

UNIVERSITY OF KWAZULU-NATAL

**THE EFFECTIVENESS OF THE EARNED VALUE
MANAGEMENT SYSTEM: A CASE FOR LOCAL
ECONOMIC DEVELOPMENT PROJECTS**

By

Hloniphani Jackson Ngcobo

207526636

**A dissertation submitted in partial fulfilment of the requirements for the Degree
of
Master of Commerce**

**Graduate School of Business & Leadership
College of Law and Management Studies**

Supervisor: Dr Stanley Hardman

2013

DECLARATION


I, Hloniphani Jackson Ngcobo, declare that

- (i) The research reported in this thesis, except where otherwise indicated, is my original research.
- (ii) This thesis has not been submitted for any degree or examination at any other university.
- (iii) This thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
- (iv) This thesis does not contain other persons' writings, unless specifically acknowledged as sourced from other researchers.

Where other written sources have been quoted, then:

- (a) Their words have been rewritten but the general information attributed to them has been referenced
- (b) Where their exact words have used, their writing has been placed inside quotation marks, and referenced.
- (v) Where I have reproduced a publication of which I am the author, co-author or editor, I have indicated in details which part of the publication was actually written by myself alone and I have fully referenced such publications.
- (vi) This thesis does not contain text, graphs or tables copied and pasted from the Internet, unless specifically acknowledged and the source being detailed in the thesis and in the References sections.

Signed

 10/10/2013

Abstract

The purpose of this study was to explore monitoring and evaluation (M&E) of the public sector and to determine whether local economic development (LED) projects can be monitored and evaluated using project control techniques such as earned value management method (EVM). This study provides insight into institutionalization of monitoring and evaluation (M&E) within the context of assessing public sector development programmes and projects. Based on the deductive reasoning from international experience, EVM is critical for periodic monitoring of a project or programme to generate adequate information for assessment of performance of an organization. The government is the main role player in local economic development, especially local government. The study was exploratory and employed qualitative methods to elicit information from the respondents whom were mainly the public sectors employees. The purposive sampling technique was employed to undertake In-depth interviews with the selected respondents from different spheres of government in KwaZulu Natal. The study found that an effective monitoring and evaluation system was paramount to assess if the government was achieving its strategic goal. The study also found that the public sector has challenges of monitoring and evaluation. There was no system of M&E and it was undertaken haphazardly and poorly coordinated. LED was found to be poorly conceptualized or understood with no LED M&E plans at municipal level. A conclusion is that EVM is effective for monitoring and evaluating development projects including LED projects.

ACKNOWLEDGEMENTS

The writing of this dissertation was a full of challenges but I thank God for His mercy. If it was not his power which conquers all, I would not finish the study. I thank all people who make the study a success and the following people deserve special mention:

- My Supervisor, Dr Stanley Hardman for his support and guidance, and he is a reason for the completion of the study
- Professor Pearl Sithole with her assistance is highly appreciated. She always gave me strength and encouragement to focus and believe.
- My colleagues in the Bursary Administration Sections in the Department of Co-operative Governance and Traditional Affairs and the Department of KwaZulu Natal Public Works respectively.
- All officials in the public sector who participated during the research process, and may God bless them.
- My Family, especially my wife, Zinhle and my daughter, Inawe, for giving me support during the study, and may God be with them

ACRONYMS

AC:	Actual Cost
S/SCSC:	Cost/Schedule Control System Criteria
CIA:	Capital Investment Appraisal
CPM	Critical Path Method
DEDT:	Department of Economic Development and Tourism
DLGTA:	Department of Local Government and Traditional Affairs
DPLG:	Department of Provincial and Local Government
EV:	Earned Value
EVM:	Earned Value Management
GAO:	General Account Office
GDP:	Gross Domestic Product
GWMEPF:	Government Wide Monitoring And Evaluation Policy Framework
HSRC:	Human Science Research Council
IDP:	Integrated Development Plan
ILO:	International Labour Organization
LED:	Local Economic Development
M&E:	Monitoring and Evaluation
MFMA;	Municipal Finance Management Act
PERT:	Programme Evaluation and Review Technique
PMFA:	Public Finance Management Act
PMBOK:	Project Management Body of Knowledge

PMI:	Project Management Institute
PSC:	Public Service Commission
PV:	Planned Value
REED:	Rural Economic Enterprise Development
RSA:	Republic of South Africa
SSA	Stakeholder Satisfaction Assessment

Table of Contents

Declaration.....	i
Abstract.....	ii
Acknowledgements.....	iii
Acronyms.....	iv
Table of Contents.....	vi
CHAPTER 1:	
INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Overview of Local Economic Development (LED).....	4
1.2 The Problem Statement.....	5
1.3 Main Objective of the Study.....	7
1.4 Overview of Monitoring and Evaluation and Earned Value Management.....	8
1.4 The Critique of Project Management.....	10
1.5 Overview of Strategic Management.....	13
1.7 Overview of Research Methodology.....	14
1.8 Limitations of the Study.....	16
CHAPTER 2: LITERATURE REVIEW.....	
REVIEW.....	18
2.0 Introduction.....	18
2.1 The Fundamentals of Local Economic Development.....	21
2.2 Putting LED and other Developmental Agendas Together.....	26
2.2.1 Local Economic Development and Agriculture.....	26
2.2.2 LED and Integrated Infrastructure.....	28
2.3 Towards Monitoring and Evaluation of Programmes.....	30
2.4 Performance Management in the Public Sector.....	32

2.5 Earned Value Management as a Monitoring Tool.....	33
2.5.1 Definitions of EVM.....	33
2.5.2 What is earned value?	34
2.5.3 Why Earned Value Management is Important	36
2.5.4 Advantages and Disadvantages of EVM	37
2.5.5 Challenges of EVM.....	39
2.6 A Perspective of Strategic Management	40
2.7 Programme and Project Management in the Development Arena	42
2.7.1 Project Management Processes	43
2.7.2 What project success or failure means.....	43
2.8	
Conclusion.....	44
CHAPTER 3: RESEARCH METHODOLOGY.....	47
3.0 Introduction.....	47
3.1 A Case Study Approach.....	48
3.2 In-Depth Interviews.....	50
3.3 Data Analysis	51
3.5 Critical Findings of the Study.....	52
3.6 Conclusion.....	56
CHAPTER 4: LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA.....	57
4.0 Introduction.....	57
4.1 The Importance of IDPs in Local Economic Development.....	57
4.2 The Importance of LED in KwaZulu-Natal.....	59
4.3 Monitoring and Evaluation of LED.....	62
4.4 Local Economic Development and Earned Value Management.....	64
4.5 Conclusion.....	66
CHAPTER 5: MONITORING AND EVALUATION SYSTEM IN THE PUBLIC SERVICE IN SOUTH AFRICA.....	67
5.0 Introduction.....	67
5.1 The Status of Monitoring and Evaluation Systems in South Africa	68

5.2 Special Funding For Development Programmes in KwaZulu-Natal.....	72
5.3 EVM as a Tool for M&E for Programme or Project Management in the Public Sector	74
5.4 Conclusion.....	76
CHAPTER 6:	
CONCLUSION.....	77
6.1 Monitoring and Evaluation and LED in the Public Service.....	77
6.2. Recommendations of Earned Value Management as a Methodology For LED M&E.....	79
6.3 General Recommendations.....	79
REFERENCES	81

CHAPTER 1: INTRODUCTION

1.0 Introduction

A Theory of Change provides for better understanding of why monitoring and evaluation (M&E) is critical in development programmes. A theory of change explains the logic of interlinkages of strategies, goals, outcomes and activities. The fundamental principle is that a theory of change defines why strategies and actions must achieve a change. A change can be illustrated in a logical model which is an ingredient or element of M&E. Depending on the area of emphasis, a theory of change can be used interchangeably with a programme theory as they both explain the logical framework (Rogers, 2008).

A Logical Model or Logical Framework defines the relationship between inputs, outputs, and outcomes of a development programme or project. M&E is a very essential process in the public sector because it provides for performance measurement of the public sector, its programmes and projects. It provides the wider stakeholders with performance information with regards to the interrelationship between inputs, outputs and outcomes. A measure of change of inputs, outputs and outcomes is a performance indicator (PI).

The public sector by its nature must be accountable to the tax payers. It must explain to the tax payers and other interested stakeholders whether it has delivered promised programme activities according to plan. Therefore the public sector has a responsibility to develop strategic plans and action plans to implement programmes or projects in order to achieve its developmental goals.

There are three main phases of a programme or project, namely, planning, execution and control. In terms of the theory of change and the logical model, planning is related to inputs which must be converted into outputs during the implementation process, and the control function is related to conversion of outputs to outcomes. Therefore, from a theory of change perspective, inputs must be processed into outputs and outputs be converted into outcomes. Outcomes can either be short-term or long-term and the long-term

outcome is an impact. An impact is a measure of the effectiveness of a project or programme of the public sector institution (Roger, 2008).

According to Binns and Nel (1999), public sector institutions are required to promote development. This entails development of programmes and projects as a strategy to execute these development programmes and projects successfully. Nowadays, governments are under growing pressure to promote Local Economic Development (LED) as part of their development strategy. This means that government is the main actor of development and LED initiatives because of its responsibility to improve the quality of life of the people. According to Blakely (1989), LED is a process by which the public sector, local communities, the private sector and local government work in a partnership to create a suitable environment for local economic capacity and employment opportunities. The goal of local economic development is to enhance the value of local communities, their economic opportunities, and provision of quality jobs. According to Nel (2001), the ultimate long-term goal of LED is to improve the standard of living of the local people. In the early days of LED evolution, the focus was on growth and expansion of firms. The focus has shifted to LED which has a potential to benefit local communities through decent jobs and income opportunities. It is thus the responsibility of the government in collaboration with the private sector, local organizations, and local communities to create new economic opportunities which can be achieved through the process of LED (Blakely, 1989; Hindson & Vicente, 2005; Nel, 2001).

Monitoring and evaluation is very important for economic development programmes such as LED. A monitoring and evaluation process is critical to assess if the desired local economic development outcomes, planned actions or projects have been achieved. Henderson and Bond (1966) settled the notion of whether monitoring and evaluation of economic development programmes was important. They define evaluation of economic development programme as the process of collecting information to make judgements about the changes and drawing conclusions about whether a set of planned activities contributed towards the desired outcomes. “The fact that objective information can help avoid ill-planned, poorly conducted development programmes means that there will

continue to be a place for evaluation” (Henderson & Bond, 1966:235). The availability of relevant information to track progress of LED is also critical for monitoring and evaluation (Bartik, 2002). In this study the LED projects are a platform to illustrate the main research problem, which critiques the issue of how the added value consequence of LED projects and monitoring and evaluation are measured (Gibb & Goldman, 2006).

Added value consequence is better explained by means of earned value management (EVM). EVM explains the relationship between planned tasks and completed tasks on the premise that when a planned task is performed, it earns value. This study seeks to clarify further that EVM is a monitoring and evaluation tool which defines value both in terms of efficiency and effectiveness. In this study the LED definition by Blakely is adopted with an emphasis on the strategic economic development perspective and on public-private partnerships. Furthermore, the desired LED must empower local communities to participate in sustainable local economic growth. Given the broad objective to underpin success in social welfare and economic development, it is important to ensure that local economic development projects are effectively managed and controlled (Nel, 2001; Kim et al., 2003).

This study develops a theoretical framework for understanding the various dimensions of added value that result from successful developmental projects and, for the sake of contextual application, locates the study within the field of LED. This study is primarily an exploration of the relationship between three ingredients: substance (LED), tool (monitoring and evaluation (M&E)), and method (EVM)). The first of these is the reason why the project control function exists, and the other two are part of the project management regime that should ensure a successful project implementation. This study also seeks to determine how public sector organizations such as local governments manage their LED initiatives in an environment full of inequality (ILO, 2008). For this task, a monitoring and evaluation perspective is utilised, because performance information is required to determine the successes and failures of LED (Bartik, 2002; Gibb & Goldman, 2006).

1.1 Overview of Local Economic Development (LED)

Theories of economic development such as economic base theory, neoclassical base theory, entrepreneurship theories and location base theory to name a few, provide insight into the evolution of LED (Blakely & Leigh, 2010). In this study, LED is discussed in the context of it being a development strategy of the public service sector where local communities are in control of the external economic factors shaping them. Local communities are regarded as being the main role players during planning of local economic development. Since the main goal of LED is to improve the minimum living standard of local communities, LED is expected to translate into sustainable job creation for local communities as well as promotion of sustainable local economic growth (Helmsing, 2001; Meyer-Stamer, 2006). There is no single approach to LED but all approaches share a focus on strengthening the local economy (Slabbert, 2004; Simon, 2000).

In first world economies such as the United States the emphasis is on the free market system and building a state which is internationally competitive. In most developing economies such as South Africa, economic development is still evolving. Planning for LED found its base from the Republic of South Africa (RSA) Constitution (1996) and the White Paper on Local Government (1998). These policy frameworks mandate local government to be engaged in various economic development programmes at both provincial and national government levels.

In South Africa LED policy went through a difficult process in the initial stages. Most municipalities concentrated on community development projects. Most of these community development projects were not economically viable (Bond, 2002). They did not achieve the desired developmental goal of improving the communities' quality of life. This became an additional challenge for the government as it struggled to deal with increasing unemployment and poverty. In response to this challenge, the government formulated a national LED framework with guidelines to implement LED (Bartik, 2002; ILO, 2008). South Africa is currently looking at how LED is contributing to building

local economies (Khanya-aicdd 2006; Rogerson, 1997). LED is relatively new and evolving in South Africa and its monitoring and evaluation processes are yet to be understood (Davis, 2005).

The ultimate aim of LED is to achieve sustainable economic benefits as well as economic growth. Therefore the key success factor or measure of LED is its ability to meet the needs of local communities (Bond, 2002). In South Africa, LED also faces challenges such as lack of a clear strategy, poor stakeholder participation, and capacity constraints to name a few (DPLG, 2007; Khanya-aicdd, 2006). This has a very undesirable effect on the goals of LED which is to improve the quality of life of communities. Thus the importance of monitoring and evaluation of LED projects is critical to track performance and impact (Henderson & Bond, 1966; Goldman, 2005).

1.2. The Problem Statement

Institutionalization of a monitoring and evaluation system is best explained by looking at the role of government in promoting development. Development programmes and projects are executed by the government with the ultimate goal being to improve the quality of life of the people. To implement these development programmes and projects, the government uses limited resources such as financial resources. To ensure that these limited resources are used effectively, a monitoring and evaluation framework is crucial. The monitoring and evaluation framework has different tools, techniques and methods. The terms monitoring and evaluation tools, techniques and methods are often used interchangeably. There is a need to develop an understanding of how to develop and apply rigorous tools of monitoring and evaluation to determine the value adds that projects bring to intended beneficiaries. According to Baber and Miley (2002:3) “Earned Value is an evaluation tool monitoring the financial and timely progress of actual outcomes of any project”. Furthermore projects are directly linked to success of the organization executing them. Shenhar et al. (2001:700) state that “projects are part of the strategic management of organizations”.

Periodic monitoring of a project or programme is fundamental to generating adequate information. A performance indicator which measures if a performance target is achieved is a key factor in measuring the performance of a development programme or project. Performance information gives government management an indication of the direction of progress of a project or programme. A monitoring and evaluation process is therefore a key ingredient for accountability because it provides management with a decision making tool to control the development programme or projects. Through the feedback mechanism, a monitoring and evaluation process gives an indication of what and where a project's progress went wrong in terms of inputs, outputs and outcomes (Moeti, 2000).

Most projects often fail to complete due to poor planning of resources and poor application of monitoring and evaluation methods or tools. Other reasons for projects failures are poor estimation of goals and objectives (PMI, 2004). Of critical importance to monitoring and evaluating projects or programmes is availability of accurate, reliable and relevant information. Most literature on why projects fail has been on IT and construction projects. According to Shenhar et al. (2003), success factors for projects' performance are effectiveness, efficiency and the satisfaction of participants. Efficiency is a dimension which measures if a project meets both budget and task schedule goals. Effectiveness is a dimension which measures if a project has made a positive impact. The satisfaction of participants is a dimension which measures if customers' needs are met.

This research study is contextualized within LED as a development approach to address the limitations of grand or centralized economic development, which over the years has failed to sustain development at local level. Furthermore LED is a development approach led by government to improve the quality of life of communities. In developing countries, there are huge distortions in economic development resulting in a low standard of living for the majority of communities, and a high unemployment rate. The success of socio-economic development therefore hinges on the successful execution of LED projects at local level. LED is a strategy of government to address job creation through development programmes and projects (Bond, 2002).

Notwithstanding the fact that LED is a still evolving concept and somehow not well understood by LED practitioners in developing countries (Tomlinson, 2003), in South Africa the government has realized the importance of stimulating growth through LED projects. As Bond (2002:10) states, “Municipalities have engaged in research to identify the particular economic strengths of their locality”. Accordingly, these LED projects should be monitored and evaluated. Therefore the importance of monitoring and evaluation process in LED is explicitly critical. In essence, the success of LED projects is fundamentally a determinant of an optimal government performance. The question then arises as to how the success factors such as effectiveness can be tracked and measured to assess LED projects and value for money spent. It is in this context that a monitoring tool such as EVM is thought to be appropriate for LED projects. LED exists either as a process, a strategy and projects or programmes which makes tracking of progress of LED through M&E critical (Van der Waldt, 2004).

1.3 Main Objective of the Study

The main objective of this study is to provide insight as to why the public sector needs to control its development projects and to explore whether a monitoring and evaluation tool such as EVM is appropriate for development projects such as LED projects. After exploring LED and monitoring and evaluation, the study brings to light issues that need to be considered in the monitoring and evaluation of LED projects.

Thus the Specific Objectives are as follows:

- To determine whether EVM as an M&E tool can be a useful in LED projects/programmes.
- Through assessment of some LED projects in KwaZulu-Natal, to explore their monitoring and evaluation systems.
- To create a theoretical framework and approach to measuring value add within LED projects.
- To explore monitoring and evaluation systems at provincial and local government level in order to determine their effectiveness.

1.4 Overview of Monitoring and Evaluation and Earned Value Management

In order to provide an insight into the institutionalization of monitoring and evaluation (M&E) within the context of assessing public sector development programmes and projects it is important to explain what monitoring and evaluation is and its ability to assess public sector development programmes and projects. Monitoring and evaluation is part of the strategic management process, yet it is often overlooked. It should be noted that while there are many monitoring and evaluation tools, the focus here is on the earned value management method (EVM). Many authors such as Marshall (2006), Christensen (1998) and Warhoe (2004), to name a few, praise EVM as an excellent tool critical for managing and controlling projects and programmes of different kinds. Monitoring and evaluation which is a control dimension of project management, is important to monitor performance information of programmes and projects. Monitoring does not aim to punish defaulters but it is part of an evaluation process to determine if the performance has been according to plan for achieving the anticipated outcome (Uitto, 2004).

Khan (2003) states that one of the shortcomings of development programmes in the public sector is the absence of an effective M&E system. Effectiveness is emphasized in this study mainly because M&E is about determining the effectiveness of development programmes as explained in programme theory. Roger (2008) explores the concept of programme theory and draws attention to three main concept frameworks for evaluation of an intervention. Roger (2008) states that the relationship between cause and effect can be explained by a simple logic model, a complex logic model, and a complicated logic model. A simple logic model is where the relationship between inputs, activities, outputs, outcomes and impact is linear.

Monitoring is a continuous or on-going process of tracking the progress of projects or programme activities. It is a fundamental ingredient for collecting adequate information to track the progress of a development programme's planned activities, resources, outputs, outcomes and impact. The information collected through a monitoring process is

important for designing an appropriate action to correct deviation from the plan. Monitoring process is regarded as an early warning system which decision makers use to detect deviation from the plan in order to take corrective action (Khan, 2003).

Evaluation is also a process within M&E, and is concerned with assessment of the impact of the programme or project as an intervention for achievement of specific objectives and outcomes. To distinguish between monitoring and evaluation does not imply disintegrating them, as they are strongly interlinked and complementary. Both monitoring and evaluation processes have the ability to collectively provide the basis for performance assessment of the public sector and its development programmes and projects (World Bank, 2006).

It is important to briefly describe EVM, which is one of the tools and techniques to monitor and evaluate programmes and projects. Originally, EVM was mainly used to measure the physical (financial) progress of a project or programme. Over time EVM developed beyond assessing physical progress. Rose (2005) describes it as a powerful technique for measuring project performance and projecting final results or outcomes. Rose's description of EVM suggests that EVM and monitoring and evaluation are very interdependent. Tactically, EVM has the ability to provide for the integration of scope, schedule, and resources in order to measure project performance (Henderson, 2005).

