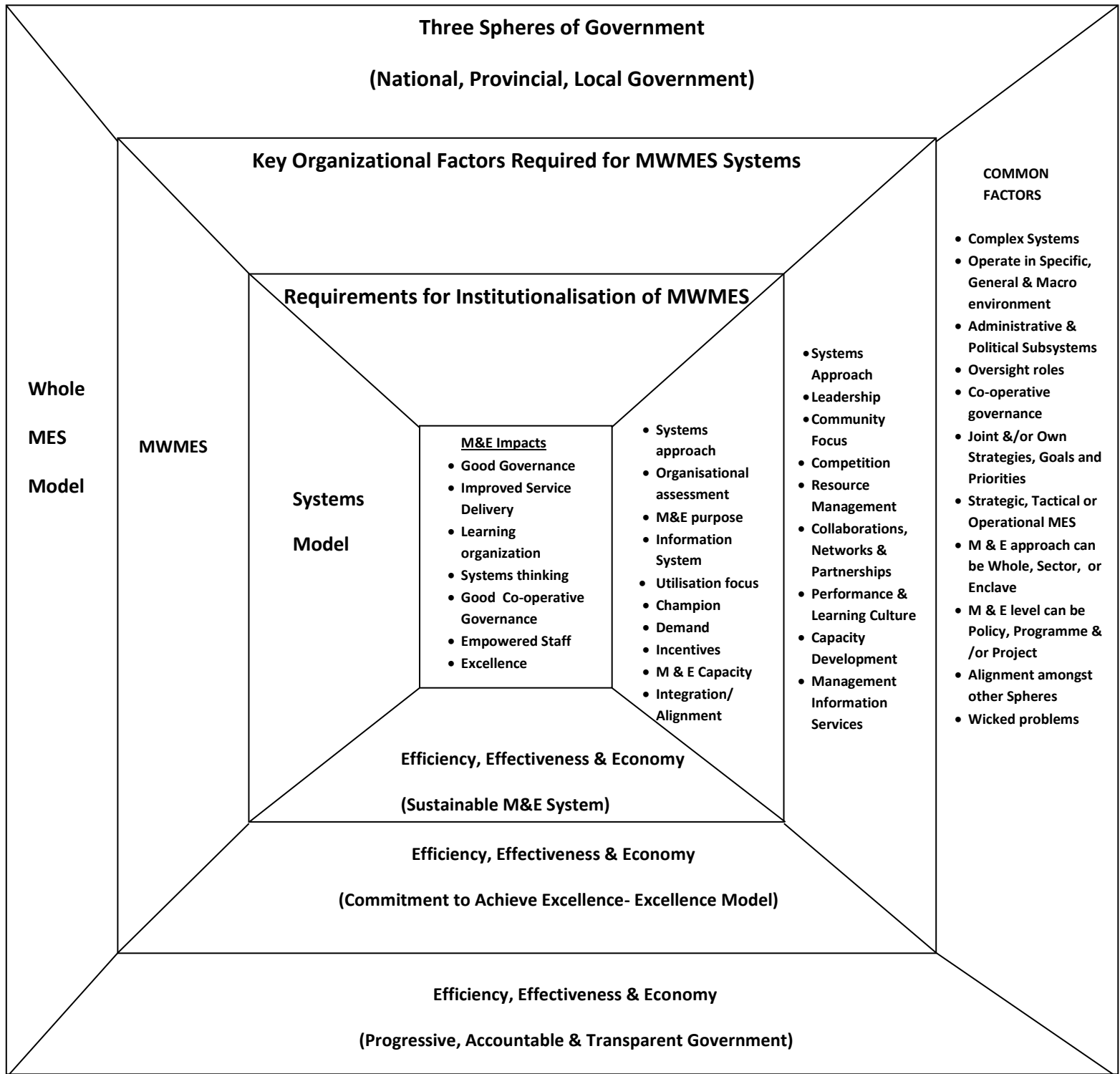
8.5.6.1 Systemic Performance Analysis Model (SPAM)

The (SPAM) should be used to encourage systems thinking and for the consideration of the multi-variable causation effects amongst its components which would result in better evaluation findings (refer to Section 3.7).

8.5.6.2 Monitoring and Evaluation Alignment Model (MEAM)

A criticism of M & E is the unnecessary complexity introduced when planning, implementing and managing the M& E system. Due to the complexity of the municipal systems environment and the limited use of the systemic approach to M & E, there is a lack of alignment and integration amongst the various environments. The MEAM attempts to simplify the understanding of the alignment and integration of the M & E system with the spheres of government, municipality and the M & E system itself. Ultimately, the aim is to achieve alignment among the GWMES, PWMES and MWMES with the impacts of the M & E system. Therefore the Monitoring and Evaluation Alignment Model (MEAM) provides a “bird’s eye view” of the alignment and integration needs of the various systems environments with the impacts of the M & E system. The components of each of the environments were briefly discussed in the previous sections.

Figure 53: Monitoring and Evaluation Alignment Model (MEAM)



8.5.6.2.1 Three spheres of government

The three spheres of government operate in the macro-environment, each implementing its own M & E system using the whole approach. The GWMES, PWMES and the MWMES have to be aligned to achieve a progressive, accountable and transparent government by being effective, efficient and economical in their service delivery. The common characteristics in the three spheres of government are:

- Complex systems;
- Operate in the general, specific and micro environment;
- Consists of at least the political and administrative sub-systems;
- Oversight roles prevail through co-operative governance;
- Joint and own strategies, goals and priorities;
- M & E approach can be whole, sector and/or enclave;
- M & E level can be policy, programme or project;
- Need for alignment with regards to its activities; and
- Wicked problems exist.

These factors also affect the planning of the MWMES.

8.5.6.2.2 Key organisational factors required for the institutionalisation of Monitoring and Evaluation systems

Within each sphere of government there exist organisations in the form of sectors, units, divisions and departments that need to institutionalise M & E systems for achieving good governance. In this environment, the MWMES would be developed to achieve excellence through efficient, effective and economical interventions to provide service delivery.

The key organisational factors include:

- Systems approach;
- Leadership;
- Community focus;
- Competition;
- Resource Management;

- Collaborations, partnerships and networks;
- Performance and learning culture;
- Capacity development: and
- Need and purpose for M & E.

The aim of the organisation is to be guided by the above factors when institutionalising an M & E system. Due consideration should also be given to the enablers of the Excellence Model for the institutionalisation of the M & E system to achieve excellence by becoming more effective, efficient and economical.

8.5.6.2.3 Requirements for the institutionalisation of M & E systems

The systems approach would enable the formation of a systemic M & E system that would be sustainable and promote effectiveness, efficiency and economy within the municipality and itself.