Technically, earned value is a result of completed tasks or activities and it is a ratio expressed as the percentage of the original budget of the project earned divided by the actual work completed (Stratton, 2007; Gray & Larson, 2003; Burke, 1999). An EVM system supports the strategic management process. It enables assessment of the actual project performance against a project baseline plan (Gray & Larson, 2003). The concept of earned value tests for value in the context of the resources and energies put into development against its impact, but raises the question: Is it the physical side of the project that reflects earned value or is it what beneficiaries gain from the project?

Earned value management parameters to measure project performance are planned value (PV), actual cost (AC), and earned value (EV). Planned value (PV) is an element representing the value of the planned tasks to be completed. The earned value (EV) element represents the value of completed tasks. In other words, when planned tasks are executed and completed they contribute to the project's performance. Actual cost (AC) is the actual costs incurred when executing these planned tasks (Stratton, 2007).

No tool is a panacea for all problems of development and performance. Thus EVM offers more in terms of monitoring development projects than evaluation of development projects. This is based on the fact that evaluation goes beyond the assessment of the physical progress of the project or input-output relationship. Evaluation is mainly about assessing the outcomes and impact of development projects. An impact is an assessment of the long-term effect of the development programme on the beneficiaries or users of the projects. This poses a question regarding the suitability of EVM to LED, which has both qualitative and quantitative aspects (Lipke & Henderson, 2006)

1.5 The Critique of Project Management

Organizations rely on project management to help them to design and complete projects according to plan and within the limited available resources. Project management has been criticised as a discourse which lacks an empirical or theoretical perspective. Koskela and Howell (2002:293) state: "in prior literature, it has been generally seen that there is no explicit theory of project management". However they point out that there are theoretical foundations of project management. These theoretical foundations are theory of project and theory of management. Jugdev (2004:15) supports this view and states that "Evolving disciplines, such as project management often lack a fully developed theoretical base and tend to draw from more established fields". Project management has several tools and methods that are set to monitor and evaluate development projects (Koskela & Howell, 2002). One such tool is earned value management (EVM), which authors such as Dimitrova (2005), Warhoe (2004) and Brownsword and Smith (2005)

describe as the best tool to manage and control projects and programmes of different kinds.

The Project Management Body of Knowledge (PMBOK) provides basic definitions of project management and its tools and techniques. Hyvari (2007) defines project management as the application of knowledge, tools and techniques to project activities in order to satisfy or exceed stakeholders' needs in a project. Project management effectiveness is also a measure of the quality of attainment of project objectives and an organization's performance. Koskela and Howell (2002) critique the theory of project management. They conclude that a new pragmatic approach to project management is required to create and bridge the divide between theory and practice in project management. In terms of a theory of project control, Koskela and Howell (2002) state that financial performance data is important in confirming how much work has been performed and providing information to be used for future projects. Their critique provides reasons to puzzle over whether monitoring of project specifics such as financial performance corresponds with performance on overall project objectives. Hence, this study seeks to examine whether EVM is a useful tool to monitor and evaluate development projects such as LED.

Multiple project management tools and techniques exist and are available for project managers. However, it is a question of which ones suit an organization's objectives (Dimitrova, 2005). Hyvari (2007) states that earned value is one of these project management tools, which he defines as a quantitative approach that evaluates the true performance of the project. Sumara and Goodpasture (1997) describe the practical application of EVM to commercial projects. Amevor and Borizikowsky (2005) built a business case for EVM in the private sector. There is rich literature dealing with EVM and project management, including the studies cited by Marshall (2006), Fleming and Koppelman (2004), Christensen (1998), Anbari 2003, and PMBOK (2004) to name but a few.

While this literature treats projects as if they have universal characteristics, it needs to be asked whether this is a safe assumption. Local economic development (LED), for example, is unique for two reasons: first, it is intended for the public as beneficiaries and secondly, it is located within the public sector. Cost control and scheduled activities are a public and political matter, unlike in the private sector. Furthermore these are mainly quantitative attributes and LED also has qualitative aspects, which require a special monitoring and evaluation consideration. For instance LED must create a positive impact on the quality of life of society but there are other many interventions or variables which contribute to improvement of the quality of life of society (Christensen, 1998; Tomlinson 2003).

Chan (2001) introduces another angle to project management when he develops a framework for measuring project success in the construction industry. He argues that project success means different things to different people. This is further qualified by Westney cited in Dimitrova (2005) who notes that for a project to be successful, it is very important to keep its costs and budget under control. Directly linked to this, are Marshall's (2006) findings that EVM is a significant predictor of project success because it makes it possible to assess project performance at any point in time.

Chan and Chan (2004) state that the public sector has a challenge to bring radical change in the way public projects are managed, planned, monitored and evaluated. They argue that public sector projects often overshoot their budget (cost) and timeframe (schedule). This poses a challenge to the public sector globally "to improve its ability to successfully complete projects" on time and within budget (Chan & Chan, 2004:2). To assess whether a development project is successfully completed there is a need to employ an effective monitoring and evaluation system in the public sector (Mbeya & Musyoka, 2005).

PSC (2007) finds that there is a lack of a project and programme monitoring and evaluation system in the public sector in South Africa. This is confirmed by Cloete (2005) who finds that by and large project performance monitoring systems are an area of weakness for the public sector in South Africa. This is a continuous challenge despite

assertions by monitoring specialists such as Kusak and Rist (2001) who maintain that it is essential to improve government programmes' performance by designing a performance based monitoring and evaluation system to monitor results. On the other hand it can be argued that systems exist but are not used. Systems may not measure the right things by themselves and monitoring and evaluation should perhaps involve an element of continuous qualitative assessment. It is from this perspective that this study was conceptualized and a decision was taken to focus on LED projects as a case study of public sector projects that require monitoring and evaluation of both project efficiency and project impact. Impact requires reflection on what the measures of success are in LED. According to Shenhar et al. (2001:700) "No matter what the motivation for the project, the question of project success is strongly linked to an organization's effectiveness and to its success in the long run".

1.5 Strategic Management for Local Economic Development

The importance of strategic consideration in development programmes is underpinned by both the theory of strategic management and institutional theory. According to Brown (1993) there is a need for institutional arrangements which catalyse effective use of problem solving talent and sustainable use of resources by different sectors. Hoskisson et al. (2000:249) also stated "Private and public enterprises have had to develop unique strategies to cope with the broad and rapidity of economic and political changes in emerging economies. It is in this context that strategic management of LED is reviewed. In emerging economies, LED and its monitoring and evaluation processes are mainly a local government responsibility. It stands to reason that strategic planning is a very crucial element in achieving a sustainable developmental outcome. Poister and Streib (2005) assert that an organization must have a systematic process such as strategic planning, which should be the starting point for any organization dealing with development programmes such as LED. Bryson (1995) defines strategic planning as a process of integrated planning to produce fundamental decisions on resources management, budget allocation and performance measures. Poister and Streib (2005) further state that strategic planning is not an end in itself, as there are other interrelated

elements of a strategic management process such as implementation and monitoring and evaluation.

Strategic planning is critical for the strategic management of an organization. An organization needs to develop a vision of what it wants to achieve and how this will be achieved. Any organization without effective and efficient strategic direction lacks a vision or a strategy to improve its performance and to achieve its development goals. Although strategic planning contributes positively to the organization's good performance, it nevertheless depends on good planning practices and appropriate implementation and controlling frameworks. Strategic planning is useful only if it is carefully linked with other strategic management functions such as implementation and control (Du Plessis & Steyn, 2005).

It is important not to confuse the management of resources with fulfilment of overall project objectives. There is always a risk of confusing the two, especially in projects like LED, which are controlled both by strategic planning and by finance legislation in the public sector. In South Africa, as a strategic management exercise, the public sector is required to prepare strategic plans for a period of three years. These strategic plans at local government level are called integrated development plans (IDP). All LED programmes and projects are located within IDPs. It is essential to determine whether there is an effective monitoring and evaluation system in place for development programmes and projects such as LED, as is provided for in the public finance management legislation and other policy frameworks.

1.6 Overview of Research Methodology

The main purpose of this study is to explore the underlying challenges of the public sector in terms of monitoring and evaluation of its development programmes. This study also seeks to explore EVM as a tool for monitoring and evaluation and if it is relevant for LED projects. Since this study is exploratory in nature, the relevant research methodology is one that will explore these challenges. The most prominent approaches in

research are qualitative and quantitative approaches. This study will lean towards a qualitative approach. The reason that the study is biased towards a qualitative approach is that LED is a developmental initiative which on its own requires in-depth qualitative analysis. Furthermore, exploring M&E requires in-depth analysis of qualitative information from the public sector. The case study method will also be used because within the case different research qualitative methods can be employed.

The main respondents are practitioners of M&E and LED from the Provincial Departments and Municipalities in KwaZulu Natal. They were selected through a purposive sampling method. The respondents were interviewed to elicit information about their M&E systems and LED strategies and projects. The case study is a qualitative tool and is appropriate to collect in-depth information about M&E and LED of these two spheres of government. In-depth case studies involve collecting in-depth information from provincial government Departments such as the Department of Cooperative Governance and Traditional Affairs and the Department of Economic Development and Tourism. The local government municipalities included in the case study are eThekweni Metro, UMgungundlovu District Municipality and uMkhambathini Local Municipality. The reason for selecting these institutions is that they have operational LED components. The Provincial government departments have officials who are programme managers for monitoring and evaluation units. The LED practitioners from the municipalities and the programme managers from the provincial government department were selected as the respondents to be interviewed.

The basis for opting for a qualitative research approach is that it enables the collection of in-depth information about M&E and LED projects. A qualitative approach allows the researcher to explore ideas, attitudes, behaviour, and needs. Newman (1994) states that a quantitative approach is also important where information to be collected is quantifiable. However, these two approaches are both useful and can be used simultaneously. As a result, a new paradigm or approach known as the multi-method approach has emerged. This new approach confirms that more than one approach can be used during the research process.

This paradigm shift towards a new research approach is supported by Esteves and Pastor (2004), who note that a multi-method approach can improve the research process and findings especially where there are series of projects and problems to be solved. Thus a multi-method approach provides a richer and clearer picture of what is going on with projects and stakeholders. In some cases the term mixed methods, instead of multi-methods, is used as an umbrella term for a combined use of both qualitative and quantitative approaches. The research questions for this study will be better solved by a research design that is primarily exploratory. Thus this study has an option to employ the mixed or multi-method, but qualitative methods will be used (Martins et al., 2005)

1.7 Limitations of the Study

One of the main limitations of this study was that some municipalities consulted during the study did not have fully functional LED units. This resulted in the study employing a purposive sampling technique. The provincial government monitoring and evaluation units were also new and this posed a challenge in terms of assessing the impact of these units on the development agenda. A lack of human resources responsible for LED projects caused modifications to the original research plan and group discussions were subsequently cancelled.

The time frames of the study were also limiting in terms of gaining access to all the necessary documents. Documents such as LED strategies and the IDP in some cases were not available at the time of the interviews. The Municipalities were also reluctant to release information they perceived to be sensitive, despite the fact that the information was related to their LED projects. One of the LED managers was new and she could not provide substantial qualitative information on their previous LED projects.

As a consequence of the above limitations, Umsunduzi Municipality was dropped as part of the study. The project documents regarded as confidential were not given out by the practitioners as planned. This limited the ability of the researcher to display evidence of

the information collected from the projects. Nevertheless the project reports were reviewed in the offices and returned back immediately.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

According to Roger (2008:29) “life is not simple but many of the logic models used in programme theory evaluations are”. Many approaches focus on linear models to build logic models while some are exploring non-linear models to manage their programmes and evaluation processes. A linear model seeks to solve straight forward programme and project problems. A non-linear model perceives that some programmes’ problems are complicated and thus require complicated interventions. An intervention can be simple, complicated and complex. A complex intervention poses the greatest challenge to monitoring and evaluation because the path to success is so variable it is hard to know the causal processes. One of the examples of a logical model was developed by the Kellogg Foundation and has a linear causal path of input (resources), activity, output and outcome (impact). This model proposes that the results of a programme are dependent on a good plan of work to achieve the intended results (Roger, 2008).

Building on this logic model, which Roger (2008) believes encapsulates a simple theory of change, is the issue of monitoring and evaluation of development programmes. This study focuses on the public sector and monitoring and evaluation of development programmes and projects such as LED projects. This chapter looks at three major processes or concepts believed to be pertinent to performance assessment of development programmes or projects in the public sector. These three major processes are: local economic development (LED); monitoring and evaluation (M&E); and, earned value management methods (EVM).

Tomlinson (2003) argues that there is a narrow conception of the role of LED in South Africa. Tomlinson (2003:113) further argues that “LED is increasingly being used by central government to shift to local government some of the responsibility for dealing with unemployment and poverty”. LED is viewed in this study as a development approach, critical to address socio-economic problems such as unemployment and high

levels of poverty, while at the same promoting urban and rural development and business development. LED is also viewed as a process or a strategy to expand local economic activities in order to benefit the majority of local communities (Nel & Humphrys, 1999). In order to expand local economic activities, Mitchell (2002) states that LED strategies must be designed to empower local communities to achieve local economic solutions.

A point of departure is to explore LED in the context of being one of strategies in the development agenda. The purpose of LED is to build the economic capacity of local communities in order to improve their quality of life. However, there is no consensus on the goals and purpose of LED and how it can be managed and monitored effectively (Isaacs, 2006). There is no concrete agreement on how to develop an LED policy, its strategy and projects (Hindson & Vicente, 2005). In South Africa and other Sub-Saharan countries serious economic challenges exist such as unemployment and poverty. Over the years, LED has emerged as a means to address these challenges. Therefore “the development strategy of local economic development or LED” (Nel, 2001:1003) is viewed as a means to improve economic growth and employment. However, there is a lack of emphasis on how this development strategy must be managed effectively in terms of planning, implementation, and control (monitoring and evaluation).

Furthermore, Tomlinson (2003) concludes that LED has serious institutional challenges in South Africa. Tomlinson (2003:120) states that “The way in which LED is positioned within the country’s economic policy agenda has led to its increasing irrelevance”. LED has not been effective if compared to other restructuring forces. Thus promoting evaluation and monitoring of LED projects is critical to achieving sustainable local economic development in South Africa. In order to enrich debate on the linkages of LED with other disciplines such as project management, community economic development and rural development, it is important to explore LED strategies and implementation of LED projects by different organizations or stakeholders at different levels. These organizations must have a partnership in order to achieve the desired outcomes of LED (Tomlinson, 2003).

It is not adequate to develop and execute development programmes and projects without considering their effectiveness . The focus has turned to outcomes and impacts of development programmes and projects (Uitto, 2004). “M&E is a tool that can help both proponents to ensure that their development actions are moving in the right direction to achieve the objectives” (Uitto 2004:10). M&E in this study is brought in to provide a broader context for assessing the effectiveness of development programmes or projects. The purpose is to explore its importance in the public sector as well its value as a tool for measuring the effectiveness of development projects and programmes (Courtney, 2008).

Monitoring is the process of tracking the progress of a development programme in terms of inputs, outputs, outcomes and impact at national, provincial and local government levels. Evaluation is the process of objectively assessing programme performance indicators to determine if they measure development outcomes and if planned impacts are achieved (Mbeya & Musyoka, 2005). M&E is a control or final stage of the programme management process utilises several tools, including EVM. These tools determine or measure changes from the planning side (input) to the results side (outcomes).

There is a substantial amount of literature on the earned value management methodology or system (EVM) (e.g. Warhoe, 2004; Anbari, 2003; Marshal et al., 2006; Chen,1991; Liptke et al., 2008; Kim et al., 2003; Vandervoorde & Vanhoucke, 2006). Brownsword and Smith (2005) assert that EVM is a monitoring and evaluation tool to track the actual progress of a project, including the actual cost, against the project plan. Anbari (2003) concurs that EVM is a method that integrates three critical elements of project management. These elements are scope management, cost management, and time management. This view is also supported by Alvarado et al. (2004:95) who argue that “the fact that a project is spending its funding does not necessarily mean” the project is effective in achieving its objectives, and that costs or budget must be integrated with other elements such as time and quality.

There is no question that EVM is a technique for programme control and that it has the ability to monitor the progress of programmes and projects of different kinds and sizes.

The question is whether these different programmes implicitly or explicitly include LED programmes and projects (Lipke et al., 2008). To address this question, LED is explored in much more detail in this study. EVM is also explored in the context of being a project management control technique that can enable organizations to monitor and evaluate their development programmes. Kim et al. (2003) asserts that EVM is a methodology to improve a development programme's performance in different types of organizations (public and private). It is the combination of these interconnections and other pertinent issues relating to monitoring and evaluation that this study aimed to explore with a specific focus on the public sector's development programmes and projects.

It is also important to state that despite the fact that EVM is regarded as an excellent tool for programme management control, it is not a panacea and there are other methods of programme/project management control. Other programme/project control tools include the Programme Evaluation and Results Technique (PERT), the Critical Path Method (CPM) and the Log-frame, to name but a few. However, the starting point is to review LED and its fundamentals (Tomasetti et al., 2005).

2.2 The Fundamentals of Economic Development

Globalization has changed the rules that govern the world's economies, and this has forced many countries to adopt an LED approach (ILO, 2007). The critics of globalization feel that it does not necessarily address job creation, poverty alleviation and income inequality at the local level, especially in developing countries. They note that over the years, absolute poverty has increased dramatically in developing countries due to globalization. On the other hand, according to the ILO (2008), LED involves the participation of local people. It is a means to support the creation of decent work and poverty alleviation at the local level. Helmsing (2001) defines LED in the same way and includes management of local resources and promotion of economic growth. ILO (2007) describes LED as a participatory development process that encourages partnerships between role players and enables the implementation of a common development strategy.

It is important to explore LED in depth to determine what it is and why it is so important in the development agenda. The ILO (2007) states that LED is a strategy that provides and reinforces linkages between national and local levels. The ILO (2001) also states that LED is important and capable of creating suitable conditions for sustainable employment, the creation of small and medium enterprises and economic growth. This explicitly confirms that LED has three distinct elements – local, economic and development.

To further elaborate on these elements, „local“ denotes that all development processes must be undertaken at local level. The ILO (2008) contend that LED initiatives always take place within a specific territory or boundary, which is contrary to a general development strategy that is sector bound e.g. community development. „Economic“ in LED reflects the importance of economic growth, employment generation and enterprise or business development at local level. In a nutshell the origin of this element lies in development theories. „Development“, which is the last element of LED, explains the importance of the participation of all local stakeholders. Therefore LED must be always a participatory process involving all local stakeholders or their representatives in order to strengthen social cohesion, skills development, institutional capacity building and an improved standard of living (ILO, 2008).

LED has a specific objective, which is to mitigate economic changes to satisfy local communities“ needs effectively and sustainably. In order to achieve this objective, LED processes must allow local people to participate fully and increase their socio-economic status and decision-making powers to improve economic growth. LED must also act as a bridge that connects local, national and international economic development agendas (Bond, 2002; ILO, 2008; Khanya-aicdd, 2006). According to the ILO (2001), it is a challenge to connect to that bridge, because it is often difficult to integrate local development strategies into national, provincial, and local policies, as sectoral approaches to development still persist. The fact that there are several actors and/or stakeholders in LED makes assessment and coordination of LED a further challenge.

According to Helmsing (2001) the LED actors are community organizations, local producers and associations, and local government institutions. Meyer-Stamer (2006) identified the LED actors as the private sector, the public sector and the community or workers. Meyer-Stamer (2006) further identified three types of companies as the main targets of LED initiatives: external investors, local companies, and start-up companies. Local government is often regarded as the main actor. It is held that LED processes such as local economic analysis, and the development of a local economic plan and local economic development programme must be undertaken by local government, and their execution must be undertaken in broad consultation with the local community (Meyer-Stamer, 2006).

These assertions about the LED actors need further exploration to determine why coordination of LED is a continuous problem in developing countries. In the case of South Africa there are three spheres of government: national, provincial and local (Simon, 2000). According to Davis (2006) these spheres are important LED actors collectively, but they have different roles and responsibilities. He asserts that at the national and provincial levels, the governments' roles and responsibility are supposed to be more strategic than operational. In a nutshell, it is at national and provincial government levels that the outcomes of development need to be monitored and evaluated. One example of such development is LED.

While the outcomes are strategically determined at both national and provincial government levels, the outputs are better determined, monitored and evaluated at the local government level. With regards to LED, local government must be concerned with LED planning, LED programmes and project execution, and LED monitoring and evaluation. Helmsing (2001) asserts that local government must provide an enabling environment to coordinate the participation of all LED actors at local level and to involve them in planning, execution, and monitoring and evaluation of the programmes.

The general consensus is that LED is a new concept, especially in developing countries. According to Binns and Nel (1999:392) "the concept of LED should be used generically

to characterise a broad category of locally based and controlled development". Davis's (2006) assertion that the concept of LED in South Africa is fairly new supports this view. There are many challenges facing LED, including the lack of a clear strategy, lack of coordination, lack of stakeholders' participation, and capacity constraints, to name but a few (Department of Provincial and Local Government (DPLG), 2006; Khanya-aicdd, 2006). Meyer-Stemar (2006) states that LED is still an emerging discipline, especially in developing countries like South Africa. Davis (2006) also states that LED is relatively new and its impacts are not clearly understood. This makes monitoring and evaluation of LED even more difficult. Meyer-Stemar (2006) reiterates that LED is a pervasive practice, which lacks an academic conceptual consideration.

Institutions like the World Bank and the developed countries provide very interesting lessons regarding LED. South Africa as a developing country engaged in LED must learn from these established institutions. The challenge is that many countries approach LED differently. Hindson and Vicente (2005) asserts that this is because the circumstances in different communities differ. The bulk of LED strategies, programmes and projects are currently implemented at the local government level, i.e. municipalities. Nel and Rogerson, cited in Davis (2006), state that in South Africa most of the larger municipalities regard their LED strategies as pro-growth, rather than as pro-poor. However, this view is contrary to Nel's (2005) view that government policies must support and encourage pro-poor LED in South Africa.

It is important to undertake an analysis of LED in South Africa with a special focus on government policies. Nel (2005) notes that the government's policy to deal with LED, pragmatically entitled „Policy Guidelines for implementing LED in South Africa“ aimed to close the gap between what was termed the formal (First) and informal (Second) economy. Nel (2005) further justified why LED in South Africa must be pro-poor. The government assigns obligations and development powers to local government to address the needs and requirements of poor communities such as poverty reduction. The Local Government White Paper of 1998 was another policy document intended to empower local government with the responsibilities to achieve LED and to enhance employment

creation as well as the development of small or micro business enterprises. Unfortunately there is no evidence to conclude that the desired outcomes have been achieved (Nel, 2005).

The benefits of LED are that it enables a more people-centered approach, enhances economic growth and reduces poverty, which in turn promotes economic development in all areas. In South Africa there is evidence to suggest that LED has achieved this outcome. According to Rodriguez-Pose and Tijmstra (2005), through LED local institutions such as local government have become interactive and flexible by engaging with other local economic and social sectors. Previously these local institutions were operating in a remote environment without any participation and input from local actors. The other benefit is that LED aims to integrate the objectives of creating sustainable growth and building a stronger local society while creating high quality employment opportunities for local people. However for these benefits to be achieved and to be sustainable depends on sound LED policies being implemented, monitored and evaluated (Rodriguez-Pose & Tijmstra, 2005).

Meyer-Stemar (2006) developed a conceptual framework he called „the Hexagon of Local Economic Development“. This framework intended to organize the key issues, which have been missing from the LED concept. In this instance, the hexagon shape is made up of six angles along which it is possible to organize concepts and instruments of LED. The Hexagon is made up of the target group of LED, location factors, synergies, sustainable development, governance, and process management. Meyer-Stamer (2005) further asserts that the Hexagon conceptual framework helps LED practitioners to understand the perspective and complexity of LED. For example, it is important to consult LED stakeholders, since economic development is only sustainable through the efforts of different organizations. Furthermore, these organizations should not operate in „silos“ but they must form a synergy or synergies (Meyer-Stemar, 2006).

2.2 Putting LED and other Developmental Agendas Together

Many advocates of LED such as Binns and Nel (1999), Blakely (1989), and Tomlinson (2003) emphasize that LED is a process or strategy to improve local economic growth and job creation involving a number of local actors. These advocates also believe that LED is more than only economic development because it can play a critical role in the social upliftment of the local people, and poverty alleviation (Isaacs, 2006). However Human (2007) argues that it is a contradiction to link LED with poverty alleviation because this could have a negative impact on LED.

Analysing the differences between LED and other development strategies, Rodriguez-Pose and Tijmstra (2005) state that there should be successful coordination between LED and other development strategies such as agricultural development, tourism development, infrastructural development and housing development. To elaborate on this point it is important to explore a few of these development sectors and explore their interlinkages with LED (Isaacs, 2006).

2.2.1 Local Economic Development and Agriculture

In the early stage of social and economic development, agricultural development appears to be the main driver. Local economic growth at an early stage of development relies heavily on primary agriculture. In developing countries like South Africa, rural areas are predominantly dependent on the agricultural sector. Many poor people live in rural areas, and it is critical to balance rural development with urban development. The most integrated development strategy or approach is LED (Isaacs, 2006). It is important to note that agricultural development not only benefits local economic growth, but promotes sustainable livelihoods for the people in a rural community (Manona, 2005).

Exploration of LED in relation to agriculture is important in order to reflect on the role of an LED approach to rural communities. Human (2007) found that agricultural projects were put forward as examples of LED projects in many municipalities. The sustainability

of LED projects or initiatives as reflected in the IDPs of these municipalities was questionable. The projects listed in the IDPs were not linked to any timeframes, milestones or budget. In project management terms, these three elements are often referred as the „iron triangle“ and these elements play a vital role in the monitoring and evaluation of programmes and the measurement of the performance of an organization (Human, 2007).

Poverty is one of challenges facing local economic development. Tomlinson (2003) feels that it is a narrow view to advance LED mainly to alleviate poverty. Nevertheless some countries, including South Africa, are promoting „pro-poor“ LED. Rodriguez-Pose and Tijmstra (2005) argue that promoting a pro-poor LED strategy gives LED a bad name. They argue that the result of the pro-poor LED have been disappointing. Nonetheless, transformation of the agricultural sector to promote LED is crucial to transform the entire economy of a country (Manona, 2005). The advocates of pro-poor LED believe that it could promote pro-poor development while avoiding urban bias (Manona, 2005; Khanya-aiidd, 2006). LED has a role to play as a key development strategy to fight poverty and understanding the precise nature of poverty remains a challenge. This is even more difficult in South Africa, where as Manona (2005) notes, LED is in its infancy, and there is inadequate information to determine its success stories.

Manona (2005) reiterates that LED needs to be evaluated. It is difficult to assess LED projects which are agriculturally oriented without considering the effects of other factors like agricultural extension. In this case the challenge is to determine the kind of information that needs to be collected to evaluate LED and its ability to alleviate poverty and unemployment while promoting economic growth. Evaluation is not a standalone process, but rather an integrated process where the community should be fully involved to determine agreed objectives and expectations. Evaluation should not only be undertaken at the end of the project life cycle. This point is explored in the subsequent sections. However the argument is that every programme must be evaluated, including evaluation before the programme or project is executed. This is referred to as ex-ante evaluation (Motherway, 2006).

2.2.2 LED and Integrated Infrastructure

According to Rives and Heaney (1995) the relationship between infrastructure and local economic development is well established. There are two types of infrastructure such as point infrastructure and network infrastructure. Network infrastructure provides interlinkages of economic units across space at local and international level. Infrastructure is a means of service delivery to meet the basic needs of the community. As Hassen (2000:1) states, “there is a growing body of literature that is focused on understanding of infrastructure delivery as part of programme for eradicating poverty, reducing income inequality and unemployment”. The main role player with regards to infrastructure delivery is the government. However, the private sector is also critical in accelerating infrastructure delivery (Hassen, 2000).

Infrastructure delivery can also be assessed in terms of its economic impact on the lives of communities. The contribution of infrastructure delivery to economic growth and job creation is well established. This view is based on the fact that infrastructure delivery plays a pivotal role in facilitating a smoother and cheaper flow of information and goods (Hassen, 2000). Infrastructure also creates economic linkages to sustain economic development. Based on these assertions, there are no doubts that access to effective and efficient infrastructure is a cornerstone for successful LED. There is also no doubt that infrastructure delivery along with LED promotes economic growth and employment creation (Masika & Baden, 1997).

Infrastructure is generally defined in terms of a sector approach, services and physical facilities such as roads, water and waste management, communication systems, transport systems, electricity, sanitation, and health services. Masika and Baden (1997) state that infrastructure is an important instrument of economic development and therefore government must devote high levels of investment to it. This will provide an enabling environment for the sustainable economic production of goods and services, as well as for equity and poverty reduction. In terms of infrastructure’s contribution to reducing

poverty, poor communities benefit from employment opportunities during construction of infrastructure facilities (Masika & Baden (1997).

Infrastructure development is relevant to economic development even at local level. Private sector and community participation need to be part of the equation, as the government cannot succeed on its own. Smith (2004) states that in South Africa, most rural municipalities have ineffective infrastructure especially water, sanitation and electricity. There is institutional fragmentation due to the apartheid legacy and backlogs in service delivery. Linked to this challenge is poor integration of development efforts at the municipal level. According to Smith (2004), the effect of this poor coordination results in little meaningful support for LED. There is a need for an appropriate review of the impact of infrastructure investment on economic development and poverty reduction. This review should include an assessment of the gender balance and participation during infrastructure development (Masika & Baden, 1997).

Housing development in rural poor communities is seen as part of an LED strategy as it has a potential to improve capital investment and housing affordability. GTZ Consulting and Research (2006) found that decreasing housing affordability has a negative impact on economic capacity. The solution lies in policy reform to address housing problems at the local level. This requires that economic development and housing development strategies be integrated to create economic opportunities through structural economic changes, local ownership of resources, social development, and access to capital.

GTZ Consulting and Research (2006) also assert that there is a relationship between housing development and LED. More skilled people move from economically declining regions to economically booming regions due to LED. Therefore the declining regions lose valuable resources such as skilled labour in the process. It is further argued that access to infrastructure in rural areas has been minimal and that this has had a negative impact on rural businesses. Thus poor infrastructure, which is predominant in rural areas, has a negative impact on LED.

Tourism development is another major example of integrated infrastructure that creates local economic activities, which contribute to local economic growth. Promoting local investment ultimately attracts foreign investment and retains employees. This confirms that there is a positive impact and that prosperous sustainable local economic development accrues from tourism development (Daniels, 2007). The government has a critical role to play in improving the local economy. Local government is the main actor for successful implementation of LED strategies. Daniels (2007) states that local government must improve the quality of life of the local communities through infrastructure development.

2.3 Towards Monitoring and Evaluation of Programmes

Monitoring and evaluation (M&E) in the public sector is getting more appreciation in recent times. As a consequence many countries “are working to ensure a results orientation through building or strengthening their [M&E] systems (Mackay, 2006:1). In Chapter 1 M&E was defined and explained in detail. This section will explore the theoretical base for M&E. Elkins (2006:1) views M&E as an instrument in the field of development that supports “evidence-based decisions in the implementation of development interventions”. According to Roger (2008), it is the theory of change or programme theory which underpins M&E. Programme theory, theory of change or theory-base evaluation, and programme logic refer to a variety of ways of developing a causal model which links inputs, activities, outputs, and outcomes (Roger, 2008).

The causal model is called a logic model and is expressed graphically to illustrate the relationship among input-output-outcome-impact. A concept of complexity has been introduced in the logic model and Roger (2008) develops a framework for classifying different aspects of complexity which is addressed by programme theory. Roger (2008) however admits that there are many definitions and conceptualizations of complexity. The distinction is between what is simple intervention (standard series), what is complicated intervention (lots of parts) and what is complex intervention (uncertain and emergent). Therefore, undertaking evaluation of a simple intervention poses no challenge

as it is like a recipe to follow. Complicated interventions and complex interventions pose a challenge to monitoring and evaluation and to reach agreement on methods and data collection. For instance complicated interventions have many variables that make it difficult to monitor and evaluate or to articulate in advance (Roger 2008).

Simple logic models are somehow appropriate as they show a linear causal path of inputs, processes (activities), outputs, outcomes and impact. It is debatable though if simple logic models are appropriate to social capital interventions such as education, health and social welfare. The intervention to improve the quality of education is one example of complex intervention. There are too many variables to monitor and articulate as contributing to a quality of education at any point in time (Roger 2008). M&E requires sufficient agreement on the criteria, methods and tools for undertaking evaluation (World Bank Group, 2007).

Monitoring as defined earlier is about continuous and systematic collection of specific data in order to track the progress of a development project or programme. Evaluation is more related to assessment if the intervention has the desired impact or change to the intended beneficiaries (CREST, 2005). The change can be expressed in a simple causal model or logic but the change can be complex or complicated to follow the causal path. Roger (2008) also states that a cause-effect relationship can be traced for both complicated and complex interventions by using a logic model. These complicated and complex interventions require a flexible theory of change evaluation. This means that evaluation should be undertaken of different parameters and at different intervals of a complex intervention (Roger, 2008; Hosein, 2003).

Lessons learned from previous M&E experiences must be recorded in order to deal with some challenges of M&E. An M&E system must be designed in such a way that the most accurate and relevant information is collected, collated and analyzed. The system must also contribute to the success of the programme or project through the generation and use of reliable and useful valid data (World Bank Group, 2007). Ittner and Larcker (1997)

state that M&E systems are critical for organizations such as the public sector to achieve improved performance and positive results.

2.4 Performance Management in the Public Sector

It is important to draw attention to the importance of M&E in the performance management of the public sector. Van der Waldt (2004) states that performance management is a process of determining achievements of goals and vision of an organization such as the public sector. Performance management is based on whether an organization has developed successful strategic goals and corrective performance measures. In South Africa, government institutions face a serious challenge of achieving success in their policies and programmes. Van der Waldt (2004) feels that these challenges require proper performance monitoring and evaluation systems that can integrate the functions and activities of the government. Questions should be asked about the relevance and quality of performance information. Chan and Chan (2004) define performance information as a data set, which contains qualitative and quantitative indicators to measure both effectiveness and efficiency.

The focus in the past has been on assessing if inputs produce desired products or outputs. The emphasis is now shifting towards the outcome or impact of an organization's development projects and programmes. A development project or programme must produce a positive change to the life of the participants or customers. Therefore monitoring and measuring performance ascertain if an organization's strategic objectives and development programmes' outcomes are being achieved as planned (Chan & Chan, 2004; van der Waldt, 2004).

Given the above assertions about the importance of an organization's performance, every organization needs a system to assess and evaluate if there is value for the money spent on its programmes. Measurements such as economy, effectiveness and efficiency are critical determinants of an organization's performance successes or failures. It should be asked if an organization has an effective system to monitor and evaluate the programme

performances. The answer to this question by and large depends on the integrated performance information tools in place, and EVM could be one of those tools (Elkins, 2006).

2.5 Earned Value Management as a Monitoring Tool

Both monitoring and evaluation (M&E) and project management have been explained in the context of being critical to the performance of the public sector, its projects and programmes. This section explores EVM as one of the tools of the project management control process which is M&E. It is important to define what EVM is in relation to the project management process. The project management process is comprised of the following sub-processes: planning, implementing, and controlling (M&E). The Project Management Institute (PMI) (2005:1) asserts that “EVM has proven to be one of the most effective performance measurement and feedback tools”. EVM is reviewed in this section. It is an integrated programme approach which, according to Marshall (2006), provides the basis for monitoring and forecasting projects’ performance.

2.5.1 Definitions of EVM

Several definitions of EVM exist. It has been variously defined as a methodology, a tool, a system and a technique and most authors conclude that it can monitor and evaluate projects or programmes. Marshall (2006) defined EVM as a comprehensive project control methodology, which is capable of managing and monitoring an organization’s projects during planning, scheduling and budgeting. Kim et al. (2003) elaborate that EVM is a project management technique or methodology that is useful irrespective of the type of organization (public or private). Warhoe (2004) defines EVM as a system that incorporates and integrates the project schedule, and the budget estimates, and scope in order to reliably monitor project performance from the beginning to the end. This definition is supported by Rose (2005) who refers to EVM as a simple and powerful technique or tool for the performance measurement of an organization.

These definitions of EVM confirm that in project management, the measurement of project progress or performance is always vital. There are three main elements in assessing or measuring project progress: schedule, cost or budget and scope. It is important to elaborate on the importance of these elements. According to the PMI (2004) project managers often talk about “triple constraints” when referring to project costs, scope and budget.

However, the debate about project success and its relationship to project performance and project management is ongoing. The most interesting debate relates to the meaning of what project success entails. Many authors, including Dvir et al. (2003), Lim and Mohammed (1999) and Shenhar et al. (2001) note that there is no agreement on what project success means. Dvir et al. (2003), in their study of the relationship between project planning and project success, assert that project success means different things to different people. The project may be viewed as successful in terms of meeting the planning objectives such as schedule, budget, and performance objectives. The same project may not have met the end-user’s needs, and accordingly may be viewed as unsuccessful (Dvir et al., 2003; Shenhar et al., 2001).

Shenhar et al. (2001: 700) assert that although defining and assessing project success may sound like a simple process, it is a very intuitive strategic management process, which can help to align project efforts with the short-term and long-term goals of an organization. The project management literature is divided on the notion of what project success means, but one of the approaches to measure project success is by way of determining whether the project has met its time frames, budget and scope. However, Shenhar et al. (2001:700) are of the view that “there are many cases, where this approach is simply not enough”.

2.5.2 What is earned value?

Many authors have reflected on the importance of EVM and why it is important. This includes Fleming and Koppelman (2004), Kuehn (2007), Warhoe (2004), and Kim et al. (2003) who all assert that EVM is a vital project control technique that assesses the physical work accomplished in relation to the approved budget, scope and quality of a project. Anbari, (2003) adds that EVM has been widely and successfully applied in projects associated with the US Federal Government over the years.

Wilkins (1999) elaborates on the concept of “earned value”. He alludes to earned value as but one key element of the EVM, which measures the physical progress of a project. His assertion is that earned value is directly related to the percentage of the project completed. Warhoe (2004) defines earned value for projects in terms of budgeted elements for projects that are completed; thus, if project tasks have not started, the earned value remains zero. Thus earned value consistently provides for analysis of project progress and cost performance over time.

Christensen (1998) views earned value as a special metric to manage and control any project. He further asserts that the effective use of earned value is dependent on an adequate project management control system. This assertion is consistent with other views, such as those of Marshall (2006) who asserts that EVM effectiveness is highly dependent on effective project plans. Marshall (2006) also concludes that EVM is a significant contributor to project success regardless of contract type.

Marshall (2006) asserts that the building blocks of all EVM metrics are earned value, planned value and actual cost. He further elucidates that these metrics are important for the purpose of monitoring and forecasting project performance. Stratton (2007) clarifies that planned value is more related to the value of tasks to be completed while earned value should be understood in terms of completed tasks, because project tasks only contribute to project earned value once they are completed.

The above points are important in project planning as well as in project performance assessments especially when considering cost-benefit analysis as an element of assessing performance. If the planned activities or tasks are completed, they earn value equal to the project's budget. A third element built into the system is the actual cost. Consistent with other definitions of EVM, the cost factor is a vital element in assessing the performance progress of a project or programme (Stratton, 2007).

2.5.3 Why Earned Value Management is Important?

EVM is a very important methodology, system or technique to monitor development projects, and has several advantages for an organization such as the public sector. EVM "is a project management tool that provides significant managerial benefits by identifying project's deliverables and tracking performance overtime" (Kauffmann et al. 2002:13). It assesses the project's performance by assigning a value to work planned and work completed.

Iranmanesh and Zarezadeh (2008) assert that one of the problems facing project managers in recent times is accurate time estimation and cost of work completion in a project. They assert that an integrated control and communication technique is required to assist a project manager to achieve the project's intended outcomes and the successful completion of the project. Earned value management is a recommended programme management method because it enables project managers to identify and control problems before they become insurmountable.

It is also pertinent to reflect on the evolution of EVM. Warhoe (2004) indicates that there have been various forms of EVM since as far back as 1800. In 1960, the United States Department of Defence adopted the Cost/Schedule Control System Criteria (C/SCSC), which is now known as EVM, to solve the problems of over budgeting and behind schedule performance of projects. Therefore "earned value management seems to be a recent requirement, but the technique has been around for a long time" (Kuehn, 2007:1). Kuehn, (2007:1) also provides a simple answer to the question of why EVM, when he

concludes “if implemented properly, it really works!” Furthermore Kim et al. (2003) concluded from their study that there is high acceptance by senior managers and project managers that EVM can be a monitoring tool for various projects and organizations. This includes both private and public sector.

Despite the fact that EVM was first used in the public sector, it is also a useful methodology and valuable decision-making tool to underpin programme/project management for the private sector. Affirm (2006) alludes to this fact when referring to EVM as a costing saving tool or technique to measure project success. However, EVM requires a strong strategic articulation with clearly defined, measurable performance goals. It is also indicated that EVM is highly dependent on the executives of organizations, both private and public. This point is also made by Kahn (1998) when he states that EVM is dependent on a „top-down approach“ to succeed. A top-down approach is when decisions are taken from the top structure of an organization such as the executive without participation of the beneficiaries of a development project or programme.

2.5.4 Advantages and Disadvantages of EVM

One of the advantages of EVM is that it is a good performance tool to manage and control organizational programmes and projects (Kim, et al. 2003; Gonzalez, 2005). Leu and Lin (2008: 276) assert that another advantage of EVM is its ability to increase opportunities for project success. EVM has elements which can be used as “indicators of poor performance”. EVM is a system that provides for both in-depth performance evaluation and a cause-and-effect analysis (Leu & Lin 2008). EVM also promotes excellent visibility of overall project performance (Affirm, 2006).