To achieve a sustainable M & E system, key factors include:

- Systems approach
- Organisational assessment
- Purpose for M & E
- Information system
- Utilisation focused
- Champion
- Demand
- Incentives
- Capacity

A sustainable M & E systems model would then lead to and bring about the desired impacts for the municipality.

8.5.6.2.4 Impacts of the M & E systems

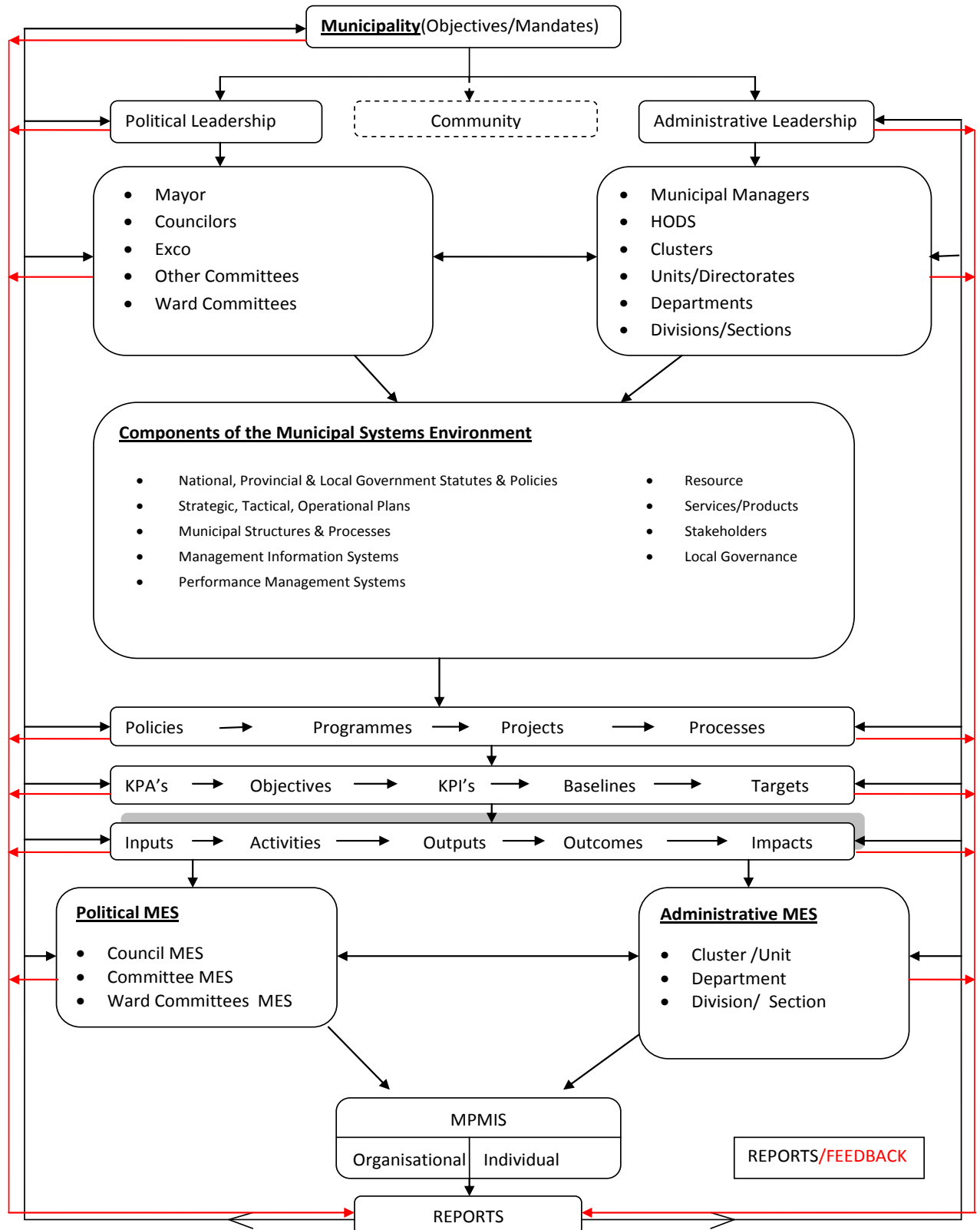
Finally, the systemic approach to M & E where the three spheres of government are complex systems, the organisation are sub-systems of the three spheres, and the M & E system are the sub-system of the organisation should lead to the following M & E impacts:

- Good Governance
- Improved service delivery
- Learning organisation
- Systems thinking
- Good co-operative governance
- Excellence

8.5.6.3 Municipal Wide Monitoring and Evaluation System Model (MWMESM)

The Municipal Wide Monitoring and Evaluation System (MWMES) is a systemic M & E system that manages the performance of the whole municipality. The purpose of the model is to aid in the planning and implementation of a MWMES. It also illustrates the interactions and interdependencies of the various sub-systems and its components to ensure a synergistic outcome.

Figure 54: Municipal Wide Monitoring and Evaluation Systems Model (MWMESM)



8.5.6.3.1 Municipality

Municipalities exercise their legislative and executive authority to implement objectives and mandates in terms of Section 152 of the Constitution. In terms of Section 2 of the Municipal Systems Act, a municipality consists of political structures, administration of the municipality and the community of the municipality. It functions in accordance with the relationships among the political structures, political office bearers, administrators and the communities. The political, administrative and community are the three main sub-systems each requiring its own M & E system.

8.5.6.3.2 Political, Administrative and Community sub-systems

The political sub-system consists of the political office bearers and municipal structures. The political offices bearers include the Mayor and the Councillors while the municipal structures include the Executive Committee, Ward Committees and Other Committees.

The administrative sub-system comprises the Municipal Manager and the Heads of Departments. The municipal organisational structure may include clusters, units/directorates, and divisions/departments depending on the size of the municipality.

The community sub-system should include the residents, ratepayers, civic organisations, NGOs and private sector entities who are involved in community affairs within the municipal area. Currently, this subsystem does not play a significant role in engaging with the municipality. The model therefore merely highlights this sub-system.

Each of the above sub-systems should decide on the priorities and set the objectives; develop the relevant indicators; set targets and allocate responsibilities to specific individuals or teams.

8.5.6.3.3 Components of the municipal systems environment

The municipal systems environment consists of the following components:

- National, Provincial and Local Government statutes and policies;
- Strategic, tactical and operational plans;
- Organisational structures;
- Resources;
- Services and products;
- Management information systems;
- Performance management systems; and
- Stakeholders.

The components need to be considered either individually or collectively when developing the IDP.

8.5.6.3.4 Integrated Development Plan (IDP)

The Integrated Development Plan develops the strategic objectives and then reviews the performance of the municipality against the set objectives (refer to Section 2.5.8 and Section 3.8).