One of the disadvantages of EVM, according to Flemming and Koppelman (2006), is that it is overly prescriptive. They recommend that a way be found to capture the important fundamentals of EVM without being overly prescriptive. This view emerged from the notion that there were 35 fixed criteria for EVM, which were later reduced to 32. These

refer to the criteria required to certify that a project is executed according to EVM principles. Fleming and Koppelman (2004) argue that these criteria were originally written for complex, major projects and may be problematic in smaller projects.

EVM was found not to be performed by some organizations, despite its noble objective to assess actual project performance against a project baseline plan. EVM also provides important information to show if a project is on track or behind schedule (Gray & Larson, 2003; Burke, 1999; Anbari, 2003). Kim, et al. (2003) state that organizations do not use EVM because of lack of sufficient resources, lack of administrative expertise on the part of project managers, and lack of experience on the part of EVM users. These assertions were also supported by Gray and Larson (2003).

Elaborating on the „top-down approach“, senior management of an organization is expected to provide adequate resources, but in many organizations this is not the case. Thus the buy-in of the top management is critical to support project managers to access adequate resources to sustain development and to provide training to improve knowledge of the EVM processes. As Kahn (1998) points out, both top-down and bottom-up approaches are critical and any project control technique that depends on only one approach is always problematic.

Although EVM has been recognized by many authors as an integrated system of project control which can measure project progress, there are several other recognized project control techniques such as the programme evaluation review technique (PERT) and the critical path method (CPM). Most authors view these techniques more as network diagrams or „image“ techniques to represent project activities. For instance CPM is viewed as the most common network diagram for analyzing, planning, and scheduling projects (Taxen and Lillieskolds, 2008). McCrary et al. (2007) assert that these two closely related network modelling techniques provide the ability to estimate project time. Work breakdown structure (WBS) and the Gantt chart are two other important programming tools. WBS is a deliverable-oriented grouping of main project tasks in

order to organize and define the total scope of the project deliverables into manageable work packages (PMBOK, 2000).

2.5.5 Challenges of EVM

While EVM presents many positive attributes, the challenge is to promote the adoption of EVM by organizations in developing countries. Anbari (2003) notes that for EVM to be successful it must be accepted by organizations, and as a project management strategic tool it must be used for better planning and effective management of an organization's resources. This viewpoint is stated emphatically by Longworth (2002), who notes that the first step is to set up an EVM system that will be based on a well thought out project management plan.

Vargas (2003) cites a number of further challenges relating to EVM, which are related to either internal or environmental factors. These include a lack of comprehensive knowledge of how EVM works, anxiety concerning the adequate use of EVM, and the high cost of its implementation. EVM requires a perfect and adequately resourced monitoring system to be successful. Vargas (2003) cites Wideman who states that substantial effort is required to maintain EVM and that it needs a qualified team to execute it. He also states that the availability of adequate staff who are experienced in the use of EVM as a tool to control project performance is limited.

Christensen (1998) acknowledges that EVM presents challenges, but he believes that its benefits exceeds the costs by a high margin. However EVM should be properly applied and conceptualized by well educated, trained and experienced programme and project managers (Affirm, 2006). Fleming and Koppelman (2004) concur that even though EVM is not necessarily a difficult concept, it requires good project management skills in order to be practiced effectively.

In South Africa where most of the development programmes such as LED are implemented at local government level, there is a lack of adequate capacity at municipal

level to implement project management principles. This adds to the challenges noted earlier and obviously threatens successful implementation of project management methodologies such as EVM. RTI (2007) makes the point that municipalities often lack the capacity to undertake effective resource planning, engagement with the community during strategic planning, and to meet the community's needs. This is alarming given the study by Ferle (2006) who maintains that 90% of projects fail to deliver on time, and within planned cost or budget and with customer satisfaction.

2.5 A Perspective of Strategic Project Management

Theory of change process hinges on defining all sufficient preconditions necessary to bring about desired outcomes of the development programmes. One of the preconditions is proper strategic planning and use of projects as strategy to implement institutions programmes. According to Hoskisson et al. (2000) stated that institutional theory is preeminent in explaining the impact of strategy on organization's performance as an institution. Based on this view, it is important that all development programmes and projects must be executed according to the strategic plan of an organization. Therefore it is equally important to look at how an organization needs to position itself to achieve its developmental objectives outlined in the strategic plan. In any organization's development, a starting point is the strategic planning process, which involves planning, monitoring, and evaluation (Ndiruti, 1999). Therefore a strategic framework is required by the organization as a mechanism or a structured way of directing scarce resources and indicating how these resources should be utilized to achieve its key strategic objectives and goals. The strategy of an organization ensures that an organization transfers financial and human resources in a cost effective manner and on time. These resources are critical for the consolidation of activities or tasks to support an organization to achieve its intended outcomes. They are also essential in order for an organization to deliver quality products and services to justify its existence (Krogh et al. 2001; James, 2004).

According to Poister and Streib (2005) strategic planning was introduced to the public sector more than 20 years ago. The main purpose was to tie government programme plans

to budget and performance measures, and to maintain a favourable balance between an organization and its environment in the long term. Steiss (1985:9) asserts that “strategic management is concerned with deciding in advance what an organization will do in future (planning), determining who will do it and how will it be done (resource management), and monitoring and evaluation”.

James (2004) states that the strategic framework of an organization must position an organization to pursue its development programmes and projects successfully and provide a base for managerial decision-making. He further alludes to the fact that an organization’s strategic objectives should make reference to how the deliverables of the project are to be achieved. It must also be easily evaluated on the completion of a project. An organization needs to spell out what it wants to achieve and how that will be achieved. An organizational strategy is a plan or map of how the organization can achieve its intended route or destination (James, 2004).

During the strategic planning process the focus should be on the integration of opportunities and strengths, showing clear or distinct competences. Despite the fact that strategic management is an effective and popular management tool, it has some deficiencies. Municipalities’ revenues are often insufficient to meet the needs of citizens as they fail to engage civil society effectively during the strategic planning process. However they prioritize the development and implementation of cost-effective and politically acceptable strategic plans (James, 2004, von Krogh et al., 2001; RTI, 2007).

The importance of the strategic framework of an organization is that it generally has a positive impact on organizational performance. Poister and Streib (2005) conclude that since strategic planning is a complex process, positive company performance is brought about both by intended strategy as well as emergent strategy. Thus strategic planning is essential for an organization’s good performance and survival, if it is carefully linked to implementation (Poister and Streib, 2005).

Vinzant and Vinzant (1996b:2003) assert that “successful implementation of strategic management requires an assessment of an organizations” capacities, and strategic planning is one element of strategic management, as the other components are implementation and evaluation”. Inglis and Minahan (2002) state that successful management require a systematic strategic planning process which must be followed by implementation and evaluation processes. According to Ndiruti (1999), an effective planning, monitoring and evaluation system needs to be installed during strategic planning to accomplish the vision of the organization. It is in this context that both LED programmes and an EVM system must be planned, executed and monitored to achieve sustainable developmental goals. However, it needs to be further established whether the failure of the public service programmes has to do with the lack of a monitoring and evaluation system. This will be clarified if M&E can be seen to improve management of public service programmes and projects. It is inevitable that a strong strategy is critical at early stages of development of an institution (Hoskisson et al. 2000)

2.7 Programme and Project Management in the Development Arena

Programme and project management is important to expand both conceptual and practice-based perspective of development (Ferreira et al. 2009). According to Hyvari (2007), most organizations including the public sector are increasingly using programmes/projects in their daily development functions to achieve their strategic objectives. The terms „programme“ and „project“ are used interchangeably in this study and it is therefore important to define project and project management in the context of development. According to the PMI (2005:368), project management is “the application of skills, knowledge, tools and techniques to project activities to meet project requirements”. Kerzner (1998) also define project management processes in terms of planning, organizing, directing, and controlling the organizational resources required to meet short-term objectives. Many authors define project management citing the Project Management Institute (PMI) as their main source (Brown, 2007). The PMI is an institute created to provide project management standards, certification and guidelines and to provide formal education in project management (Brown, 2007).

A project is defined as a temporary endeavour undertaken to create a unique product, outcome, result or service. In a strategic-project aligned perspective, projects are building blocks in the design and execution of the organizational development strategies. While a project can have short-term or long-term effects, it has definite time frames, meaning that there is a definite beginning and a definite end (PMI, 2004). This point is important, especially when considering that a project must be implemented according to plan and must remain within budget, time and scope (Brown, 2007).

2.7.1 Project Management Processes

There are several project management processes, which some authors call phases. The PMI, PMBOK Edition (2005) states that project management is primarily a matter of planning, executing, monitoring and evaluation. Brown (2007) explains that there are five processes of project management: initiation, planning, execution, monitoring and controlling, and closing. According to the PMI (2005) these processes interact with one another in a complex way and also in relation to project scope, cost, and schedule.

The successful execution of these project management processes often goes a long way to measure the performance of an organization. Cleland and Ireland (2002) state the performance of an organization is a result of successful execution of project management phases. The importance of the last phase which is M&E is that it provides a framework for determining if an organization achieves the desired outcomes or impact. The success of an organization depends upon projects and programmes the organization is engaged with. It is therefore recommended that an organization must focus on projects or programmes which the organization can complete on time and on budget. This point has been explained in the previous sections (Cleland and Ireland, 2002).

2.7.2 What project success or failure means

The point was made earlier that there is vigorous debate about the meaning of project success or failure. Chan (2001) cites several authors, including Navarre and Schaan (1990) who state that originally project success was measured on the basis of time, cost, and quality and performance measurement. However, he emphasizes that project success means different things to different people, and thus it is always a debatable topic. Moreover, different authors have different perspectives on what constitutes an indicator of project success. Storm and Jansen (2004) state that project performance or success must be measured from three different perspectives, the first of which they called the TBS perspective. The TBS perspective means that „a project is successful if it delivers on Time, within Budget and according to agreed Specifications“. The second perspective is the Capital Investment Appraisal (CIA), which asserts that, „a project is successful if it realizes its financial expected target“. The last perspective is the Stakeholder Satisfaction Assessment (SSA), which is self- explanatory.

Apparently satisfaction of customers“ needs is evolving as another important factor in the measurement of the success of development programmes or projects. Storm and Jansen (2004) emphasize the importance of undertaking a project performance analysis to determine the performance of an organization using the above mentioned control factors. Shenhar et al. (2001) states that projects are conceived with a business perspective idea. They must be executed with both short-term and long-term objectives laid out that need to be achieved. Gray and Larson (2003) state that performance monitoring provides data to evaluate whether the project is progressing according to plan and has the potential to satisfy customers“ needs. These assertions provide an understanding of the importance of planning before executing a project, and a mechanism to monitor the execution of a project.

2. 8 Conclusion

The chapter explored fundamental concepts such as LED, M&E, EVM and project and programme management. LED is part of broad economic development and the theory of economics also underpins LED. M&E is an evolving concept which is underpinned by the theory of change or programme theory. EVM is regarded as one of the M&E tools and M&E is also part of project management phases. The concern is that project management does not have its own theoretical support and it borrows theoretical background from other disciplines.

In South Africa, LED has emerged as a significant development option to provide both rural and urban communities with access to sustainable local economic development. Institutional arrangements and policy frameworks need to be formulated with the ultimate objective of alleviating poverty and unemployment, while creating an enabling environment for economic growth. Hoskisson et al. (2000:252) stated “ Institutional forces affect organizations” processes and decision making, and these forces have both economical orientation and sociological orientation.

Local government is the most critical actor of LED in emerging economies or developing countries. According to Rogerson (2006), local government is expected to establish local economic development strategies through its strategic planning approach, which is Integrated Development Planning (IDP). Rogerson (2006) stated that there was no agreed national policy to guide local development activities in South Africa , except continuous endeavours to reinforce pro-poor LED.. Nel (2005) citing Atkinson (2003), notes that monitoring and evaluation (M&E) of LED needs to be stronger and more systematic. This includes checking the veracity of data and the M&E tool/s applied.

The challenge is to design, implement, monitor and evaluate these LED programmes effectively. Bartik’s (2002) concludes that local economic development policies and programmes must be rigorously monitored and evaluated to determine their impact on local economic outcomes. Moeti (2000) warns that care must be taken not to limit

programme performance assessment to quantitative considerations such as input. The assertion that monitoring and evaluation is non-existent in South Africa, posits the challenge of assessing the effectiveness of LED as a development programme.

Earned value management methodology (EVM) is one of the critical project methodologies for better planning, implementation, monitoring and evaluation of different types of projects or programmes (Kim, et al. 2003). Dimitrova (2005) concurs that EVM is good project performance evaluation, and it is also good for project monitoring. However, it does have its disadvantages. Dimitrova (2005) argues that it is possible to overcome the disadvantages of EVM and so make EVM a good project performance technique.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 INTRODUCTION

This study is an exploratory study aimed at assessing the extent of monitoring and evaluation (M&E) in the public sector. In this study the public sector is represented by the provincial government and local government. The public sector plays a significant role in driving the development agenda and LED is one example of development programmes. These development programmes must be monitored and evaluated to determine their impact on the lives of communities. This research is also designed to explore if EVM is relevant for LED projects. The study utilised qualitative research methods such as semi-structured interviews, case studies, focus groups and individual interviews.

The purpose of selecting these public sector organizations was that each sector has an LED component dealing with LED projects. The LED projects thus form the main focus of the case studies. Local Economic Development is a participatory development process that encourages partnerships between private and public stakeholders of a defined territory, the objective being to create decent jobs and to stimulate economic activity (growth). Furthermore, LED experts, including the ILO, regard government as the main LED actor.

The selection of respondents was through the purposive sampling technique because M&E in the public sector is evolving. Furthermore the study also aims to determine if EVM is effective for LED projects. Although LED is an old concept, it is still evolving in South Africa. The data collection process was undertaken to gather information to address the critical research questions identified in the study, primarily using a case study. A case study is often referred to as a research strategy to investigate or explore a specific phenomenon or event within its life cycle. Since a case study approach is viewed as being incapable of providing generalization, both qualitative and quantitative approaches can be used to strengthen reliability and confidence (Tellis, 1997).

In this study senior managers in the public sector and LED managers from different municipalities were purposefully identified as the main respondents. Face-to-face interviews were organized with them to collect information using predominantly open-ended questions. Although approximately 10 managers were targeted, only 70% were interviewed after selected through the purposive sampling technique.

Collecting data using qualitative methods is recommended for impact evaluation (World Bank Group, 2007). Although this study is not an impact evaluation study, the M&E concept is related to impact evaluation. There are several methods of data collection, including in-depth interviews, semi-structured interviews, focus group interviews and observation. Methods such as experiments, surveys and structured interviews are primarily useful for collecting quantitative data. In this study, semi-structure interviews and a case study was used to collect data. However, both qualitative and quantitative approaches were recognized as an integrated approach, as it is now accepted that more than one approach can be employed during a research process.

3.1 A Case Study Approach

The case study approach involved three municipalities purposely selected. These were eThekweni Metro, Umgungundlovu District Municipality and uMkhambathini Local Municipality. The reasons were that three categories of municipalities were to be included such as Metro, District Municipality and Local Municipality. Thus EThekweni Metro represented itself because it is the only Metro in KwaZulu Natal. Umgungundlovu District represented the district municipalities, and Mkhambathini represented the local municipalities. The focus was on their LED sections as each municipality is supposed to have an LED unit or section. In these municipalities, LED managers were identified as respondents and open-ended discussions was conducted with them individually.

The case studies were utilized to investigate or explore monitoring and evaluation, as well as tools for monitoring. This exploration is biased towards development programmes such as LED and the aim is to determine the challenges facing the main LED actor, which

is the public sector, when monitoring and evaluating development programmes. As stated above, government in South Africa has three spheres but the focus of the research was provincial government and local government. The reason was that the implementation of development programmes occurs mainly at the local government level, which is why data was collected from municipalities.

It is asserted that case studies provide very rich and quality exploration of a project, but the data collection process and reporting can be onerous. Therefore this research included an examination of several cases within the development arena in relation to the role of various public sector organizations (NSF, 1997). A case study is described as a method for learning about complex issues such as project monitoring and evaluation in order to develop a comprehensive understanding of that complex project activity. It is further asserted that a case study involves extensive description and analysis of project development and its elements. A case study is not restricted to looking at what is happening, but is a systematic method to collect qualitative information and to analyze it to produce a quality product (GAO, 1991).

The use of in-depth case studies is useful to develop a theory grounded in data collected from the case studies. A case study is often referred to as being a research strategy to investigate or explore a specific phenomenon or event within its life cycle. “A qualitative case study provides an in-depth study, based on a diverse array of data collection materials” (McCaslin & Scott, 2003:447-461). Since a case study approach is viewed as being incapable of providing generalization, both qualitative and quantitative approaches can be used to strengthen reliability and confidence (Tellis, 1997).

Since this research study focuses on the monitoring and evaluation system in the public sector, it was imperative to introduce concepts concerning project management tools like the earned value management system into this debate. It was therefore useful to investigate LED projects to assess if they had monitoring and evaluation plans in place. Furthermore it was important to include projects that are related to development. This resulted in a close examination of LED and its use of the earned value management

system or their potential to use it, including the circumstances promoting or impeding its usage.

3.2 In-Depth Interviews

The individual in-depth interviews were conducted with respondents from M&E units and respondents from LED funding agencies within the Provincial Government. The Provincial Government is responsible for coordinating the integrated development agenda for the Province. Therefore there were two categories of respondents from the Provincial Government. The Provincial Government also has an oversight role over the functioning of the municipalities and the funding was for municipalities to promote LED. The interviews were conducted with the Programme Manager for Monitoring and Evaluation in the Department of Local and Traditional Affairs and the Manager for Monitoring and Evaluation in the Department of Economic Development. The second round of interviews was conducted with representatives of the funding agencies. These interviews were conducted in their offices and were one-on-one type of interviews. These interviews consisted of open-ended questions and in-depth information was collected.

There were 10 in-depth interviews conducted and the basis for employing this interview technique was that there are specific research techniques. The conversation with the respondents was open, and the respondents were free to express themselves. This was achieved by creating a good rapport with the respondents, with the researcher putting them at ease. This was a face-to-face interview with the respondents in their own environment and the guideline questions were used to probe conversation with them. Guideline questions were developed to help structure the interviews. The basis for employing this interviewing technique was that a semi-structured interview involves interaction with respondents using mainly open-ended questions.

An in-depth interview is an open-ended, exploratory or discovery oriented method to deeply explore the respondent's view of the issues under study. Boyce and Neale (2006) asserted that in-depth interviewing is a qualitative research technique to explore the

respondent's perspectives about a specific project or programme. Books (1997) asserts that the strength of in-depth interviewing is that it is typically as close to the natural process as possible and that it facilitates effective cooperation. He further asserts that in-depth interviews can be used in cases where the potential participants may not be included during a focus group discussion or when the research intends to distinguish or explore individual's opinions or perceptions about the research topic.

The study approach recognized that the in-depth interview is prone to be biased due to the fact that respondents might have a vested interest. This was however taken care of in the study by way of creating open-ended questions and probing respondents to express their own perceptions freely in their own words (World Bank, 2007). This approach has key characteristics that differentiate in-depth interviews from other forms of interviews, which is that the respondent must expound on the topic.

3.3 Data Analysis

The data collected was mainly qualitative, and emanated from open-ended questions and semi-structured interviews. Different information was received and analyzed using content analysis and computer programs such as MS word, Ms Project and MS Excel especially as regards the quantitative information. In some cases the information was analyzed through a meta-analysis approach where data was mapped to evaluate LED projects. Given the fact the study was mainly qualitative, there was limited used of computer software programs to analyze the data.

Qualitative data analysis involves interplay between theory and data analysis and the researcher must discover themes and patterns or possible causal relationships between variables. For this study, themes and patterns from interviews were determined and analyzed. The text data was analysed by a systematic process of identifying themes or patterns as well the frequencies of themes.

3.4 Critical Findings of the study

The findings presented here are selected responses or themes which have emerged from the in-depth interviews. Since the study is exploratory and qualitative, only the critical findings are presented and detailed responses are attached as annexures. More discussion on the synopsis of LED, M&E and EVM is presented on Chapter 5 and Chapter 6. As reflected in the introductory section, this study aims to provide insight into why the public sector needs to control its development projects and to explore whether a monitoring and evaluation tool such as EVM is appropriate for development projects such as LED projects. Therefore the focus of this research was on these concepts.

Themes which emerged from the research process as well as other findings are listed in Tables 1-5.

Table 1: Emerging Themes

<ul style="list-style-type: none"> • The status of M&E systems at Provincial Government and Local Government levels. • The support mechanisms present to improve service delivery at municipal levels and the processes to excess funding for supporting municipalities. • The challenges faced by the provincial departments with regards M&E. • The challenges faced by the municipalities with regards to LED, IDP and M&E

Table 2: Status of M&E – Provincial Governments

Department of Local Government and Traditional Affairs (DLGTA)	<ul style="list-style-type: none"> • M&E is a new business unit headed the General Manager. • General Manager is one level up to a Senior Manager’s position. • M&E Business Unit was created in response to the Government-wide M&E Systems Policy Framework. • M&E focuses on supporting Department branches
--	--

	<p>and programmes to produce quality performance reports.</p> <ul style="list-style-type: none"> • EVM was not known prior or used at all
Department of Economic Development and Tourism (DEDT)	<ul style="list-style-type: none"> • M&E is also a new component but it is headed by the Senior Manager. • M&E Business Unit was created in response to the National-wide M&E Policy Framework. • M&E Strategic focus areas: <ul style="list-style-type: none"> ○ Economic Planning; ○ And coordination of M&E roles. ○ EVM was not known or applied before

Table 3: LED Funding and Process to Access Funding by Municipalities

PROJECT CONSOLIDATE	<ul style="list-style-type: none"> • Qualifying municipalities submit their business plans to the Project Consolidate Unit. • The Committee assesses the business plans. • Is approves the business plans showing the potential of a positive impact on the lives of the communities. • Evaluation is undertaken in-house by the Project Consolidate unit once the project has been funded. • EVM was not known or applied before
GIJIMA FUNDING AGENCY FOR LED PROJECTS	<ul style="list-style-type: none"> • LED projects are advertised by calling for project proposals. • Municipalities prepare proposals, business plans and budgets. • A panel of experts evaluate the project proposal submitted. • All successful projects are then allocated funds accordingly.

	<ul style="list-style-type: none"> • Successful municipalities will then open a project account. • Special funding is also made available to support municipalities to improve their LED offices. • EVM was not known or applied before
--	--

Table 4: Challenges in the Public Sector (Provincial Departments)

DLGTA	<ul style="list-style-type: none"> • Supporting programmes in setting of Performance Indicators for outcomes. • Resources shortages such as human resources and financial resources. • Lack of capacity of skilled staff with DLTGA mainly scarce skills such as information technology and financial management. • Lack of coordination of performance information for monitoring and evaluation at programme and sub-programme level. • The process of filling of posts is slow and M&E is operating with skeleton staff. • Lack of capacity of municipalities in managing IDPs. • Resignations of planners who are project leaders of funded projects. • People with no experience and lacking of adequate planning knowledge.
DEDT	<ul style="list-style-type: none"> • Finalization of M&E Strategic plan delayed. • Partnership with other stakeholders is not yet formalized. • Capacity constraints especially the human and financial resources for the unit. • Formalization and adoption of M&E frameworks not yet complete. • Alignment of components activities according to the M&E frameworks still outstanding. • Improvement of the Annual Performance Plan (APP) of the Department and Performance Indicators is still a challenge. • Quality performance reports from the components submitted for

	<p>reviews need improvement.</p> <ul style="list-style-type: none"> • LED Projects are often not completed in time although they are completed on budget. • Municipalities lack capacity to execute projects like LED projects. • Municipalities often use consultants but they do not seem to capacitate the municipalities. • LED is not properly managed in most Local Municipalities and in some District Municipalities.
--	---

Table 5: Challenges in the Public Sector (Municipalities)

EThekwini Municipality	<ul style="list-style-type: none"> • Most projects are completed out project schedule plans. These projects do not finish within stipulated time frames. • There are no roll-overs which is also a challenge because projects not completed within the current year will wait for new budget allocations to be completed. • There is a huge challenge of monitoring and evaluation (M&E) system. • The impact of the completed LED projects is not known. • Monitoring and evaluation (M&E) is not done or planned for.
UMgungundlovu District Municipality	<ul style="list-style-type: none"> • LED and IDP processes involved many stakeholders and therefore are not easy processes. • Implementation of the LED strategies remains a challenge because it must be done by the Local Municipalities. • There is a lack of M&E mechanisms and DEDT has started a process to institutionalize M&E of LED projects. • There are no Performance Indicators related to M&E. • The Impact of LED projects are not known and impact is a long-term outcome of LED.
UMkhambathini Local Municipality	<ul style="list-style-type: none"> • LED unit is not structured properly and LED projects are undertaken in a haphazard manner. • Lack of funds and proper LED planning is a challenge. • Lack of focus and support of management for LED projects. • The involvement of ward councillors in selecting LED projects

	<p>and allocation of funding is a challenge.</p> <ul style="list-style-type: none"> • LED Officer is new and prior LED work was performed by an unqualified person. • LED projects are failing because of lack of proper planning. • There is no LED framework and no proper records of LED projects.
--	--

3.9 Conclusion

The importance of the qualitative approach is fully explained and justified to explore in-depth knowledge about the challenges faced by the public sector in KwaZulu Natal when monitoring and evaluating development programmes. No formal surveys and experiments were conducted. It emerged that capacity constraints across the board were the main challenge for both the Provincial Departments and the Municipalities consulted. Monitoring and evaluation was not effective due to lack of policy direction from the National Government. This was supported by the fact that departments only focused on the M&E function after the Government formulated the Government-Wide Monitoring and Evaluation System Policy Framework. Institutionalization of M&E was another challenge. This was revealed by the varying organizational arrangements of departments in locating and managing M&E. Local Economic Development (LED) was poorly managed especially at local municipalities. This is based on the fact LED projects were often selected by councillors who did not have knowledge of LED. Lack of adequate qualified LED personnel exacerbated the problem especially at the local municipality level. However, it should be noted that both Provincial Department of Local Government and Traditional Affairs (DLTA) Project Consolidate and EU funding mechanisms have contributed to the improvement of struggling municipalities.

CHAPTER 4 LOCAL ECONOMIC DEVELOPMENT IN SOUTH AFRICA

4.0 Introduction

The purpose of this chapter is to explore further the local economic development (LED) perspectives in South Africa, particularly KwaZulu-Natal. The focus of this study was on three municipalities, namely, eThekweni Municipality (Metro), uMgungundlovu District Municipality and Mkhambathini Local Municipality. The aim was not to critique their LEDs per se, but to explore LED project management process namely, planning, implementation and control. The Integrated Development Plan (IDP) is the main municipal strategic document that guided the establishment of these LED projects.

The provincial government also plays a critical role in promoting LED mainly through funding mechanisms. In the case of KwaZulu-Natal, the Department of Economic Development and Tourism is a lead Department in terms of LED policies, strategies, frameworks and funding, and was funded through GIJIMA Funding Agency located in the Department of Economic Development and Tourism (DEDT). Another form of funding was from Project Consolidate located in the Department of Local Government and Traditional Affairs (DLGTA).

4.1 The Importance of IDPs in Local Economic Development

Integrated development planning (IDP) is a strategic, integrated development policy to guide and coordinate development at a local level. Republic of South Africa, the Municipal Systems Act (Act 32 of 2000) regulates IDP and its processes. The Act requires all municipalities to draw up strategic development plans to integrate planning processes at municipal level. Therefore the IDP is also a policy framework that supports local investment and sustainable development initiatives aimed at improving the standard of living of local communities and granting them access to better infrastructure. The IDP process promotes cooperation between municipalities and other government institutions. DLGTA has an oversight role to oversee and support municipalities to implement IDPs.

Municipalities are required to prepare five-year strategic plans, which must be informed by the needs of local communities, other stakeholders and interest groups (Davis, 2006).

One of the intended outcomes of IDP is integrated, sustainable development, which promotes the participation of local communities and balances social and local economic development aspects during its implementation. The aims of IDP are therefore to foster effective service delivery and sustainable use of local resources to improve local economic growth. Since LED is also a developmental strategy to boost local economic growth and employment, its initiatives are contained within the IDPs. The importance of participation during the IDP process cannot be overemphasized as is clearly stated in the Municipal Systems Act (Act 32, 2000). This Act stipulates that the IDP process must allow for the effective participation of the local community. Therefore LED, as a developmental strategy located within IDP must also allow for effective participation of the local community during its planning, execution, and monitoring and evaluation stages (Manona, 2005; Davis, 2006).

The manager of LED at district municipality was one of the respondent interviewed, and he stated that planning is a key instrument for local development, with local development being regarded as a process, which must lead to the improvement of social, economic and environmental conditions where local business operates. He was responding to the question of the project development processes and linkage with the strategic process of the district municipality on the LED projects. He stated that IDP is strategic document which guides integrated development including LED projects. However it was argued that although IDP was effective in uniting local stakeholders, it had not proven effective as an instrument to implement and finance local economic initiatives (Davis, 2006). There was a strong view that IDPs were not suitable instruments for LED initiatives. These points require further exploration to determine whether locating LED within IDP is a good approach (Isaacs, 2006).

4.2 The Importance of LED in KwaZulu-Natal

The province of KwaZulu-Natal embraces several municipalities, which are expected to execute LED. LED is part of broader economic development because it is guided by the theories of economic development. The difference between general economic development and local economic development is a matter of emphasis on the geographical location of development. LED places emphasis on economic development at local level and involves participation of the local community (Blakely & Leigh, 2010).

The status of LED in KwaZulu-Natal has been observed to be no different from the rest of South Africa (Ndabeni, 2006; Nel, 2001). In this study, it was observed that progress in implementing LED was in different stages of development. Municipalities with adequate resources, such as the eThekweni Municipality had better LED institutional arrangements and their LED projects were managed better. These municipalities had managed to complete their LED strategies and several LED-related projects had been implemented. Unfortunately, municipalities with adequate resources are in the minority as the reality is that KwaZulu-Natal is predominantly rural, with the majority of municipalities being in rural areas (Ndabeni, 2006).

The two other municipalities in this study had not made significant progress with regard to LED. There was a lack of convincing evidence from the respondents and the LED projects reports reviewed to suggest that there was a clear understanding of what constituted LED projects. One respondent from the local municipality stated that at times it was difficult for them as LED officials because the councillors tabled resolutions regarding LED projects without consulting the LED practitioners. Once these projects had been adopted, it was the responsibility of LED officers to execute them.

The IDP process requires that councillors consult with the communities in their area of jurisdiction to identify projects. These projects are then submitted to the municipal council for approval and funding. To comply with the requirements, LED practitioners must submit LED projects to their IDP Forum for adoption. One of the challenges was

that in some Local municipalities, such as Mkhambathini, LED officers were not permanently in their positions. In some instances they did not necessarily possess the relevant skills and qualifications. It was evident from the responses that proper LED processes were not properly followed, namely, local economic planning, local economic assessments and a community needs assessment due to a lack of knowledge, resources, and capacity and poor institutional arrangements (Davis, 2006).

The majority of municipalities in KwaZulu-Natal are based in rural areas. These include Mkhambathini Local Municipality. It was very difficult to explore their LED projects reports because they did not keep records. This poses a threat to successful local economic development because these municipalities lack local economic resources to stimulate local and provincial economic growth. This is the main challenge not only for the municipalities concerned, but also for government as a whole in South Africa as the government is the main source of funding for rural municipalities. Unless something is done, such as improving the capacity of personnel, it is unlikely that successful LED programmes and projects will be put in place in the rural municipalities, where poverty and unemployment levels are very high (Davis, 2006).

Other researchers including Davis (2006) identified problems pertaining to LED problems and these researchers have suggested some solutions. One of the suggestions is a broader intervention such as a Rural Economic Enterprise Development (REED) approach to complement local economic development. Davis (2006) states that the REED approach is a refinement of LED that could be a solution for enterprise development, economic diversification and innovation in the rural economy. The main purpose of the REED approach is to stimulate and enhance local economic growth by linking agriculture, agri-business and non-farm activities (Davis, 2006).

Originally LED was often associated with smaller projects at a local level (Manona, 2005). However, this changed over time, as the focus shifted to the creation of a locally based competitive advantage as part of the LED policy. The LED process should be guided by an LED policy. However, KwaZulu-Natal in particular, does not have a clear

LED policy. The provincial LED policy to guide LED does not exist. The other major challenge that emerged from the study was that LED projects had not created opportunities for poverty alleviation due to limited resources and a lack of capacity within the majority of municipalities in KwaZulu-Natal.

It also transpired from the findings of the study that the management of LED and its programmes and projects was not satisfactory. Given the lack of capacity and the environment in which these LED projects were implemented, this is not surprising. Furthermore, there was no single approach to local economic development, despite the fact that there was one national LED framework. This confirmed that different municipalities were either not taking the framework into account when undertaking LED activities, or that the framework was not useful and accessible to the relevant officials. This points to an urgent need to involve all relevant stakeholders when designing LED policies. It also sensitizes the government to consider implementation strategies for all policy frameworks, because there was no implementation strategy in the national LED Framework. If municipalities did not receive proper professional guidance, they could not execute successful LED programmes and projects (Davis,2006).

There are three main layers of municipal government in South Africa: district municipality, metro, and local municipality. Each municipality was expected to promote LED, but the research did not find convincing evidence to show that LED was effective. This was not surprising, as the majority of LED projects were running without an LED strategy in place. It was apparent that there was no monitoring and evaluation system in place and coordination of LED was not convincing. In some cases it was difficult to access proper project information, despite several requests to municipalities to provide such information (Rogerson 2006).

Information was not available to assess whether or not LED had brought about an improved standard of living in KwaZulu-Natal communities. It was also not possible to investigate whether LED will be sustainable as this was not apparent from the LED strategies presented. There were no clear policy guidelines related to LED or LED policy,

except the framework developed by the National Department of Provincial and Local Government. It is therefore concluded that coordination and LED support for municipalities on the part of both the National Government and Provincial Government is imperative. Lack of professional support has a bearing on the understanding of LED. There is also an urgent need to develop a provincial, KwaZulu-Natal policy on LED, which must be accompanied by an effective implementation strategy with time frames (Slabert, 2004).

Furthermore, it cannot be stressed enough that LED is a key component of a broad process of local, provincial and national development. Local economic development is vital in creating employment, infrastructure development, and empowerment. It appeared that most municipalities did not undertake local economic assessment, and that their LED projects emerged from unconvincing IDP processes, which were often not informed by communities' needs. The process of local economic assessment is complex and cumbersome, but it is a critical LED exercise, as it supports the assessment of the economic impact of LED over time. It is concluded from the study that the focus of LED rested on distorted policy issues, processes and strategies, rather than on a firm assessment of LED and its economic development impact. It emerged during the study that certain agricultural projects were regarded as LED projects and received LED funds. There were not proper criteria for selecting LED projects (Simon 2000).

4.3 Monitoring and Evaluation of LED

Monitoring and evaluation of LED was viewed in the context of provision of information to monitor the progress of the programmes and to assess whether the intended objectives were achieved. It is beyond doubt that LED programme or project monitoring and evaluation is a pertinent area, which needs serious attention. However, it was apparent that M&E is a challenge in the government. It is therefore prudent to contextualize the monitoring and evaluation of LED projects. The findings of the study indicate that the government is struggling to monitor and evaluate its programmes. Is the situation better at municipal level? It is interesting to note that all the municipalities' representatives who

were consulted were very aware of the shortcomings at local government level. These shortcomings included poor coordination and a lack of resources (Davis, 2006).

Despite awareness of the shortcomings at local government level, there were no plans in place to monitor and evaluate their LED. This made it very difficult for these municipalities to assess the progress, effect or impact of the LED on the lives of local citizens, and whether LED was living up to expectations or not. One of the main reasons given for the lack of effective monitoring and evaluation of LED was that most municipalities in KwaZulu-Natal were poorly resourced and lacked capacity. This confirms that there was no difference between the provincial and local government as far as monitoring and evaluation were concerned (Binns & Nel, 1999).

Based on the point that financial resources are serious challenges, municipalities often use external service providers to undertake LED projects such as LED strategies. One of the research questions explored the use of consultants to undertake and implement LED projects. This question sought to establish whether external service providers add value in the management of public service delivery programmes. Many respondents viewed the use of external service providers in a positive light, especially if care could be taken to utilize these scarce resources wisely. A contrary view was that consultants spend a lot of money and at times provide poor quality service because the government lacks the ability to monitor these external service providers effectively. Nevertheless there was agreement that there was a need to use external service providers. If the issue of scarce resources cannot be addressed, the use of external service providers, if managed properly and efficiently, is a short-term solution (Bond, 2002).

If LED projects were to be managed totally by external service providers the question arises as to how a municipality would monitor and evaluate its LED projects. There was no system of monitoring and evaluation of LED projects in all the municipalities consulted. However, there was agreement that this was a serious challenge warranting urgent attention. These findings were in keeping with a study undertaken by the Human Sciences Research Council (HSRC) (2003) which undertook an evaluation study of LED

projects in Free State Province. The Council found that it was critical to have an effective monitoring and evaluation mechanism for LED.

The study took monitoring and evaluation further by looking at one of the tools of monitoring and evaluation, namely EVM. The purpose was to explore if EVM could be a tool for monitoring and evaluation of LED projects.

4.4 Local Economic Development and Earned Value Management

There is evidence that LED programmes or projects are not properly managed, monitored and evaluated at all levels of government, namely national, provincial and local government or municipal level. The main challenges identified were poor coordination, lack of scarce skills, lack of resources and poor monitoring and evaluation and or lack of it. However, there was recognition at all levels that promoting LED and implementing LED effectively would require a systematic approach. For example at a local government level, all the municipalities consulted have LED sections with one or two staff. IDP is a development planning strategic approach for all municipalities in South Africa, where LED is located. However there is a strong view about the location of LED within IDP. The argument was that LED encompasses all management functions and that integrated planning was one of these management functions. Other important management functions such as monitoring and evaluation were overlooked (Nel, 2005).

Inherent to this was another important management function, which is performance assessment. This was also overlooked in the IDP document, which is a document municipalities need to develop annually. This downplayed the importance of assessing the effectiveness of LED projects. Monitoring and evaluation is one of the project management control functions or processes, which has its own sub-systems and tools or techniques, such as a rudimentary performance-based system. A rudimentary performance-based system puts emphasis on monitoring and evaluation to assess the performance of an organization and its programmes.

To assess the performance of an organization, accurate and relevant information is required. One of the shortcomings of the LED was a lack of information to assess the performance of LED programmes and projects. This poses a serious challenge to the performance assessment of the programmes and the organization driving the programmes. Davis (2006:43) stated “evidence of evaluation is not provided concerns about the effective capacity of local government to evaluate LED has been questioned”.

According to Czarnigowska (2008), earned value method is adopted by many organization worldwide because it facilitates progress monitoring and project status. Therefore EVM is a highly recommended tool for monitoring and evaluation of projects of different types. Undertaking an analysis of a programme or project using EVM makes it easy to recognize at an early stage of a project’s development is either behind time or over budget. This provides a project manager with adequate opportunities to take corrective action. There can be no doubt that LED project managers require such tools to manage and control LED programmes and projects. Currently, there is a lack of information to assess LED programmes and projects.

Initially, EVM was perceived as a complex, expensive method. However, new developments and modifications of EVM suggest that it is a fairly easy technique, which can be modified to suite different types and sized programmes including LED. EVM can help policy decision-makers answer fundamental questions about whether promises and goals were achieved. The accurate information about a project’s progress contained in the EVM is a cornerstone of any performance-based M&E system. Implicit in this is that performance measurement is a management tool for both government officials and stakeholders.

Despite acknowledgment of EVM as a suitable tool for monitoring programmes and projects, there are challenges within municipalities to implement this recommended integrated approach effectively. For example, it was apparent that the conceptualization of LED at municipalities was a challenge. In the different municipalities consulted, including one Metro, there were no LED policies guiding LED processes and projects

and there was no monitoring and evaluation system in place. Therefore there was an urgent need to capacitate LED officials at municipal and government levels conceptually to make them understand that LED goes beyond agricultural and tourism projects.

Municipalities must also be capacitated to understand the importance of monitoring and evaluation tools such as EVM. Based on this study, EVM is recommended as a suitable tool to monitor LED and its programme and projects. It must first be adopted as an integral monitoring methodology for LED, which must be followed by the development of a model for effective implementation. Due to the shortage of resources in municipalities, the implementation of EVM methodology can be done in stages. Furthermore, adoption of EVM will not necessarily improve monitoring and evaluation of LED projects or programmes only, but can be a useful monitoring and evaluation tool for all projects undertaken by municipalities. This recommendation is supported by the fact that EVM has been tested for many projects internationally and that there is enough thorough research information to support EVM, although not specifically related to LED.

4.5 Conclusion

The majority of municipalities in KwaZulu are based in rural areas and IDP is a strategy policy document to guide service delivery at municipal level. IDP is underpinned by the Municipal Systems Act (Act 32 of 2000). The major challenges facing municipalities is the lack of capacity and resources and these challenges have a great impact on delivery of LED projects. Due to these challenges, the municipalities consulted lacked understanding of LED, and the majority of LED projects were on agriculture and tourism. A lack of capacity in LED arena is a world-wide problem as Blakely & Leigh (2010:105) stated that collaborative strategies are required because there was “ a reduced capacity for any one government agency. It also emerged that a strong LED policy framework is required in South Africa to guide LED planning, implementation and evaluation at local government level. It emerged that monitoring and evaluation was a challenge as there was no system of monitoring and evaluation of IDP. Emerging from the literature is that EVM is an effective project management methodology suitable to monitor LED.