8.5.6.3.5 Service Delivery Budget Implementation Plan (SDBIP)

The SDBIP allows for the Key Performance Areas (KPA's), objectives, Key Performance Indicators (KPI's), baselines and targets to be developed from the original strategic objectives and ensures a budget is compiled to deliver the targeted services (Refer to Section 2.5.8 and Section 3.8).

8.5.6.3.6 Systemic Performance Analysis Model (SPAM)

The SPAM is utilised to assess the inputs, activities, outputs, outcomes and impacts of the policies, programmes and projects included in the IDP and budgeted via the SDBIP (refer to Section 3.7). The performance information is collected and captured into the political and administrative Monitoring and Evaluation Systems (MESs).

8.5.6.3.7 Political Monitoring and Evaluation Systems (PMES)

The PMES could have a Council, Committee and Ward Committee MESs. Each MES should have appropriate performance indicators developed, baselines established and targets set and the responsible persons allocated to achieve the targets.

8.5.6.3.8 Administrative Monitoring and Evaluation Systems (AMES)

The AMES could include a cluster, unit, department or division MES, where appropriate. Each of the MES should have appropriate performance indicators developed; baselines established; targets set; and the responsible persons allocated to achieve the targets.

8.5.6.3.9 Municipal Performance Management Information System (MPMIS)

The performance information from the Political and Administrative MESs is then fed into the Municipal Performance Management Information System (MPMIS). The MPMIS could include both organisational and individual performance information which is used to generate performance management reports.

8.5.6.3.10 Reports

The performance reports, emanating from the MPMIS, are then made available to the relevant stakeholders for comments and feedback. The contents need to be accurate, relevant and timeously produced.

8.5.6.3.11 Feedback

Once the reports are reviewed, the feedback is submitted for updating the MPMIS the reports could be redistributed to the affected parties. Feedback could include both formal and informal communication between the parties involved.

8.5.6.4 Planning, Implementing and Sustaining a MWMEs

Due to the lack of a holistic M & E system in municipalities and the poor state of performance of municipalities, systemic M & E planning and implementation should be undertaken to ensure an effective, efficient and sustainable municipal M & E system. The uniqueness of each municipality means that the process needs to be adapted to suit its particular circumstances. Further the proposed steps need not be undertaken in the same sequence and more than one step could be simultaneously implemented. The following planning and implementing process is recommended:

8.5.6.4.1 Planning an MWMEs

Planning entails gaining consensus; deciding on the actions to be accomplished; identifying the human, financial and capital resources required; delegating the tasks to the responsible person; and aligning the tasks with the organisations capacities and capabilities.

8.5.6.4.1.1 Develop a Monitoring and Evaluation Policy

The administrative and political office bearers should jointly develop and implement a formalised M & E policy for the whole municipality. The purpose of the M & E policy should be to ensure a common understanding of the role, benefits, terminology and tools to be used in the MWMEs. The M & E policy should clearly state the relationship between the M & E system and the current municipal Performance Management System. In this regard, the M & E Policy should include the integrated developmental planning process; IDPs; key performance areas; budgeting process and; SDBIP. Therefore, prior to institutionalising an M & E system, the municipality's overall performance should be reviewed.

8.5.6.4.1.2 Undertake an organisational assessment

An organisational assessment should be undertaken to determine the overall performance of the municipality, to identify key governance and performance issues; and the need for implementing an M & E system. The municipality could gather information through surveys and/or use its annual reports to determine areas requiring M & E intervention. The appropriate approaches and levels of M & E should be selected for the M & E intervention so that consensus could be reached among all stakeholders with regard to the scope and purpose of the M & E initiative.

8.5.6.4.1.3 Determine the scope, purpose and the components of the performance programme

The scope and purpose of the M & E intervention should be jointly developed by all participants to accommodate their different perspectives. All stakeholders need to jointly determine the objectives, performance indicators, baseline data and targets which should be aligned and integrated with the PWMES and GWMES. Various M & E tools need to be investigated and an appropriate tool should be selected for the M & E initiative with due consideration given to the resource requirements.

8.5.6.4.1.4 Resource management

A resource audit should be conducted to ascertain the extent to which the required financial, human, capital and technological resources for the M & E intervention exist in the selected entity. The findings need to be compared with the overall resource requirements for the M & E intervention. Additional resources should be acquired if a shortfall exists. The allocation and usage of resources should be documented against the policy, programme, or project milestones and the budgets. The data should be captured into the M & E information management system.

8.5.6.4.1.5 Information Management

The success of the M & E initiative also depends on the quality and quantity of the input data which determines the quality of the M & E information. In this regard input data needs to be

verified prior to capturing and analysis. The M & E information system should be aligned and integrated with the existing M & E activities in the municipality. Participants need to ensure that the correct information would be produced in the appropriate format at the required intervals for their specific use.

8.5.6.4.1.6 Formalising the Monitoring and Evaluation initiative

All stakeholders should formalise their involvement in the M & E initiative through an M & E agreement or a memorandum of understanding with regards to roles and responsibilities; consultations; and report preparations. Monitoring and Evaluation accountabilities and responsibilities should be included in the Section 57 managers' and HODs' performance agreements.

8.5.6.4.2 Implementing a Municipal Wide Monitoring and Evaluation System (MWMES)

Implementation of the MWMES requires co-ordination and commitment from all employees and involves the completion of the tasks as agreed in the planning phase.

8.5.6.4.2.1 Monitoring and Evaluation Capacity Development

Monitoring and Evaluation capacity development should include all stakeholders and is an on going process of organisation development and personal empowerment. Capacity development should occur before the commencement, during, and after the completion of the M & E initiative. The M & E capacity development should be customised to accommodate the various teams involved in the M & E initiative and should include, *inter alia*, the M & E policy, purpose, benefits, M & E tools and M & E skills (general and specialised).

8.5.6.4.2.2 Undertaking Monitoring and Evaluation Tasks

The M & E tasks should be performed by the designated participants as per the M & E agreement or the memorandum of understanding. Any stakeholder, environmental and conditional changes affecting the original targets should be reviewed and recorded.

8.5.6.4.2.3 Information Management

Data should be collected; captured; and analysed in terms of the components of the SPAM, namely, inputs; activities; outputs; outcomes; and impacts. Performance measurements taken need to be compared with the original targets.

8.5.6.4.2.4 Information and knowledge sharing

Regular information sharing and knowledge transfer communication should be conducted to review the performance results obtained by confirming the effects of the environments; stakeholder; and conditional influences.

8.5.6.4.2.5 Change management

Consensus should be reached among the participants on any changes that need to be made to the M & E intervention. Changes should be implemented and the above process should be repeated.