CHAPTER 5 MONITORING AND EVALUATION SYSTEM IN THE PUBLIC SECTOR IN SOUTH AFRICA

5.0 Introduction

According to the RSA's Policy Framework for the Government-wide Monitoring and Evaluation System Policy Framework (GWMESPF) (2007) it is a statutory requirement that national government departments, provincial departments and municipalities establish a monitoring and evaluation system for their institutions. This chapter reflects on the findings about the monitoring and evaluation systems in the public sector. In South Africa the government comprises three spheres, namely local government, provincial government and national government. Both the national government and provincial government have a primary responsibility to develop frameworks, policies and laws, which will be implemented at local government level. One of the objectives of the study was to explore monitoring and evaluation systems.

It emerged that the national and provincial governments drive the strategic management frameworks and programmes. Local government is expected to drive the execution of projects emanating from the strategic frameworks. It was therefore expected that the interdependence of these spheres would be extended to monitoring and evaluation. According to the new government M&E framework, national and provincial governments oversee execution and monitoring and evaluation at all spheres of government.

This study seeks to explore whether a monitoring and evaluation system was in place and implemented at provincial government, and to verify if, local government or municipalities were consulted. The GWMESPF stated that all municipalities and affected stakeholders are supposed to have an M&E system in place. As noted in the previous sections, the glaring challenge was the issue of capacity in the government sector, including both human and capital resources. It would appear, however, that the issue of lack of capacity is sometimes misconstrued. Some municipalities are well resourced, yet when reviewing their annual reports, lack of capacity always surfaces.

Effective monitoring and evaluation will require adequate, skilled personnel to undertake among other things, surveys or data collection, and analysis and reporting, as these activities are part of the monitoring and evaluation process. The use of external service providers must be considered where it will enhance the capacity of the internal staff. It was not clear why persons with the required skills were not appointed, if there were resources available to appoint external service providers. It was observed that many positions in the government were not filled. Monitoring and evaluation units were fairly new, and lacked people with adequate knowledge to drive them. This emerged from all levels of the government.

5.1 Status of Monitoring and Evaluation Systems in South Africa

Towards institutionalization of monitoring and evaluation, the National Treasury has developed policy and regulatory frameworks to manage government programmes' performance and to ensure that public service delivery is efficient and effective. All government institutions are expected to plan, execute, monitor and evaluate their programmes, projects and activities. The Public Finance Management Act (PFMA) (Act 1 of 1999) requires that all government departments prepare and submit their strategic plans, allocate financial and non-financial resources and monitor results and performance.

In 2004, the Government went a step further and introduced the Government-wide Monitoring and Evaluation System Policy Framework (GWMESPF) to enforce performance monitoring and evaluation of government programmes. Departmental programmes were then required to be monitored and evaluated according to the provisions of the PFMA and the Treasury Regulations as well as the GWMESPF. The GWMESPF appears to have been a response to the inability of some departments to meet performance targets as stipulated in the PMFA. Government reports and publications prepared by monitoring institutions such as the Public Service Commission and the Auditor-General revealed that there was a lack of accurate information to assess the performance of departments' programmes (PSC, 2007).

The GWMESPF was regarded as an M&E system; however, it transpired that this system has not filtered down to the lower levels of government. Evidence from the provincial departments and the respondents interviewed for this study confirmed that the monitoring and evaluation system did not exist at the time the research was conducted. However, there were processes and mechanisms in place to develop the framework for a monitoring and evaluation system. It was also apparent that even though there is a national policy framework for monitoring and evaluation, it was not clear whether the system would be effective. There were glaring symptoms of a lack of coordination at the provincial level and there were no records of consultation with different municipalities about the system. On the bases of these challenges, capacitating of personnel on monitoring and evaluation is critical.

In terms of institutional arrangements, the Office of the Presidency and Offices of the Premiers in different provinces have an oversight role to oversee implementation of the GWMESPF. The National Treasury and Provincial Treasuries would then oversee an iterative process of implementation and monitoring of the system, especially as regards financial matters. It was the responsibility of the National Departments and Provincial Departments to ensure that this system was adapted or modified to be implemented by local government or municipalities. It also transpired during the research study that communities did not participate or feature anywhere in the new GWMESPF. A system of this nature would be expected to consider community participation as paramount. It was therefore strange that the communities who were the main stakeholders or beneficiaries of Government programmes were left out. It is not clear how evaluation of the impact of these programmes could be undertaken if the end-users were not part of the institutional arrangements. This was one of the glaring shortcomings of the policy framework.

The literature on monitoring and evaluation clarifies three critical elements of evaluation, namely outputs, outcomes and impact. Roger (2008) provides more insight into this through a theory of change. A system, which lacks detailed clarification of the above-mentioned elements, has serious shortcomings. While the new GWMESPF was a good idea, it lacked consideration of outcomes or impact assessment, since it did not provide

for community participation and involvement. This policy framework focused on monitoring „input-output“ interactions, which was not good enough. Monitoring and evaluation is more than an input-output relationship; it must also address the issues of outcomes and impacts.

Furthermore, this policy framework presented monitoring and evaluation as a single process, despite the fact that it has been established in the literature that monitoring and evaluation was made up of two interdependent processes, namely the monitoring process and the evaluation process. To misconstrue it as one process has the potential to overlook specific issues associated with each independent process.

The PSC's (2007:107) report on the auditing of the government poverty reduction programmes and projects noted that “project management systems are often not introduced, criteria for support are not clearly defined and results are not monitored or evaluated”. The report also indicated that there were no effective monitoring systems to effectively audit and evaluate the impact of the government's development programmes.

This was also evident during the case study as one of the development managers interviewed stated that “monitoring and evaluation has been at ad hoc basis”. This means that although there was a national policy framework for M&E, its effects had not reached the other levels of government. Departments and municipalities continued with their normal business of service delivery, hoping that they would implement the GWMESPF. There seems to have been no plan to implement the system at a local government level. Due the fact that this system was at an early stage of its development, it was difficult to determine whether it was effective or not. This was also a recurrent perception on the part of all the interview respondents that it is not effective.

The other challenge to effective implementation of the system was the issue of capacity in government. This posed a serious threat to effective execution, as the quality of service in the public sector is generally poor. The introduction of the GWMESPF was a step in the right direction in improving monitoring and evaluation of government programmes.

The research study showed that in order to implement an effective monitoring and evaluation system, buy-in by the executive or government decision-makers was paramount. The respondents believed that monitoring and evaluation would not be successful if top management did not support them. These views are supported the literature, which stated that to be successful, all programmes require support by the top management of an organization. The role of top management is mainly to provide adequate resources. It is therefore critical to locate the programme where the required resources will be provided. Even though a bottom-up approach is highly recommended, at times the top-down approach is also important for a system to be effective.

There are various capacity constraints within government, including a lack of resources, lack of human capital, and the government system itself. The inability of the government to provide the required resources at the right time is a worldwide phenomenon. This is illustrated by the fact that several policies developed by the government took many years to be implemented effectively. This is relevant to the M&E System, which is yet to be implemented at provincial level. There is no guarantee that all departments are ready to commence with implementation.

This study concluded that the situation is worse at local government level. Municipalities plan their annual programmes using the IDP guidelines as a strategic guiding document. On reviewing some Auditor-General's reports, it appeared the issue of scarce resources is very serious at local government level. These reports showed that the majority of the municipalities are far from being ready to deal with new challenges due to lack of capacity and lack of resources.

Several studies have been undertaken to address the problem of scarce resources (Isaac, 2006; Nel, 2005; Rogerson, 2006). One of the recommendations was to improve municipal capacity building through the use of external service providers. Most municipalities used external service providers to address capacity issues, but not much progress can be said to have been made in terms of addressing „lack of capacity“;

especially on a long-term basis. It is not a problem for a particular municipality to use external service providers as long as that use will improve capacity for the municipality.

The issue of human capital such as adequately qualified personnel at a municipal level requires urgent attention. The onus is on municipalities to attract the relevant scarce skills. Unfortunately corruption has manifested itself at different levels in municipalities. It appears that the majority of positions are filled by personnel that lack the proper or relevant qualifications. This view is justified by the fact that, while most positions or posts are filled, when assessments are undertaken, the issue of scarce skills always surfaces. The logical thinking is that if the positions were indeed filled by persons with relevant qualifications, there would not be a scarce skills shortage.

It is understandable that it is difficult for small and rural municipalities to attract relevant, qualified persons due to competition with better-resourced municipalities. These „low category municipalities“ cannot provide decent salaries for scarce skilled personnel. Conversely, adequately resourced municipalities have good sources of revenue and they provide attractive opportunities for scarce skilled people. There does not seem to be an immediate solution to this question and the gap between the South African municipalities is likely to remain in place for many years. This hinders implementation of systems like the New Government-wide Evaluation Monitoring and Evaluation System Policy Framework.

5.2 Special Funding For Development Programmes in KwaZulu-Natal

Different modes of funding development exist to alleviate poverty and improve economic growth. For the purpose of the study these are referred to as special funding. It emerged during the research that both internal and external funding sources targeted LED in KwaZulu Natal. Exploring these funding mechanisms resulted in the emergence of important recurrent themes such as lack of resources and lack of capacity. The role of funding agencies is important but it is also equally important to provide financial contribution that will add value and sustainability. The basic fundamentals must be

considered by the funding agencies. A funding agency first must undertake a critical analysis of the situation where funding will be provided. It emerged from the study that funding was very critical for the success of development programmes at both Provincial and Local Government levels. „Special funding“ in this study refers to funding of government initiatives through donor agencies such as Gijima Projects and Project Consolidate.

These funding mechanisms“ common purpose was to improve government“s service delivery by addressing the issue of the „lack of resources“ and capacity building. Although these funding initiatives provided short-term solutions to development programmes in KwaZulu-Natal, it can be said that they provided the municipalities with tremendous opportunities to improve the delivery of services, and at a faster pace than previously. These initiatives also provided the lesson that provision of resources must be supported by tangible and direct support to municipalities if the effectiveness of the intervention is to be realized. It is not good enough to provide funding and hope that the funding will solve the problems. Funding is only effective if it is combined with hands-on support.

A comparison was made between these funding mechanisms and the normal government budgeting process. Accessing support from outside donors was not as rigid and cumbersome as the government process. Municipalities could easily identify projects, and plan their implementation as well as their monitoring. These funding mechanisms had very effective project management principles, which are often lacking in public sector organizations. A municipality that desired support had to prepare a proposal with a plan to implement the project. This project plan would be a guiding tool for the funding agency in terms of the milestones to be achieved. The projects would be managed according to project management principles, and participating municipalities would undertake the projects according to these principles.

The challenge is that these funding agencies were a short-term solution for financial problems facing the government. The study was conducted at a time when both Gijima Projects and Project Consolidate were in their final year of operation. It could not be established whether the participating municipalities would sustain their activities according to the project management principles after the funding agencies had pulled out. A plan was in place for Gijima projects to be evaluated by the European Union, the donor agent, to determine their impact. This would measure the extent to which the programme or funding accomplished its intended purpose.

Government could learn a number of lessons from this approach. Although the government has several programmes in place, a process of programme evaluation should be conducted. The PSC (2007) report recommended that the government adopt effective processes and systems to implement its programmes. It can be therefore be deduced that this was also referring to programme impact assessments. The challenge from the government point of view was that it was often constrained by poor coordination and the poor integration of service delivery systems. To address these challenges the government must be more efficient in the proper planning, and execution and control of these programmes. Monitoring and evaluation of performance must be a priority.

5.3 EVM as a Tool for M&E for Programme or Project Management in the Public Sector

It is deduced from the literature review that EVM is one of the tools for monitoring and evaluation for development programmes. This study intended to determine if this tool was considered by government to manage its programmes and projects. It emerged that none of the respondents consulted had ever used EVM. They knew nothing about it, despite the fact that EVM was adopted by the United State Department of Defence many decades ago. Furthermore previous studies concurred that EVM was highly accepted by many senior managers and project managers in the countries where it was practiced.

It is not surprising that the respondents did not know about EVM, given the fact that an M&E system was not in place. In cases where M&E was starting to emerge, it was at an early stage of development with a plethora of challenges. This lack of knowledge is a matter of concern, considering the fact that important legislation such as the Public Finance Management Act (PFMA) (1999), and the Municipal Finance Management Act provides for the government to monitor and evaluate its development programmes. As a consequence of poor monitoring and evaluation, there have been gaps in the information needed for effective service delivery and monitoring and evaluation. EVM is a good monitoring tool to support and improve M&E of the government's programmes and projects. Once made aware of EVM, the respondents agreed that it could be a solution to their problems.

From the literature, EVM provides a realistic and accurate picture of project progress in order to predict uncertainty and project outcomes. EVM provides the project status quo in order to undertake regular periodic monitoring and report on the overall health of the project. These are critical areas, which have been lacking in the government's project management processes. Government programmes and projects have often failed to provide auditors with accurate and adequate information to be able to predict and assess the outcomes and impact of the programmes. EVM has been tested internationally and the general conclusion was that it was useful for different organizations (private and public), and for different types of projects or programmes. However, achieving successful EVM implementation requires deeper and more systematic research and analysis. This is important in order to design EVM, which will suite the specific circumstances.

A challenge lies in the fact that EVM requires adequate resources. The government does not always have sufficient resources and most projects or programmes fail because they lack an adequate financial injection. As a result there is not sufficient administrative support, effective training, and updated information technology to support new innovations like EVM. The other challenge is the inability of the public sector to effectively coordinate service delivery. Communication is one of the critical elements for implementing successful EVM as well as programmes as a whole. Therefore the

government needs to set up channels to facilitate communication and collaboration among role players. A better communication strategy is perceived as vital to allow other stakeholders to understand EVM and to enhance project or programme performance.

5.4 Conclusion

The purpose of this chapter was to explore the critical issues that emerged during the study with respect to monitoring and evaluation of the public sector in KwaZulu-Natal. It was established that government had developed a framework on M&E. Apparently due to a lack of resources it took a long time before this M&E system was implemented. Departments and Local Government (Municipalities) were using PMFA and Municipal Finance Management Act (MFMA) provisions or guidelines to implement their financial management plans. These pieces of legislation provided the public sector institutions with a mechanism to meet their financial obligations according to the strategic plans of the institutions. A monitoring and evaluation system was lack despite provisions in these pieces of legislation.

An effective monitoring and evaluation system with tools to implement programmes and projects needs to be developed in order to improve sustainable service delivery by the public sector. One of these tools is EVM, which must be tailored to suit government systems. It is also apparent that the public sector must adopt EVM at a strategic level in order to provide sufficient resources, as the examination of external funding agencies' interventions showed that provision of adequate resources is vital to improve service delivery. However, the public sector is consistently let down by its inability to deal with capacity problems. The solution lies in the efficient use of available resources, which government has been accused of not doing.

CHAPTER 6: CONCLUSION

6.1 Monitoring and Evaluation and LED in the Public Service

The study aimed to explore monitoring and evaluation of the public sector and to determine whether local economic development (LED) projects can be monitored and evaluated using project control technique such as earned value management method (EVM). This study also aimed to explore if the public service has realized an importance of monitoring and evaluation systems as a mechanism for managing the performance of its development programmes and projects. The study provides insight into institutionalization monitoring and evaluation (M&E) within the context of assessing public sector development programmes. It emerged that M&E is gaining attention with the development community because it is no longer satisfactory to complete projects. The focus is shifting to assessment of the impact of projects completed (Uitto, 2004). The public sector or service has many development programmes and LED was chosen as a case study because it has attributes that provide an excellent theoretical and practical base to unpack and contextualize monitoring and evaluation tools (Van der Waldt, 2004).

In South Africa LED strategies are an evolving approach to development (Isaacs, 2006:1). There is much to be done to contextualize both LED and monitoring and evaluation in the South African public sector. In South Africa, the government is made up of three spheres: National Government, Provincial Government and Local Government. As far as LED was concerned there was a policy coordination gap in terms of the specific roles at different levels of government. It is well articulated in the literature that LED must be implemented at local government level. Although it was found that LED offices existed in all the municipalities consulted, there was a failure to conceptualize LED adequately. There was no LED policy except for the LED policy framework, which did not provide a mechanism for implementation of LED at local government level.

Monitoring and evaluation of LED was also explored and it was apparent that monitoring and evaluation in the public sector was not well established. This was revealed during discussions with the respondents from the departments consulted in KwaZulu-Natal. However, the process of establishing monitoring and evaluation units was in progress. The Government-wide Monitoring and Evaluation System Policy Framework did not provide for implementation or consideration of monitoring and evaluation at local government level. This was an indication of a policy gap within the public sector.

It shows that there is no mechanism to monitor and evaluate specific programmes. Rather, government performance as a whole is monitored and evaluated due to PFMA requirements. It was therefore difficult to ascertain the effectiveness of LED because at the planning stage, no consideration was given to monitoring and evaluation. The other critical point was that in the Government-wide Monitoring and Evaluation Systems Framework Policy, M&E is regarded as one process.

Monitoring and evaluation processes are two interdependent processes. The literature warns about the danger of regarding M&E as one process. This study found that until M&E is recognized as two interdependent processes in the public sector, systematized M&E would not achieve the desired outcomes. Regarding monitoring and evaluation as one process will not help the government to assess progress. An effective government monitoring and evaluation system will remain a challenge for the following reasons: Lack of resources; poor coordination; lack of properly skilled personnel and lack of conceptualization.

As a result of the above challenges, development programmes such as LED will not be successfully executed. The failure of practitioners to conceptualize LED is another critical problem. Lack of knowledge and understanding of project management tools pose a serious challenge to government in achieving its development outcomes. Nevertheless it can be stated that M&E of development programmes is required. LED programmes and projects must be monitored and evaluated to determine their impact.

6.2. Recommendations of Earned Value Management as a Methodology for LED M&E

Although an earned value management (EVM) system or methodology was not found to be used by during the research, it is nonetheless an important tool. This is based on the number of studies on EVM. The definition of an earned value management (EVM) system or methodology was addressed in the literature review. However it is important to reflect why EVM was found to be a suitable tool for monitoring and evaluation of development projects or programmes. Many EVM advocates such as Christensen (1998), Marshall (2005) and Rose (2005) have concurred that EVM is an excellent methodology to monitor and evaluate projects. In South Africa, the Public Service Commission (PSC) has found that M&E systems are either non-existent or not effective in the public sector (PSC, 2007). The literature review further revealed that EVM could go a long way to solve the problems of monitoring systems in the public sector (Kim et al., 2003).

The research study did not find a single public sector department or municipality that used EVM or any other formal monitoring technique or system. This was not surprising given the fact that the institutions like the PSC and other commentators stated that the M&E system in South Africa is weak. Local government is lagging behind with regards to monitoring and evaluation, because there is no M&E framework. This calls for consideration of a monitoring and evaluation tool such as EVM during the planning stages. EVM is a good monitoring tool, which can be designed to suite LED projects but adequate resources must be available to capacitate LED and M&E practitioners about EVM and other tools.

6.3 General Recommendations

The public service in South Africa needs a simplified methodology or technique to monitor and evaluate its development programme management in order to achieve effective performance of the public service. This calls for a specific focus on capacitating public sector personnel in project management techniques and monitoring and evaluation techniques.

The shortage of skills, lack of resources, and lack of capacity in the public sector pose a serious concern. However a strong partnership between the private and the public sector is recommended. The public sector should invest in critical skills such as project management, financial management, research and monitoring and evaluation. It is also critical that the public sector develops effective capacity building programmes with an emphasis on these critical skills. Capacity development here refers to a process of ensuring that individuals, institutions, and groups have the ability to identify their development problems over time, and a mechanism to address such problems.

REFERENCES

Affirm, 2006. *Maximizing the Value of Earned Value Management*. A Resource Paper Sponsored by the Association for Federal Information Resources Management. (Online) Available < www.affirm.org > [Accessed 12 November 2009].

Alvarado, C. M. Silverman, R. P. & Wilson, D. S., 2004. Assessing the Performance of Construction projects: Implementing Earned Value. *Journal of Facilities Management*, Vol. 3(1), Jul, p. 92.

Amevor, F. and Borzikowsky J., 2005. *Building a Case for Earned Value Management in the Private Sector: Feasibility Study to Investigate the Implementation of EVM in an IT Service Company*. Masters Thesis for the Award of Swedish Master with Focus on International Project Management.

Anbari, F.T., 2003. Earned Value Project Management Method and Extensions. *Project Management Journal*, PMI, 29(2), 12-23.

Baber E. and Miley F., 2002. Monitoring Project Progress: More than series of feedback loops. *Paper presented at the 2002 Australasian Evaluation Society International Conference October/November 2002: Wollongong, Australia.*(Online) Available at <<http://www.aes.asn.au>> [Accessed on 15 October 2008]

Barrett, B., 2004. *Mixing Qualitative and Quantitative Methods of Analyzing Poverty Dynamics*. University of Cornell, March 2004.

Bartik, T. J., 2002. *Evaluating the Impacts of Local Economic Development Policies on Local Economic Outcomes: What has been done and What is Doable?* Upjohn Institute Staff Working Paper No. 03-89. USA.

Bartik, T. J. and Bingham, R.D., 1997. Can Economic Development Programs Be Evaluated? Upjohn Institute Staff Working Paper No. 03-89. USA. A Revised version of this Paper was Published in R. Bingham and R. Miers, Eds., *Dilemmas of Urban Economic Development: Issues of Theory and Practice*. Thousands Oaks, CA: Sage Publications, 1997, 246-277.

Binns, T. and Nel, E., 1999. Beyond the Development Impasse: The Role of Local Economic Development and Community Self-reliance in Rural South Africa. *The Journal of Africa Studies*, 37,3 (1999), pp. 389-408. Printed in the United Kingdom.

Blakely, E. J., 1989. The Meaning of Economic Development: Planning Local Economic Development Practice and Theory. Newbury Park: Sage 57-70.

Blakely, E. J. and Leigh N. G., 2010. *Planning Local Economic Development: Practice and Theory*. 4th Edition. United State of America.

Blomquist, J., 2003. Impact Evaluation of Social Programs: A Policy Perspective. *Social Protection Human Development Network*.

Bond, P., 2002. Debate in Local Economic Development Policy and Practice: Reversing Uneven Development and Reactivating Municipal Services for a “ Post Washington” Economic Epoch, Municipal Services Project, *Research Series Occasional Paper*, University of the Witswatersrand, Johannesburg.

Books, M., 1997. In-depth interviewing as Qualitative Investigation. Waseda University

Boyce, C. and Neale, P., 2006. Conducting In-Depth Interviews: A Guide for Designing and Conducting In-Depth Interviews for Evaluation Input. *Pathfinder International Tool Series. Monitoring and Evaluation 2*. Watertown, USA.

Brown, E. D., 2007. Strategic Project Management: Aligning Technology, Strategy, People, & Projects. (Online). Available at <<http://www.ericbrown.com>> [Accessed 27 November 2010].

Brownsword, L. and Smith, J., 2005. Using Earned Value Management (EVM) in Spiral Development. *June 2005, Technical Note CMU/SEI-2005-TN-016*. (Online). Available <http://www.sei.cmu.edu/publications/documents/05_reports/05tn016.html> [Accessed 09 November 2008].

Bryson, J. M., 1995. *Strategic planning for public and nonprofit organizations: A guide to strengthening and sustaining organizational achievement* (Rev. ed.). San Francisco, CA: Jossey-Bass Publishers.

Burke, R., 1999. *Project Management: Planning and Control Techniques*. 3rd Edition. Cape Town: Technical Books {Pty} Ltd Distributors.

Chan, A. P. C., 2001. Framework for Measuring Success of Construction Projects. Queensland University of Technology. Brisbane, Australia.

Chan, A. P. C and Chan, A. P. L., 2004. Key Performance Indicators for Measuring Construction Project Success. *Benchmarking: International Journal*, Vol.11 (2), p.203-222.

Chen, M. T., 1991. Applying Earned Value Procedure to Engineering Management. *Transactions of AACE International*. Vol. 7, p. 1-11.

Christensen, D., 1998. The Cost and Benefits of Earned Value Management Process. *Acquisition Review Quarterly* 5: 373-386. (Fall 1998)

Cleland, D. I., and Ireland, L. R., 2002. *Project Management: Strategic Design and Implementation*. 4th Edition. Singapore: The McGraw-Hill Companies, Inc.

- Cloete, F., 2005. Towards a Monitoring and Evaluation System for Sustainable Development in South Africa. *Last Updated: 21 Nov 2005*. University of Stellenbosch.
- CREST, 2005. A Monitoring and Evaluation Framework to Benchmark the Performance of Women in the NSI. *Final Report to the Set 4W Reference Group* Volume 1. Main Report, Stellenbosch University.
- Croswell, J. W., 2003. *Research Design, Qualitative and Mixed methods Approaches*; (2nd Edition), Sage Publications, Thousand Oaks.
- Czarnigowska, A., 2008. Earned Value as a Tool for Project Control. *Budownictwo i Architektura*. Vol.3 (2), 15-32.
- Daniels, M. J., 2007). Central place theory and sport tourism impacts “. *Ann. Tourism Res.* Vol. 34(2), p. 332-347
- Davis, J., 2005. Addressing Poverty through Local Economic Development. *Natural Resources Institute, DSA Conference*, September 2005.
- Davis, J. R., 2006. Evaluating and Disseminating Experience in Local Economic Development: Observation on Integrated Development Programmes of the Free State. *Working Paper*. Republic of South Africa
- Dimitrova, M., 2005. *Earned Value Project Management: A Model for Project Performance Evaluation in Ericsson AB*. Masters Thesis No.2005:7. Goteborg University.
- Dorsey, P., 2005. Top 10 Reasons why systems projects fail. Dulcian. Inc. Available online at: <http://ww.dulcian.com> [Accessed on 13 October 2010]

DPLG, 2006. *Stimulating and Developing Sustainable Local Economies. National Framework for Local Economic Development (LED) in South Africa*. Discussion document. March. Pretoria: Department of Provincial and local government

DPLG, 2007. *Policy Process on the System of Provincial and Local Government. Background: Policy Questions, Process & Participation*. The Department of Provincial and Local Government. Republic of South Africa.

Driscoll, D. L., Yeboah, A., F. Salib, P. and Rupert, D. J., 2007. Merging Qualitative and Quantitative Data in Mixed Methods Research: How To and Why Not. *Ecological and Environmental Anthropology 2007*. Vol. 3, No.1

Dvir, D., Raz, T. and Shenhar, A. J., 2003. An Empirical analysis of the Relationship Between Project Planning and Project Success. *International Journal of Project Management*. 21 (2003), p. 89-95.

Elkins, C., 2006. Monitoring and Evaluation (M&E) for Development in Peace-Precarious Situations. *Prepared for The North-South Divide and International Studies 47th Annual ISA Convention*, March 22-25, 2006. USA

Esteves, J. and Pastor, J., 2004. Using a Multimethod Approach to Research Enterprise System. *Electronic Journal of Business Research Methods Volume 2*, Issue 2. pp. 69-82. Academic Conference Ltd.

Ferreira, A., Sykes, O. and Batey, P., 2009. Planning Theory or Planning Theories? The Hydra Model and its Implications for Planning Education. *Journal for Education in the Built Environment*, Vol. 4, Issue 2, December 2009 pp. 29-54 (26)

Ferle, M., 2006. Implementing Earned Value Management on IT Projects. *19th International Cost Engineering Congress Award in 200* . Ljubljana.

Fielding N., 1993. Analysing Qualitative Data by Computer. *Social Research Update1*. University of Surrey, United Kingdom.

Fleming, Q. W. and Koppelman, J. M., 2004. If EVM is so Good... Why Isn't used on all Projects? Primavera System Inc. This article was first published by the Project Management Institute's College of Performance Management, *The Measurable News*, Spring 2004.

GAO, 1991. *Using Structured Interviewing Techniques*. Program Evaluation and Methodology Division: United States General Accounting Office. Washington, DC.

Gibb Goldman, I., 2005. A framework for Monitoring and Evaluation of Pro-Poor Local Economic Development. *World Bank-Netherlands Partnership Programme (BNPP): Evaluating and Disseminating Experiences in Local Economic Development (LED), Investigation of Pro-Poor LED in South Africa*.

Gonzalez, E., 2005. Earned Value Management for IT Projects. Performance Project Management, *PMI-SAC Conference 2005*. Available online at: <http://www.prs1.ca> [Accessed on 22 August 2009]

Gowan, J. A., Mathieu, R. G. and Hey, M. B., 2006. Earned Value Management in a Data Warehouse Project. *Information Management & Computer Security: Vol.4 (1)*, p.37.

Gray, C. F., and Larson, E. W., 2003. *Project Management (The managerial Process)*. 2nd Edition. New York: The McGraw-Hall, International Edition.

GTZ Consulting and Research, 2006. *Housing, Economic Development and Productivity: Literature Review*. A Report for the Department of Trade and Industry, Reading RGI, NU. UK.

Hassen, E. K., 2000. Infrastructure Delivery and Employment Creation in South Africa. *Paper Presented at the Forum 2000 hosted by the Trade and Industrial Policy Secretariat at Glenburn Lodge from the 18-21 September 2000.*

Helmsing, A. H. J., 2001. Local Economic Development: *New Generations of Actors, Policies and Instruments for Africa.* Draft Papers for the 2001 Cape Town Symposium.

Henderson, K., 2005. The Benefits of Earned Value Management for “Strategic Commercial Imperatives”. *Originally published as a part of 2005 PMI Global Congress Proceedings – Singapore*

Henderson, H. A. and Bond, B. J., 1966. Evaluating Development Programme. *Journal of Cooperative Extension: Winter 1966. P. 233-239.*

Hindson, D., and Vicente, V., 2005. Whiter LED in South Africa? A Commentary on the Policy Guidelines for Implementing Local Economic Development in South Africa.

Hoff, K. & Stiglitz, J. E., 1999. *Modern Economic Theory and Development.* World Bank. Washington DC.

Hosein, A. N., 2003. A Framework for Monitoring and Evaluation in Public or Private-Sector Environment. *Published by the Project Management Institute Southern Cribbean Chapter, July 21, 2003.*

Hoskisson, R. E., Eden, L., Lau, C. M. and Wright, M. 2000. Strategy in Emerging Economies. *Acadkosemy of Management Journal, Vol. 43, 249–267.*

Human, F. M., 2007. *The Effectiveness of Integrated Development in the Free State*. Dissertation Submitted in Accordance with the requirements for the degree Magister in Development in the Faculty of Economics and Management Sciences. University of Free State, Bloemfontein.

HSRC, Rhodes University, University of the Free State and MXA, 2003. *Evaluation of Local Economic Development (LED) in the Free State Province*. Study undertaken for the Premiers Advisory Council of the Free State (Draft).

Hyvari, I., 2007. *Project Management Effectiveness in Different Organizational Conditions*. Helsinki School of Economics, ACTA Universitatis Oeconomicae Helsingiensis.

Inglis, L. and Minahan, S., 2002. The Failure of Strategic Processes in Australian NonProfit, Voluntary Organizations. *Working Paper 62/02, November 2002*. Monash University. Australia.

ILO, 2001. Overview and Learned Lessons on Local Economic Development, Human development and Decent Work. UNIVERSITAS.

ILO, 2007. *The ILO Approach to Local Economic Development for Decent Work- Opportunities for linking ILO expertise*. (Draft) A Position Paper for Internal Discussion. Available online at: <http://www.ilo.org/led>. [Accessed on 22 November 2011]

ILO ,2008. *Framework for Monitoring and Evaluation of ILO Sectoral Activities Action Programmes*. Authored by Achim Engelhardt, Monitoring and Evaluation Consultant. Available online at: <http://www.ilo.org/sector> [Accessed on 17 November 2010]

Iranmanesh Seyed Hossein and Zarezadeh Mansoureh, 2008. Application of Artificial Neural Network to Forecast Actual Cost of a Project to Improve Earned Value Management System. *Proceedings of World Academy of Science, Engineering and Technology*. Volume 32, August 2008 ISSN 2070-3740.

Isaacs, D. N., 2006. *Evaluating Local Economic Development in the City of Cape Town*. Thesis Presented for Partial fulfillment for the Degree of Masters of Art at the University of Stellenbosch.

James, P., 2004. Strategic Management Meets Knowledge Management: A Literature Review and Theoretical Frameworks. *5th actKM Conference. Research forum*. Canberra, ACT, Australia.

Jugdev, K., 2004. Through The Looking Glass: Examining the Theory Development In Project Management With The resource-Based View Lens. *Project Management Journal*, Vol.15(3), p.15-26.

Kahn, K. B., 1998. Revisiting Top-Down versus Bottom-Up Forecasting. *The Journal of Business Forecasting methods and systems*. Vol 17(2). P.14-19 .Summer 1998.

Kauffmann, P., Keating, C. and Considine, C., 2002. Using Earned Value Methods to Substantiate Change-of-Scope Claims. *Engineering Management Journal*; Mar 2002. Vol. 14 (1), p. 13;.ABI/INFORM Global

Kerzner, H., 1998. *Project Management, A systems Approach to Planning, Scheduling, and Control*. New York, NY. John Wiley & Sons Inc.(1998).

Khan, K. A., 2003. Earned Value Project Management as an Alternative Framework for Monitoring and Evaluation in the Public Sector. *Management Brief: Project Management Unit*. Government of Punjab.

Khanya-aicdd, 2006. Concept Paper for Khanya-Aicdd's Local Economic Development (LED) Practice. Available online at: <http://www.khanya-aicdd.org> [Accessed on 29 July 2008]

Kim, E. H, Wells, W. G. , and Duffey, M. R., 2003. A model for effective implementation of Earned Value Management methodology. *International Journal of Project Management*. Vol. 21 (2003) 375–382

Koskela, L. and Howell, G., 2002. Underlying Theory of Project Management is obsolete. *Proceedings of the PMI Research Conference*. 2002.p. 293-302.

Kuehn, U., 2007. Earned Value Management – Why am I Being Forced to Do It? *2007 AACE International Transactions*; EVM.05.

Kusak, J. Z. and Rist, R. C. , 2001. Building a Performance-Based M&E System: The Challenges Facing Developing Countries. *Evaluation Journal of Australia*, Vol 1(2). December 2001, p.14-23

Lacey, A. and Luff, D., 2007. *Qualitative Data Analysis*. Trent Research and Development Support Unit. National Institution for Health Research

Lambert, L. R., 1989. Understanding the Value of Earned Value or Where have your Dollars Gone? *American Association of Cost Engineers. Transactions of the American Association*. ABI/INFORM Global, p.32.

Leu Sou-Sen and Lin You-Che, 2008. Performance Evaluation Based on Statistical Control Chart Techniques. *Journal of Construction Engineering and Management*, ASCE, Vol.134 (10), p.813-819.

Lim, C. S. and Mohammed M. Z., 1999. Criteria for Project Success: An Explanatory Re-examination. *International Journal of Project Management*, Vol. 17 (2) p. 243-8.

Lipke, W. et al., 2008. Prediction of Project Outcomes: the Application of Statistical Methods to Earned Value Management and Earned Schedule Performance Indexes. *International Journal of Project Management*. Vol. 27 (2008), p.400-107.
doi:10.1016/j.ijproman.2008.02.009

Lipke, W. and Henderson, K., 2006. Earned Schedule: An Emerging Enhancement to Earned Value Management. *The Journal of Defense Software Engineering*. Vol. 19 (11), p. 26-30.

Longworth, S. R., 2002. Evolving Project Control Practices, *AACE International Transactions*; ABI/INFORM Global pg. CS 41.

Manona, S.S., 2005. *Smallholder Agriculture as Local Economic Development (LED) Strategy in Rural South Africa: Exploring Prospects in Pondoland, Eastern Cape*. A Thesis Submitted in Fulfillment of the Requirements of the Degree of Master of Philosophy (Land and Agrarian Studies) Programme of Land and Agrarian Studies. University of Western Cape.

Martins, J. H., Tustin, D. H., van Aardt, C. J., and van Wyk, H. de J., 2005. *Market Research in Practice*. 1st Edition. Pretoria: Unisa Press.

Marshall, A. R., 2006. The Contribution of the Earned Value Management System to Project Success contracted efforts. *Journal of Contract Management / Summer 2007*. p. 21-33.

Masika, R. and Baden, S. 1997. *Infrastructure and Poverty: A Gender Analysis*: Report prepared for the Gender Equality Unit, Swedish International Development Cooperation Agency (Sida), June.

Mbeya, J. and Musyoka, C., 2005. Mainstreaming Monitoring and Evaluation in Wealth Creating Strategies: Lessons for Government, Civil Society and Private Sector. African Association for Public Administration and Management. *26th AAPAM Annual Roundtable Conference*, Whitesands Hotel, Mombasa, Kenya 7th -11th March 2005.

McCaslin, M. L. and Scott, K. W., 2003. The Five-question Method for Framing a Qualitative Research Study. *The Qualitative Report*, Vol. 8 (3), p. 447-461. September 2003. Available online at: <http://www.nova.edu/ssss/QR/QR8-3/mccaslin.pdf> [Accessed on 15 July 2008]

McCrary, S. W., et al., 2007. Validation of Project Time Decision Support Tools and Processes. *Journal Industrial Technology*, Vol.23 (2). P.1-14. April 2007 through June 2007.

Meyer-Stamer, J., 2006. The Hexagon of Local Economic Development in South Africa. *Mesopartner Working Paper No. 05*. Available online at: <http://www.mesopartner.com> [18 August 2010]

Motherway, B., 2006. The Role of Community in Tracking Poverty in Ireland: *A literature Review for the Combat Poverty Agency*, Dublin: Combat Poverty Agency.

Mitchell, S. P., 2002. *Mapping Local Economic Development: A Case Study from the Wild Coast, South Africa*. Thesis submitted in partial fulfillment of the Masters of Medical Science Degree in Applied Epidemiology.

Moeti, K. L. B., 2000. Evaluating Projects and Programs in the South African Public Sector. *Journal of Public Administration*. Vol. 35 (4).

Ndiritu, C. G., 1999. Planning, Monitoring and Evaluation for Enhanced Institutional Efficiency and Effectiveness: The Case of Kari. *Paper Presented at the International Workshop on Assessing the Impact of Agricultural Research on Poverty Alleviation*. San Jose. Costa Rica, 14-16 September 1999.

Nel E. and Humphrys G., 1999. Local Economic Development: Police and Practice in South Africa. *Development South Africa*, 16.

Nel, E. L., 2001. Local Economic Development: A Review of Its Current Status in South Africa. Published in Nel, E. L., 2001 *Urban Studies*, Vol.38 (7) p.1003-1024.

Nel, E., 2005. Local economic development in South African small towns, in E.Nel and C.M. Rogerson (eds) *Local Economic Development in the Developing World: The Experience of Southern Africa*, New Brunswick NJ and London, Transaction Press, 253-266.

Newman, L. W., 1994. *Social Research Methods: Qualitative and Quantitative Approaches*. 2nd Edition. USA. Simon and Schuster Inc.

Niglas, K. 2004. *The Combined Use of Qualitative and Quantitative Methods in Education*. Tallin Pedagogical University Dissertations on Social Science.

NSF, 1997. *User-Friendly Handbook for Mixed Methods Evaluation*, edited by Joy Frechtling, Laure Sharp and Westal, Inc. August 1997. National Science Foundation, Division of Research Evaluation and Communication.

PMBOK, 2000. Project Management Institute: *A guide to the Project Management Body of Knowledge (PMBOK Guide)*: 2000 Edition.

PMI, 2004. *A Guide to the Project Management Body of Knowledge (PMBOK Guide, 3rd Edition)*. Project Management Institute, 2004. ISBN: 1-930699-50-6.

PMI, 2005. *Project Standard for Earned Value Management*. Newtown Square, Pennsylvania, Project Management institute, PMBOK Edition 2005.

Poister, G. H. and Streib G., 2005. Elements of Strategic Planning and Management in Municipal Government: Status After Two Decades". *Public Administration Review*, Vol. 65(3), p. 45-56.

PSC, 2007. *Report on an Audit of Government's Poverty Reduction Programmes and Projects*. Published in the Republic of South Africa by The Public Service Commission. <http://ww.psc.gov.za> [Accessed on 21 November 2010]

PSC, 2002. *Report on an Audit of Government's Poverty Reduction Programmes and Projects*. Published in the Republic of South Africa by The Public Service Commission. www.psc.gov.za [Accessed on 21 November 2010]

Republic of South Africa. 1996. *The Constitution of the Republic of South Africa (Act 108 of 1996)*. Government Printers: Pretoria.

Republic of South Africa. 1998. *The White Paper on Local Government, Department of Constitutional Affairs*. Government Printers: Pretoria

Republic of South Africa. 1999. *The Public Finance Management Act, Act 1 of 1999*. Government Printers: Pretoria

Republic of South Africa. 2000. *The Municipal Systems Act, Act 32 of 2000*. Government Printers: Pretoria.

Republic of South Africa. 2007. *Policy Framework for the Government Wide Monitoring and Evaluation System*. Shereno Printers: Pretoria.

Rives, J. M. & Heaney, M. T., 1995. Infrastructure and Local Economic Development. *Regional Sciences Perspectives*, Vol. 25(1). P.58-73.

Rocco, T. S., et al., 2003. Taking the Next Step: Mixed Methods Research in Organizational Systems. *Information Technology, Learning, and Performance Journal*, Vol. 21 (1), Spring 2003.