8.5.6.4.2.6 Reporting and Feedback

At the different stages of the programme, reports should be prepared and sent to all participants and decision- makers.

Follow-up needs to be undertaken after the completion of the programme with regards to the outcomes, impacts and the use of the M & E information.

A cost- benefit analysis should be undertaken for the whole M & E initiative.

8.5.6.4.2.7 Documenting findings and learnings

The M & E initiative should be documented with the findings and learnings for future use. Information should be truthfully recorded highlighting the challenges and future recommendations to ensure better effectiveness, efficiency and economy of a similar intervention.

8.5.6.4.3 Sustaining a MWMES

The M & E system should be sustainable if there is continued administrative and political support, demand and use of the M & E information to enhance corporate governance in the municipality. The sustainability of the M & E system depends *inter alia* on the following factors:

- Regular reporting of successes and challenges;
- Continuous M & E capacity development of political office bearers, administrative staff and external stakeholders;
- Relevance of the M & E policy;
- Commitment of top administrative and political leaders in terms of support and resource allocations;
- Monitoring and Evaluation of the M & E system itself; and
- Reliability of the M & E information and its use.

8.6 DIRECTIONS FOR FUTURE RESEARCH

The following research opportunities affecting Local Government have been identified:

- Development and enactment of a single legislation that governs and informs municipal performance management.
- Monitoring and Evaluation capacity development in municipalities.
- The effects of political deployments on the morale and motivation of staff and overall performance of the municipality.
- The establishment of a dedicated public administration academy that grades the public servants in term of specific public management and administration knowledge.
- Development of a systems model for intergovernmental relations and key performance indicators to measure both the quantity and quality of intergovernmental relations.
- Political influence on the administrators to effectively, efficiently and economically undertake their tasks.

8.7 CONCLUSION

The final chapter presented the findings that allowed the researcher to conclude that M & E systems enhance corporate governance in municipalities. A systemic approach has to be adopted for the planning and implementation of the M & E system to enhance its full potential as a performance measurement tool. The systemic approach to M & E also permitted the development of SPAM, MEAM and the MWMESM. These models would aid in the achievement of better effectiveness, efficiency and economy in the municipalities thus propelling the municipality closer to the achievement of excellence.

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Appendix 1

KwaZulu-Natal Municipalities and District Councils

DC 21 UGu District

- KZ211** Vulamehlo
- KZ212** Umdoni
- KZ213** Umzumbe
- KZ214** uMuziwabantu
- KZ215** Eziqoleni
- KZ216** Hibiscus Coast

DC 22 uMgungundlovu District

- KZ221** uMshwathi
- KZ222** uMngeni
- KZ223** MooiMpofana
- KZ224** Impendle
- KZ225** Msunduzi
- KZ226** Mkhambathini
- KZ227** Richmond

DC23 uThukela District

- KZ232** Emnambithi
- KZ233** Indaka
- KZ234** Umtshezi
- KZ235** Okhahlamba
- KZ236** Imbabazane

DC24 uMzinyathi District

- KZ241** Endumeni
- KZ242** Nquthu
- KZ244** Msinga
- KZ245** Umvoti

DC 25 Amajuba District

- KZ252** Newcastle
- KZ253** Utrecht
- KZ254** Dannhauser

DC 26 Zululand District

- KZ261** eDumbe
- KZ262** uPhongolo
- KZ263** Abaqulusi
- KZ265** Nongoma
- KZ266** Ulundi

DC 27 uMkhanyakude District

KZ271 Umhlabuyalingana
KZ272 Jozini
KZ273 The Big Five False Bay
KZ274 Hlabisa
KZ275 Mtubatuba

DC 28 uThungulu District

KZ281 Mbonambi
KZ282 uMhlathuze
KZ283 Ntambanana
KZ284 Umlalazi
KZ285 Mthonjaneni
KZ286 Nkandla

DC 29 KingShaka District

KZ291 eNdongakusuka
KZ292 KwaDukuza
KZ293 Ndwedwe
KZ294 Maphumulo

DC 43 Sisonke District

KZ5a1 Ingwe
KZ5a2 KwaSani
KZ5a3 Matatiele
KZ5a4 Greater Kokstad
KZ5a5 uBuhlebezwe

Durban eThekwini – Metropolitan Region

Annexure 2

Contact Details of Municipalities in KZN

	Name of Municipality	Municipal manager	telephone	e-mail address	Postal address
1	ETHEKWINI METROPOLITAN MUNICIPALITY	Dr Mike Sutcliffe	031-311 2000	metroceo@durban.gov.za	PO Box 1014 Durban 4000
2	UGU DISTRICT MUNICIPALITY (DC21)	Mr L Mhalaka	039-688 5751	luvuyo.mahlaka@ugu.gov.za	PO Box 33 Port Shepstone 4240
3	VULAMEHLO LOCAL MUNICIPALITY (KZ211)	Mr MH Zulu	039-974 0450	msizi@venturenet.co.za	Private Bag X5509, Scottburgh, 4180
4	UMDONI LOCAL MUNICIPALITY (KZ212)	Mr DD Naidoo	039-976 1202	naidoo@umdoni.gov.za	P O Box 19 Scottburgh 4180
5	UMZUMBE LOCAL MUNICIPALITY (KZ213)	Mr MJ Mgesi	039-684 9181	pasirasi@live.com	PO Box 561 Hibberdene 4220
6	UMUZIWABANTU LOCAL MUNICIPALITY (KZ214)	Mr SS Mbhele	039-433 1205	jolanda@umuziwabantu.org.za	Private Bag X1023 Harding 4680
7	IZINQOLENI LOCAL MUNICIPALITY (KZ215)	Mr KJ Zulu	039-534 1577	khethaz@ezinqoleni.gov.za	PO Box 108 Izingolweni 4260
8	HIBISCUS COAST LOCAL MUNICIPALITY (KZ216)	SW Mkhize	039-688 2000	mm@hcm.gov.za	P O Box 5 Port Shepstone 4240
9	UMGUNGUNDLO VU DISTRICT MUNICIPALITY (DC22)	Mr TLS Khuzwayo		Sibusiso.khuzwayo@umdm.gov.za	P O Box 3235 Pietermaritzburg 3200
10	UMSHWATI LOCAL MUNICIPALITY (KZ221)	Vincent Cebekhulu	033-503 1350	vincentc@umshwathi.gov.za	Private Bag X29 Wartburg 3233
11	UMNGENI LOCAL	HS Buthelezi	033-239 9266	manager@umngeni.gov.za	PO Box 5 Howick