Rocheleau, B.,1998. The MPA Core Course Information. What should be taught? Why? *Journal of Public Affairs Education*, Vol.3, p.193-206.

Rodriquez-Bilella, P., 2006. *Knowledge Generation and Qualitative Research Methods: Perspective in the Context of Development Socio-anthropology*. Department of Social Sciences-University of San Jaun.

Rodriguez – Pose and Tijmstra, S., 2005: Local Economic Development as an Alternative Approach to Economic Development in Sub-Saharan Africa, *Paper Prepared for the World Bank – Netherlands Partnership Programme Evaluating and Disseminating Experiences in Local Economic Development*. World Bank, Washington

Roger, P., 2008. Using Programme Theory to Evaluate Complicated and Complex Aspects of Interventions. *Evaluation*, Vol. 14(2), p. 29-48

Rogerson, C. M., 1997. Local Economic Development and Post-Apartheid Reconstruction in South Africa. *Singapore Journal of Tropical Geography*. Vol.18(2), p.175-195.

Rogerson, C. M., 2006. The Market Development Approach to SMME Development: Implications for Local Government in South Africa. *Urban Forum*, Vol.17 (1), p.55-78.

Rose, K. H., 2005. Earned Value Project Management, Third Edition. *Project Management Journal*. Vol. 36(3), ABI/INFORM Global p. 63.

Ruskin, A. M., 2004. Two Issues Concerning the Use of Earned Value Measurements. *Engineering Management Journal*. Vol.16(3), p. 26.

Shenhar, A. J., Dvir, D., Levy, O. and Maltz, A. C., 2001. Project success: A multi-dimensional strategic perspective. *Long Range Planning*, Vol. 34(6), p. 699-725.

Simon, D., 2000. Contextualizing South African Local Economic Development in Current Development Debates: The International Setting. *Paper Prepared for the Conference on Local Economic Development in Post Apartheid South Africa*. University of Sussex, Brighton, 28-29 April 2000.

Slabbert T. J. C., 2004. An Investigation into the State of Affairs and Sustainability of Emfuleni Economy. Submitted in Fulfillment of the Requirements for the Degree, Doctor of Commerce (Economics) University of Pretoria. Pretoria.

Smith, J., 2004. *Evaluating Local Economic Development Policies: Theory and Practice*. University of Maryland. Version of January 12, 2004. Maryland.

Steiss, A. W., 1985. *Strategic Management and Organizational Decision Making*. Lexington, MA, D. C. Heath.

Storm, P. M. and Jansen, R. E., 2004. High Performance Projects: A Speculative Model for Measuring and Predicting Project Success. *Conference Paper Submitted to IRNOP VI Project Research Conference*. Track D: Project Theory.

- Stratton, R. W. , 2007. Applying Earned Value Schedule Analysis to EVM Data for Estimating Completion Date. *AACE International Transactions*, Vol. 4, p.1-3, EVMS.
- Sumara, J. and Goodpasture, J., 1997. Earned Value-The Next Generation-A Practical Guide for Commercial Projects. *Project Management Institute 28th Annual Seminar & Symposium*, Chicago, Illinois: Papers Presented September 29 to October 1, 1997.
- Taxen, L. and Lillieskold, J., 2008. Images as Action Instruments in Complex Projects. *International Journal on Project Management*. Vol. 26 (5), p.527-536.
- Tellis, W. 1997. Introduction to Case Study. *Qualitative Report*, Vol. 3(2), July 1997.
- Tomasetti, R., Cohe, S. and Buchholz, M., 2005. *Earned Value Management: Moving Toward government-wide Implementation*. Acquisition Directions, Advisory, Issues and Answers, August 2005.
- Tomlison, R., 2003. The local Economic development Mirage in South Africa. *Geoforum*, Vol. 34 (2003), p.113-122. Science Direct. Available online at <http://www.sciencedirect.com> [Accessed 14 November 2009]
- Uitto, J. I., 2004. Multi Country Cooperation around Shared Water: Role of Monitoring and Evaluation. *Global Environmental Change*, Vol. 14 (2004), p. 5-14.
- Vandevoord, S. and Vanhoucke, M., 2006. A Comparison of Different Project Duration Forecasting Methods Using Earned Value Metrics. *International Journal of Project Management*, Vol. 24, p. 289-302.
- Van Der Waldt, G., 2004. *Managing Performance in the Public sector, Concepts, Considerations and Challenges*. Juta & Co. LTD. Lansdowne

Vargas, R. V., 2003. *AACE International Transactions*; 2003; ABI/INFORM Global p. CS 211.

Vinzant, J. C. and Vinzant, D. H., 1996b. "Strategic Management and Total Quality Management. Challenges and Choices". *Public Administration Quarterly*, Vol.20 (2), p.201-219.

Von Krogh, et al., 2001. Making the most of your Company's Knowledge: A Strategic Framework. *Long Range Planning*, Vol. 34 (2001), p. 421-439. Available on line at: <http://www.lrpjournal.com> [Accessed 17 August 2009]

Warhoe, S. P., 2004 .The Basics of Earned Value Management *AACE International Transactions*; ABI/INFORM Global p. CS71.

Wilkins, T. T., 1999. *Earned Value, Clear and Simple. Los Angeles County Metropolitan Transportation Authority*. (Currently with Primevara Systems, Inc.

World Bank, 2006. *Building government monitoring and evaluation system: Independent Evaluation Group (IEG)*. Washington DC

World Bank Group, 2007. *Impact Evaluation-Qualitative Methods*. Washington DC.

Yonezwa, T., 2005. Practical EVMS for an EPC Project. *AACE International Transactions*; ABI/INFORM Global p. CS18

Detail Responses from in-depth Interviews and Case studies):

Table 1: Provincial Government

The case of Monitoring and Evaluation (M&E) at Department of Economic Development and Tourism (DEDT)	The Case of M&E at Department of Local Government and Traditional Affairs (DLGTA)
M&E Unit is a new component in the Department headed by a Senior Manager	M&E is also a new business unit headed a General Manager who is one level up to a Senior Manager's position.
M&E was operating under LED Unit as sub-unit	M&E Business Unit was created according in response to the Nationals Wide M&E Policy framework
M&E was established to develop M&E Frameworks	TLGA M&E Framework was developed but was waiting adoption by executive management
M&E Strategic Focus areas: Economic Planning; Coordination of M&E roles to other sections	M&E focus on supporting Department Branches and programmes to produce quality performance reports.
M&E Roles and Responsibilities To undertake study to determine the status quo of M&E To align M&E with other components of the Department To develop M&E Strategy	M&E Roles and Responsibilities: To consolidate quarterly, midterm and annual reports for the Department To Evaluate reports from all programme and provide feedback on short term and long-term outcomes To Monitor compliance of the business unit with the National Treasury and Provincial Treasury prescripts, policies and reporting requirement. To comply with the Auditor-general's Performance Audit Requirements.
M&E was not properly set up previously and was haphazardly undertaken to comply.	M&E was haphazardly undertaken and focusing on input-output relationship. Effectiveness or outcome or impact was not considered. Financial performance was the main focus to produce a product.
No proper M&E System existed	There was no National M&E Framework to guide provincial Departments M&E framework previously
Executive Management support was solicited and M&E enjoys support from senior management.	The Executive Management supported M&E Business Unit when it was introduced in the Organogram of the Department
M&E component is fully now accommodate in the Organogram of the Department	M&E Business Unit fully funded to appoint relevant human resources in the following year. Organogram approved to have Monitoring and Evaluation separate components for the Business Unit. Monitoring Component and Evaluation Component are headed by two Senior Managers.
M&E is now independent from other components M&E Unit is headed by Senior Manager	M&E Business Unit according to new structure is headed by a programme manager (General Manager) and two components Monitoring to be headed by

<p>M&E is not separated into Monitoring and Evaluation components.</p> <p>Capacity awareness campaigns to all departmental staff about new M&E</p>	<p>sub-programme manager (Senior Manager), and Evaluation component to be headed by a Senior Manager</p> <p>M&E Handbook was developed containing M&E frameworks</p> <p>Capacity awareness programme about the Handbook was in the plan for all components</p>
<p>Policy Frameworks underpinning M&E</p> <p>National M&E Framework from the Presidency</p> <p>Policy guidelines and principles in the National M&E Policy Framework to guide the Government Departments to form M&E</p> <p>Provincial Departments to align their M&E frameworks accordingly</p>	<p>Policy Frameworks underpinning M&E</p> <p>National M&E Policy Framework which is call the Government Wide Monitoring and Evaluation Policy Framework from the Presidency</p> <p>Policy guidelines and principles in the National Framework to guide government departments to form M&E</p> <p>Provincial Departments to align their M&E frameworks accordingly</p>
<p>New M&E Projects under pipeline is the Impact assessment of the Department strategic review</p> <p>The other perceived project is a methodology for year to year project monitoring</p> <p>Development of an integrated M&E system for the Department and for LED too</p> <p>Partnership between M&E and other Stakeholders in the pipeline</p> <p>Evaluation of Gijima Funding component of the Department</p> <p>Support of LED Unit</p>	<p>Evaluation Strategy for programmes and Municipalities was under the pipeline</p> <p>The Web-based Monitoring and Evaluation system was also under the pipeline</p>
<p>Gijima is a funding agent in the LED unit but its managed by EU officials seconded in the Department.</p> <p>Challenges:</p> <ul style="list-style-type: none"> ➤ Finalization of M&E Strategic plan ➤ Partnership with other stakeholders ➤ Capacity issues especially human and financial resources ➤ Formalization and adoption of M&E frameworks ➤ Alignment of components activities according to M&E frameworks. ➤ Improvement of APP of the department and Performance Indicators ➤ Quality performance reports from the components submitted for reviews 	<p>Project Consolidate was the municipal funding agency in the Department under the Special Initiatives Business Unit and not the Monitoring and Evaluation Unit.</p> <p>Challenges:</p> <ul style="list-style-type: none"> ➤ Supporting programmes in Setting of performance Indicators for outcomes ➤ Resources shortages such as Human resources and financial Resources ➤ Lack of Capacity of skilled staff with DLGA mainly scarce skills such as information technology and financial management. ➤ Lack of coordination of performance information for monitoring and evaluation at programme and sub-programme level. ➤ The process of filling of posts is slow and M&E operating with skeleton staff.

Findings: Funding Agencies

THE CASE OF PROJECT CONSOLIDATE AT DLTGA	THE CASE OF GIJIMA FUNDING AT DEDT
<ul style="list-style-type: none"> ➤ Project Monthly Reporting Template in place ➤ Progress reports Produce per project per month ➤ M&E Sessions are held with Municipalities ➤ Internal M&E Tool are used to monitor and evaluate effectiveness of funding to municipalities <p>Challenges:</p> <ul style="list-style-type: none"> ➤ Lack of capacity of municipalities in managing IDPs ➤ Resignations of planners who are project leaders of funded projects ➤ People with no experience and lacking of adequate planning knowledge ➤ Efforts are made to improve skills and outside stakeholders help such DBSA 	<ul style="list-style-type: none"> ➤ Gijima has completed 17 projects during the interview ➤ Report on completed project is available ➤ Some projects delay completion time but all completed as per budget ➤ Funding is 100% percent from EU and it was 6 programme <p>Challenges:</p> <ul style="list-style-type: none"> ➤ Projects delay completion time but not a budget ➤ Municipalities lack capacity to execute projects like LED ➤ Consultants are robed in but they do not seem to capacitate municipalities ➤ LED was. not properly managed in most Local Municipalities and some District Municipalities
<p>Process for accessing Project Consolidate funds:</p> <ul style="list-style-type: none"> ○ Qualifying municipalities submit their business plans to Project Consolidate Unit which has key performance indicators (KPI) ○ Committee will assess the business plans ○ Business plans showing potential of a positive impact on the lives of the communities get approval ○ Evaluation is undertaken the Project consolidate unit once the project has been funded 	<p>Process for Accessing Funds</p> <ul style="list-style-type: none"> ○ Gijima advertises all LED projects in the media, calling for proposals ○ Applicants initiate projects and prepare proposals, business plans and budget ○ A panel of experts evaluate proposal submitted by the Municipalities. ○ All successful projects are then distributed according the District LED Managers who will manage the implementation of the projects. ○ Successful Municipalities will then open a project account ○ Special funding is also made available to support municipalities to improve their LED offices.

<p>Monitoring Report states all municipalities supported with Project Consolidate funding improved in their performance reports</p> <p>Challenge is that Project consolidate fund is short-term to improve service delivery for needy municipalities.</p> <p>In the cases funding has stopped the municipalities' performance drops again hence statement that Project consolidated was effective.</p>	<p>Gijima provided Municipalities with capacity on different aspects such as financial management, recording keeping and project management. UE has it's monitoring and evaluation format or structure.</p> <p>When the project is completed UE monitoring and evaluation team assesses if the project was completed successful and evaluate it has an impact.</p> <p>The assessment reports indicate that those municipalities supported have a tremendous improvement</p> <p>Project Steering Committee is constituted to manage the project</p> <p>EU appoints researchers to undertake evaluation of funded projects.</p> <p>The Monitoring and Evaluation tools are given to researchers to undertake monitoring and evaluation.</p> <p>Monitoring involves checking everything such as turnaround time, financial issues, project management issues, such as Time, schedule, quality and budget</p>
--	---

Findings: Municipalities

<p>ETHEKWINI MUNICIPALITIES[LED MANAGER RESPONSES]</p>	<p>UMGUNGUNDLOVU DISTRICT MUNICIPALITY [LED MANAGERS RESPONSES]</p>
<p>The Respondent was a LED Manager and she was just appointed which has impact on the history of LED projects. The Respondent has vast experience of LED. EThekwini has completed several LED projects.</p>	<p>Umgungundlovu District Municipality has 5 Local Municipalities, and it coordinates and manages LED using National LED Framework as the policy framework, and the Constitution as the legal framework. During the study Projects completed at budget of R 1.2M</p>
<p>In IDP of EThekwini Municipality one of priorities is LED. Within LED focus areas are LED Strategy, LED Plan, for sectors such Tourism.</p> <p>For LED. When LED plan is approved, LED projects are initiated. A feasibility study or studies are undertaken to determine if these LED Projects will be feasible. The business plans are then developed for the successful LED projects. The business plans will contain details activities, milestones and</p>	<p>The role of the District is to facilitate LED in consultation the Local Municipalities, DTLGA and DEDT</p> <p>IDP is the main policy guiding all development planning initiatives at municipal levels.</p> <p>IDP plans is where District Municipality present LED plans and LED Strategy and all Local Municipalities LED strategies.</p>

<p>budget and project team. When the business plan is approved, then LED Section must apply for funding from Ethekwini Executive. The process is long and it takes the whole year and sometimes two years. There are no roll-overs and the project must be completed within the financial year.</p>	<p>LED plans provide the LED projects to be undertaken in the financial year. LED is viewed as the end result of the following results areas: Economic Development; Skills development; and SMME development to name a few.</p> <p>The objectives of the project determine the direction or approach for LED by the municipality.</p> <p>The purpose of the LED is to benefit the local communities</p> <p>LED must have competitive advantages and Tourism is the best example of LED focus.</p>
<p>Participation:</p> <p>The relevant stakeholders are identified during conceptualization stage and during IDP process.</p> <p>Each project has the steering committee formed to steer the project and monitor the project. Formation of steering committee involved identifying the relevant participants. Set of rules are developed and sent out with invitations to guide.</p> <p>Participation of stakeholders has been high and low. In some projects different people attended the same project from beginning to the end of the projects. This often has a negative impact of monitoring and steering the project effectively. Project Team members are formed per project.</p>	<p>Main Projects:</p> <p>DM main LED projects was 5 LED Strategies developed for each Local Municipalities under Umgungundlovu District Municipalities.</p> <p>These strategies were developed after a qualitative research was undertaken to each Local Municipality in consultation with LED Units at local municipality. Several workshops were held with different stakeholders and the LED strategy for each local municipality was presented to the Local Municipal Council.</p> <p>Belief is that LED will contribute to sustainable job creation, and skill development for women and youth</p>
<p>Challenges:</p> <ul style="list-style-type: none"> ○ Most projects are completed or finished out project plans. These projects do not finish within stipulated time frames. ○ There are no roll-overs which is also a challenge because project not completed within the current year will wait for new budget allocation to be completed. ○ There is huge challenge of monitoring and evaluation (M&E) system. ○ The impact of the completed LED projects is not known. ○ Monitoring and evaluation (M&E) is not done or planned for. <p>Earned Value Management (EVM) is not practiced and is not known.</p>	<p>Challenges:</p> <ul style="list-style-type: none"> ○ LED and IDP processes involved many stakeholders and therefore not easy processes. ○ Implementation of the LED strategies remains a challenge it must be done by the Local Municipalities. ○ There is a lack of Monitoring and Evaluation mechanism and DEDT has started a process to institutionalize M&E of LED projects. ○ There are also no performance indicators related to M&E ○ Another challenge is concentrating on monitoring and evaluation of output not impact. ○ The Impact of LED project is not known and impact is a long-term outcome of LED

<p>Ethekwini use CAPMON which is a project workflow management tool that is utilised by the eThekweni in the management and tracking of its capital projects.</p> <p>LED Project completed; LED Strategy; LED Plans</p> <p>5 Other LED projects presented (Mr Mchunu).</p>	<p>EVM is not known or applied before but the response that it may be a solution for monitoring LED projects because they was no proper system at all. However the Gantt Chart is only tool used</p>
--	--

LED at Mkhambathini Local Municipality

Respondent LED Coordinator

LED unit is not structured but LED projects are undertaken in a haphazard manner.

LED person is new and LED work was performed by an unqualified person known as a facilitator

LED projects were failing because of the following reasons.

Lack of proper planning

LED facilitator did not have a plan

Lack of focus and support of management to LED projects

Involvement of ward councillors in identifying and approving LED projects

There was no LED framework and no records of LED projects

The Role of LED Coordinator

LED Coordinator follows LED plan of projects from IDP process

LED Coordinator collects a group of projects from the plan

LED Coordinator Identifies the location and visit the sites of the projects

LED Coordinator manages and facilitate formation of LED project participants

LED forum team members were established and trained on Agribusiness by a specialist from Cedara College.

LED Coordinated facilitated LED strategy formulation which was driven by Umgungundlovu District Municipality

Umgungundlovu district appointed a consultant to develop LED strategy for Mkhambathini Local municipalities.

No M&E system at all, and Main challenge is to have M&E system in place to monitor and evaluate LED projects

EVM was not known or used because M&E system did even not exist.

Mkhambathini is a very poor municipality and the estimated budget for LED is R700 000

Selection of projects is a challenge as any project is said to be LED to get funds.

Research Questions Developed ¹

1. Identify 5 development projects completed by the organization during the past 3 years?
2. Which of the 5 projects were completed within the planned time schedule?
3. How was the variance of schedule determined for those projects not completed according to the plan?
4. Provide reasons (5) why these projects failed to meet time frames or completed in time?
5. What is the organization breakdown structure (OBS) and does it support the project management and its methodology?
6. How is projects development process linked with strategic process of the organization
7. Who participate during the projects development process, and who confirmed these projects and how is the participation of stakeholders monitored
8. How projects were identified and how were project costs determined and budget allocated?
9. How is your project management support office effectiveness?
10. How is the role of senior organization management in terms of support and strategy?
11. How were these projects managed, and their progress monitored
12. Do project managers and project team members capacitated to understand project management methodologies and processes?
13. How is project risk assessment and monitoring dealt with?
14. Was auditing for all these projects carried and who undertook this exercise, and if so how?
15. How is the system of project recording kept by the organization?
16. What are tools used to monitor and evaluate these projects?
17. How is monitoring and evaluation undertaken (frequency), and why?
18. Are any project performance assessment indicators developed, and how effective are they?
19. How is the impact of projects for the organization determined?
20. Is an individual performance linked with the project success, and how performance assessment of the project managers determined?
21. Do you know about the earned value management system (EVM) as a project monitoring tool?
22. What monitoring and evaluation tools or methodology is used by the organization to monitor and evaluate these projects?
23. Does your organization use EVM to monitor and evaluate projects?
24. What were the lessons learned from the development of these projects?
25. Identify three things that were done wrong for this project and three things done right?

¹ These research questions will be guiding the discussion with the respondents

26. What was the duration for each project, and please provide information about finish and completion dates for these projects?
27. How was a communication plan for the projects in relation to OBS?
28. What is the feedback mechanism with regards to project development and communication?
29. Who undertakes quality assurance exercise for the projects of the organization?

¹In-depth Interview Schedule Linked with Case Study Projects

Activity	Date	Organization
Planning	20/11/2007	All Respondents
Interview 1	Planned Date 04/01/2008 Actual Date: 04/04/2008	Department of Economic Development M&E (LED) Representative
Interview 2	Planned Date 05/01/2008 Actual