	MUNICIPALITY (KZ222)				3290
12	MPOFANA LOCAL MUNICIPALITY (KZ223)	Mr Madlala	033-263 7700	muzi.madlala@Ignet.org.za	PO Box 47 Mooi River 3000
13	IMPENDLE LOCAL MUNICIPALITY (KZ224)	Sicelo Duma	033-996 0771	zama.nkosi@Impendle.gov.za	21 Masahleni Str Impendle 3227
14	UMSUNDUZI LOCAL MUNICIPALITY (KZ225)	Mr T Maseko	033-392 3000	Mercia.daniel@umsunduzi.gov.za	Private Bag X321 Pietermaritzburg 3200
15	MKHAMBATHINI LOCAL MUNICIPALITY (KZ226)	Mr DA Pillay	031-785 9307	mm@mkhambathini.gov.za	Private Bag X04 Camperdown 3720
16	RICHMOND LOCAL MUNICIPALITY (KZ227)	Sibusiso Sithole	(033) 212 2155	Sibusiso.sithole@richmond.gov.za/ denise.zuma@richmond.gov.za	Private Bag X1028 Richmond 3780
17	UTHUKELA DISTRICT MUNICIPALITY (DC23)	Mr SSB Nkehli	036-638 5100	municipalmanager@uthukeladm.co.za	P O Box 116 Ladysmith 3370
18	EMNAMBITHI – LADYSMITH LOCAL MUNICIPALITY (KZ232)	Mr NJ Mdakane	(036) 637 2231	mm@ladysmith.co.za	PO Box 29 Ladysmith 3370
19	INDAKA LOCAL MUNICIPALITY (KZ233)	Mr S Maphanga	034-261 2316	No email address Fax num: 034- 2612 319	Private Bag X70113 Wasbank 2920
20	UMTSHEZI LOCAL MUNICIPALITY (KZ234)	Ms PN Njoko	(036) 342 7802	municipalmanager@mtshezi.co.za	PO Box 15 Estcourt 3310
21	OKHAHLAMBA LOCAL MUNICIPALITY (KZ235)	Miss PE Ngcobo	036- 4481076	Philah88@gmail.com	P O Box 71 Bergville 3350
22	IMBABAZANE LOCAL MUNICIPALITY (KZ236)	Mr MM Ndlela	036-353 6661	Moses.ndlela@Ignet.org.za	PO Box 750 Estcourt 3310
23	UMZINYATHI DISTRICT	Mr S Dubazana	(034) 218 1945	mm@umzinyathi.gov.za	PO Box 1965 Dundee

	MUNICIPALITY (DC24)	(Sipho)			3000
24	ENDUMENI LOCAL MUNICIPALITY (KZ241)	Mr JB Maltman	(034)212 2121	bart@endumeni.gov.za	Private Bag X2024 Dundee 3000
25	NQUTHU LOCAL MUNICIPALITY (KZ242)	Mr BP Gumbi	034-271 6100	bongig@nquthu.gov.za	Private Bag X5521 Nquthu 3135
26	MSINGA LOCAL MUNICIPALITY (KZ244) (previously Umsinga)	Mr S Sithole	(033) 493 0761	Sanoza.sithole@msinga.org	Private Bag X530 Tugela Ferry 3010
27	UMVOTI LOCAL MUNICIPALITY (KZ245)	Acting Mr KE Simelane	(033) 413 9100	mmpa@umvoti.org.za	PO Box 71 Greytown 3250
28	AMAJUBA DISTRICT MUNICIPALITY (DC25)	Acting Municipal Manager: Mr N Daubrey	(034)32972 00	daubreyn@amajuba.gov.za	PO Box 6615 Newcastle 2940
29	NEWCASTLE LOCAL MUNICIPALITY (KZ252)	Acting Municipal Manager: Mr ME Nkosi	(034) 328 7750	mm@newcastle.gov.za	Private Bag X6621 Newcastle 2940
30	EMADLANGENI LOCAL MUNICIPALITY (KZ253) (Formerly Utrecht)	Mr VM Kubeka	(034) 331 3041	velaphik@emadlangeni.gov.za / stephaniej@emadlangeni.gov.za	PO Box 11 Utrecht 2980
31	DANNHAUSER LOCAL MUNICIPALITY (KZ254)	Mr WB Nkosi	034-621 2666	municipalmanager@dannhauser.gov.za	Private Bag X1011 Dannhauser 3080
32	ZULULAND DISTRICT MUNICIPALITY (DC26)	Mr JH De Klerk	035-874 5500	mms@zululand.org.za	Private Bag X76 Ulundi 3838
33	EDUMBE LOCAL MUNICIPALITY (KZ261)	Mr AM Putini		edumbekz261@mwab.co.za	Private Bag X308 Paulpietersburg 3180
34	UPHONGOLO LOCAL MUNICIPALITY	Mrs F Jardem (Fatima)	(034)41312 23	mm@uphongolo.org.za	PO Box 191 Pongola 3170

	(KZ262)				
35	ABAQULUSI LOCAL MUNICIPALITY (KZ263)	Mr B Ntanzi (Bonga)	(034)98221 33	municipalmanager@abaqulusi.go.v.za	PO Box 57 Vryheid 3100
36	NONGOMA LOCAL MUNICIPALITY (KZ265)	Mr VP Zulu	034-831 7500	manager@nongoma.org.za	PO Box 84 Nongoma 3950
37	ULUNDI LOCAL MUNICIPALITY (KZ266)	Princess SA Buthelezi	035-874 5100	buthelzip@ulundi.co.za	Private Bag X17 Ulundi 3838
38	UMKHANYAKU D E DISTRICT MUNICIPALITY (DC27)	Mr S R Mthobela	035-573 8600	smathobel@umkhanyakude.org.za	PO Box 449 Mkuze 3965
39	UMHLABUYAL IN GANA LOCAL MUNICIPALITY (KZ271)	Mr SE Bukhosini	035-592 0665	bukhosinise@gmail.com	Private Bag X901 Khangwanase 3973
40	JOZINI LOCAL MUNICIPALITY (KZ272)	Mr NN Nkosi	035-572 1292	nnkosi@webmail.co.za	Private Bag X028 Jozini 3969
41	THE BIG FIVE FALSE BAY LOCAL MUNICIPALITY (KZ273)	Mr MA Mngadi	035-562 0040	archie@big5falsebay.co.za	P O Box 89 Hluhluwe 3960
42	HLABISA / IMPALA LOCAL MUNICIPALITY (KZ274)	Mr TV Mkhize	(035) 838 8500	tvmkhize@hlabisa.org.za	PO Box 387 Hlabisa 3937
43	MTUBATUBA LOCAL MUNICIPALITY (KZ275)	Mr AM Dhlomo	035-550 0069	Dlomo.mtuba@lantic.net	P O Box 52 Mtubatuba 3935
44	UTHUNGULU DISTRICT MUNICIPALITY (DC28)	Mr BB Biyela	(035) 799 2501	sceo@uthungulu.co.za	Private Bag X1025 Richards Bay 3900
45	MBONAMBI LOCAL MUNICIPALITY (KZ281)	Mr MH Nkosi	035- 5801412	nkosim@mbonambi.co.za	P O Box 96 Kwambonambi 3915
46	UMHLATHUZE LOCAL	Mr L Khoza	(035) 907 5491	lkhoza@richemp.org.za	Private Bag X1004

	MUNICIPALITY (KZ282)				Richards Bay 3900
47	NTAMBANANA LOCAL MUNICIPALITY (KZ283)	Mr RP Mnguni		mngunir@ntambanana.org.za	Private Bag X20066 Richards Bay 3880
48	UMLALAZI LOCAL MUNICIPALITY (KZ284)	Mr C Gerber	035-473 3300	chris@umlalazi.org.za	P O Box 37 Eshowe 3815
49	MTHONJANENI LOCAL MUNICIPALITY (KZ285)	Mr A Els	035-450 2082	meltlc@mweb.co.za	P O Box 11 Melmoth 3835
50	NKANDLA LOCAL MUNICIPALITY (KZ286)	Mr N Mnyandu	035-833 2000	nmnyandu@nkandla.org.za	Private Bag X161 Nkandla 3855
51	ILEMBE DISTRICT MUNICIPALITY (DC29)	Mr M Newton	032-437 9300	mike@ilembe.gov.za	P O Box 1788 Kwadukuza 4450
52	ENDONDAKUS U KA LOCAL MUNICIPALITY (KZ291)	Dr MB Ngubane		nokulunga.zulu@mandeni.gov .za	P O Box 144 Mandini 4490
53	KWADUKUZA LOCAL MUNICIPALITY (KZ292)	Mr MOS Zungu	032-437 5003	<a href="mailto:municipalmanager@kwadukuz
a.
gov.za">municipalmanager@kwadukuz a. gov.za	P O Box 70 Stanger 4450
54	NDWEDWE LOCAL MUNICIPALITY (KZ293)	Miss Jabu Majola	032-532 1089	mm@ndwedwe.gov.za	Private Bag X503 Ndwedwe 4342
55	MAPHUMULO LOCAL MUNICIPALITY (KZ294)	Mr VA Mhlongo	032-481 2047	mhlongov.1@gmail.com	Private Bag X9205 Maphumulo 4470
56	SISONKE DISTRICT MUNICIPALITY (DC43)	Mr NM Mabaso		mabasom@sisonkedm.gov.za	Private Bag X501 Ixopo 3276
57	INGWE LOCAL MUNICIPALITY (KZ5A1)	Mr GM Sineke	039-833 1038	sinekeg@ingwe.gov.za	P O Box 62 Creighton 3263
58	KWA SANI LOCAL	Mr SP Gwacela	033-702 1060	mm@kwasani.co.za	P O Box 43 Himeville

	MUNICIPALITY (KZ5A2)				3256
59	GREATER KOKSTAD LOCAL MUNICIPALITY (KZ5A4)	Mr MA Nkosi	039- 7976601	Mxolisi.Nkosi@kokstad.org.za	P O Box 8 Kokstad 4700
60	UBUHLEBEZW E LOCAL MUNICIPALITY (KZ5A5)	Mr CM Ngubelang a		mm@ubuhlebezwe.org.za	P O Box 132 Ixopo 3276
61	UMZIMKHULU LOCAL MUNICIPALITY (KZ5a6)	Mr L Mapholoba	039-259 5300	nomthsak@yahoo.com	P O Box 53 Umzimkulu 3297

ANNEXURE 3

MAIL QUESTIONNAIRE

UNIVERSITY OF KWAZULU-NATAL
School of Public Administration and Development Management

Dear Municipal Manager,

D Admin. Research Project

Researcher: Ivan Gunass Govender (031 3735694/0836532121)

Supervisor: Professor Yogi Penceliah (031 2607645)

Research Office: Ms P Ximba 031-2603587

Title of Survey

Monitoring and Evaluation Systems Enhancing Corporate Governance in Local Government: A Case Study of KwaZulu-Natal.

The purpose of this survey is to solicit information from municipal managers and the municipal officials engaged in monitoring and evaluation functions regarding the role of M & E systems in enhancing corporate governance in municipalities in KZN.

The information and ratings you provide us will go a long way in helping us identify factors that would enable municipalities pursue excellence through good governance. The questionnaire should only take approximately 25 minutes to complete. In this questionnaire, you are asked to indicate what is true for you, so there are no “right” or “wrong” answers to any question. If you wish to make a comment please write it directly on the booklet itself. **Make sure not to skip any questions.**

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Public Administration and Development Management, UKZN.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

Thank you for your participation!

Ivan Govender

Please send completed questionnaire to:

Fax: 031 3735475/0866745934; E-mail: ivang@dut.ac.za; Post: P O Box 948, Mt Edgcombe, 4300

Section A

General Details

1. Name of Municipality

2. Category of Municipality

Category A	
Category B	
Category C	

3. What is your current post in the municipality?

Municipal Manager	
Deputy Municipal Manager/Senior Official	
Administrator	

4. Gender

Male	
Female	

5. Age Group

18-25	
26-45	

46-60	
60+	

6. Highest Educational Level

Grade 12	
Diploma	
Degree	
Post graduate degree	

7. How long have you been involved in Local Government administration?

Less than 5 years	5 to less than 10 years	10 to less than 15 years	15 years to less than 20 years	20 years and more
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Section B

General Monitoring and Evaluation Information

1. Is there currently an M & E policy in the municipality?

Yes	No
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2. Does the municipality currently have the following resources dedicated to monitoring and evaluation functions?

M & E Specialist	Yes	No
Staff	Yes	No
Computers	Yes	No
Budget	Yes	No

3. What are the challenges in planning and implementing a successful M & E policy?

4. Please rank, in numerical order, the benefits of an M & E system to the municipality.

(1= very high benefit, 2=high benefit, 3=very low benefit,4=low benefit, 5=least benefit)

Increased accountability by enhancing good governance	
Provision of useful information for policy and decision making	
Improving service delivery by better utilization of resources	
Establish accurate baselines which are utilized to set realistic targets	
Motivate staff by providing clear and impartial outputs, outcomes and impacts	

5. What are the disadvantages/limitations of having an M & E system in a municipality?

6. To what extent are the outcomes and impacts of projects, programmes and policies monitored?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

7. To what extent are the outcomes and impacts of projects, programmes and policies evaluated?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

8. How do you rate your current monitoring and evaluation activities in the municipality?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

Section C

Factors that determine the need for a M & E system

1. What incentives exist for municipalities to plan and implement an effective and efficient monitoring and evaluation system in your municipality?

2. Please rank the stakeholders that create the need for implementing an M & E system in the municipality.

	Very Unimportant	Unimportant	Neither important or unimportant	Important	Very important
Donors					
Communities					
National Government					
Provincial Government					
Political party					
Business Community					
Councillors					

3. Please rank the instruments that create the need for implementing an M & E system in the municipality.

	Very Unimportant	Unimportant	Neither important or unimportant	Important	Very important
Annual Budget					
Operations plans					
Legislation					
IDP					
SDBIP					
Fiscal incentives from government					

4. How does the inclusion of the above factors in the M & E system enhance governance?

Poor	Fair	Neutral	Good	Excellent
------	------	---------	------	-----------

5. What are the critical factors that would shape the future of local Government?

6. Please provide any further comments with reference to the needs for an M & E system to enhance governance.

Section D

Readiness Assessment

1. Please rank the importance of the following organisational factors in the planning and implementation of a M& E system.

	Very Unimportant	Unimportant	Neither important or unimportant	Important	Very important
Political Leadership					
Administrative Leadership					
Organisational Culture					
Resource availability					
Organisational structure					
Policies and procedures					

2. To what extent are the requirements for planning and implementing a results based M & E system in local Government present?

Poor	Fair	Neutral	Good	Excellent
------	------	---------	------	-----------

3. Please rank the requirements for planning and implementing an M & E system

	Very Unimportant	Unimportant	Neither important or unimportant	Important	Very important
M & E Champion					
M & E Specialists					
Ownership of the system					
Statistical skills					
M & E Policy					
Facilities					
Information system					
Reliability of the					

information					
-------------	--	--	--	--	--

4. To what extent can the municipality provide the following resources to plan and implement an M & E system?

	Strongly not successful	Not successful	Unsure or neutral	Successful	Strongly successful.
Champion					
Statistical skills					
M & E Specialist					
M & E Policy					
M & E Training					
Information system					
Data Repository					
Human Capital					

5. Please prioritise, in numerical order, your preferences as to how the M & E System should be planned and implemented in the municipality.

(1=very highly preferred,2=highly preferred,3=low preference,4=very low preference,5=not preferred)

Internally	
External Consultants	
Provincial and National Government	
Internally with external consultants	
Internally with provincial and national Government	

6. Please motivate your response to question 5 above.

7. At which level would you recommend an M & E system to be implemented in your municipality?

Entire municipality	
Unit	
Department	

8. Please motivate your response to question 7 above.

9. An effective and efficient M & E system would achieve better...

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Outcomes and impacts if individuals work independently					
Outcomes and impacts if a technocratic approach is used for M & E					
Outcomes and impacts by using a systems approach to managing performance					
Community engagement and participation.					
Outcomes and impacts by using external independent institution to confirm the outcomes and impacts.					
Outputs, outcomes and impacts if it considers the					

different localized priorities within each of the municipalities					
Alignment between the current performance management system and the M & E system.					
Alignment between the current information system and the M & E system					
Alignment between the Government Wide M & E system, the Provincial M & E system and itself.					

10. How do you rate your current readiness for the planning and implementation of a monitoring and evaluation system?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

11. Please provide any further comments with reference to the readiness assessment for an M & E system to enhance governance in the municipality.

Section E

Co-operative Governance

1. How do you rate the current co-operative governance between the municipality and the Provincial Government?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

2. How do you rate the current co-operative governance between the municipality and the National Government?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

3. Which unit or department has the primary responsibility of ensuring good governance for the whole municipality?

4 The M& E unit or department should have the primary responsibility of ensuring good governance for the entire municipality.

Strongly agree	Agree	Neutral(not sure)	Disagree	Strongly disagree
----------------	-------	-------------------	----------	-------------------

5. Please rank in order of priority, your requirements from the Provincial and National Government in terms of co-operative governance.

	Very unimportant	Unimportant	Neither important or unimportant	Important	Very important
Communication and consultation					
Technical support					
Leadership					
Fiscal support					
Concurrent functions clarity					
Monitoring and Evaluation					

6. What support has the municipality received from the **Provincial** Government?

	Strongly not very effective	Not effective	Unsure	Effective	Strongly effective
Communication and consultation					
Technical support					
Leadership					
Fiscal support					

Concurrent functions clarity					
Monitoring and Evaluation					

7. What support has the municipality received from the **National Government**?

	Strongly not very effective	Not effective	Unsure	Effective	Strongly effective
Communication and consultation					
Technical support					
Leadership					
Fiscal support					
Concurrent functions clarity					
Monitoring and Evaluation					

8. How can co-operative governance enhance governance in the municipality?

Section F

Corporate Governance

1. How do you rate the current corporate governance in your municipality?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

2. What are the effects of the M & E system to support corporate governance?

	Strongly not very effective	Not effective	Unsure	Effective	Strongly effective
Accountability					
Decision making					
Community participation					
Financial management					
Corruption					
Stakeholder engagement					
Policy development					
Programme evaluation					
Project management					
Achievement of strategic goals					
Service delivery					

3. Please provide any further comments in reference to the M & E system improving corporate governance.

Capacity Development

4. How do you rate the monitoring and evaluation capacity in the municipality?

Poor	Fair	Neutral	Good	Excellent
------	------	---------	------	-----------

5. How do you rate the monitoring and evaluation capacity development in the municipality?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

6. What are the effects of the M & E system to support capacity development?

	Strongly not very effective	Not effective	Unsure	Effective	Strongly effective
Placement of competent staff					
Training of staff					
Provision of the required resources					
Motivation of staff					
Participation of stakeholders					

7. Please provide any further comments with reference to the role of M & E system to enhance capacity development.

G Excellence in Municipalities

1. What incentives are in place for the municipality to pursue and achieve excellence?

2. What performance management tool is currently used to manage performance of the municipality?

Balanced Scorecard	
--------------------	--

Benchmarking	
Dashboards	
TQM	
Other	

3. How do you rate your current performance management system?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

4. How would you rate your municipality in terms of its overall performance?

Poor	Fair	Neutral	Good	Excellent
-------------	-------------	----------------	-------------	------------------

5. Prioritise the factors that would **enable you** to achieve excellence in your municipality

	Very unimportant	Unimportant	Neither important or unimportant	Important	Very important
Legislation					
Policies and strategies					
Organisational culture					
Change management					
Competent staff					
Efficient and effective processes					
Adequate resources					
Effective and efficient information					

management					
Partnerships					
Political Leadership					
Administrative Leadership					
Good governance					
Monitoring and Evaluation					

6. Prioritise the factors that are **constraints** to pursue excellence in your municipality.

	Very unimportant	Unimportant	Neither important or unimportant	Important	Very important
Legislation					
Policies and strategies					
Organisational culture					
Change management					
Competent staff					
Efficient and effective processes					
Adequate resources					
Effective and efficient					

information management					
Partnerships					
Political Leadership					
Administrative Leadership					
Good governance					
Monitoring and Evaluation					

7. How would the monitoring and evaluation system assist the municipality in achieving excellence?

	Poor	Fair	Neutral	Good	Excellent
Relevant and empowering legislation					
Informed policies and strategies developed					
Organisational culture focused towards better service delivery					
Better change management					
Competent and motivated staff					
Efficient and effective processes					
Provision of					

adequate resources					
Effective and efficient information management					
Developing partnerships					
Better political leadership					
Better administrative leadership					
Improving governance					

8. Please provide any further comments with reference to the M & E supporting excellence in the municipality.

In order to gain further information for practical analysis, I need to interview a staff involved in M & E tasks. Please provide me with an M & E staff's contact details (name, telephone number and e-mail address) for me to arrange an interview.

Position of employee: _____

Name of employee: _____

Telephone no. of employee: _____

E-mail of employee: _____

Thank You!

Please send completed questionnaire to:

Fax: 031 3735475/0866745934

E-mail: ivang@dut.ac.za/Post: P O BOX 948, MT EDGECOMBE, 4300

ANNEXURE 4

STRUCTURED INTERVIEW QUESTIONNAIRE

UNIVERSITY OF KWAZULU-NATAL
School of Public Administration and Development Management

Dear Respondent,

D Admin. Research Project

Researcher: Ivan Gunass Govender (031 3735694/0836532121)

Supervisor: Professor Yogi Penceliah (031 2607645)

Research Office: Ms P Ximba 031-2603587

Title of Survey

Monitoring and Evaluation Systems Enhancing Corporate Governance in Local Government: A Case Study of KwaZulu-Natal.

The purpose of this survey is to solicit information from the municipal officials engaged in monitoring and evaluation functions regarding the role of M & E systems in enhancing corporate governance in municipalities in KZN.

The information you provide us will go a long way in helping us identify factors that would enable municipalities pursue excellence through good governance. The interview should only take 15-20 minutes to complete. In this interview, you are asked to indicate what is true for you, so there are no “right” or “wrong” answers to any question.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Public Administration and Development Management, UKZN. If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

Thank you for participating!

INTERVIEW QUESTIONNAIRE

Name of Municipality	
Name of Interviewee	
Contact details of Interviewee:	
Office/cell phone	
E-mail	
Fax	
Date	
Time Venue	
Direct/telephonic interview	

1 What are the current challenges experienced by the municipality in terms of governance?

2 How does an M & E system support the municipality to carry out its mandate in terms of Section 152 of the Constitution?

MONITORING AND EVALUATION DEMAND

3. What are the sources of demand for M & E systems in the municipality?

4. Is the demand sustainable?

MONITORING AND EVALUATION READINESS

5. What would be the best method to implement M & E in the municipality?

6. Which critical factors need to be assessed to establish the readiness of the municipality to embark on a monitoring and evaluation system?

CO-OPERATIVE GOVERNANCE

7. How can monitoring and evaluation improve co-operative governance?

8. How do you encourage better intergovernmental relationships and co-operative governance between the three spheres of government?

GOVERNANCE AND CAPACITY DEVELOPMENT

9. How does an M & E system enhance good governance and capacity development?

10. How do you measure the improvement in governance and capacity development due to the implementation of an M & E system?

EXCELLENCE

11. What is an excellent municipality?

12. What are the values that would allow you to pursue excellence in Local Government?

13. What are the critical organizational factors that would allow you to pursue excellence in Local Government?

14. How can monitoring and evaluation aid in achieving excellence?

SYSTEMS APPROACH

15. How do you envisage the involvement all stakeholders to achieve a synergistic outcome (politicians and administrators) in the M & E initiative?

16. Would a technocratic approach to monitoring and evaluation result in the municipality operating as a system?

17. How do you deal with conflicts in respect to the monitoring and evaluation system?

18. Please provide any further comments in reference to the influence of a monitoring and evaluation system on good governance.

19. What are the critical factors that would shape the future of Local Government?

Annexure 5

Permission to Conduct Research



Department of Co-operative Governance & Traditional Affairs

KwaZulu-Natal Provincial Government

OFFICE OF THE GENERAL MANAGER: MONITORING AND EVALUATION

Enquiries :	Ms. A. Sekhesa	Telephone :	033 355 6162	Private Bag :	X9123
Imibuzo :		Ucingo :		Isikhwama Seposi :	Pietermaritzburg
Navrae :		Telefoon :		Privaat Sak :	3200

Reference:	2/9/2/R	Fax :	033 355 6135
Inkomba :		iFeksi :	
Verwysing:		Faks :	

TO ALL MUNICIPAL MANAGERS IN KWAZULU-NATAL

Dear Sir/Madam,

**Re: Doctorate in Public Administration: Mr Ivan Gunass Govender
Student No.: 001792983**

Monitoring and Evaluation Systems Enhancing Corporate Governance in Local Government: A Case Study of KwaZulu-Natal.

This letter serves to confirm that Mr I G Govender , who is a registered student at UKZN, Westville Campus, is currently conducting research in the field of Local Government with a focus on the M & E systems enhancing corporate governance in the KZN Municipalities.

It is hereby confirmed that Mr I G Govender has been granted permission to conduct the research related to the above field and to access information related to his research. Mr I G Govender has also been granted permission to submit questionnaires to the Municipal Managers and to interview relevant officials engaged in M & E activities.

The research is relevant to the National and Provincial Governments initiatives to ensure the municipalities operate according to their constitutional mandate and to strategically align their service delivery with the National and Provincial priorities. The study would be useful to municipalities in dealing with M & E related issues.

Please be guided accordingly.

Yours sincerely


Acting Head of Department

Annexure 6

Ethical Clearance Certificate



11 February 2011

Mr. IG Govender (7912983)
School of Public Administration and Development Management

Dear Mr. Govender

PROTOCOL REFERENCE NUMBER: HSS/0079/011D
PROJECT TITLE: MONITORING AND EVALUATION SYSTEMS ENHANCING CORPORATE GOVERNANCE IN LOCAL
GOVERNMENT: A CASE STUDY OF KWAZULU-NATAL.

EXPEDITED APPROVAL

I wish to inform you that your application has been granted Full Approval through an expedited review process:

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Professor Steven Collings (Chair)
HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE

cc. Supervisor – Prof. Y Penciliah
cc. Mrs. C Haddon

Postal Address:

Telephone:

Facsimile:

Email:

Website: www.ukzn.ac.za

Founding Campuses:

Edgewood

Howard College

Medical School

Pietermaritzburg

Westville

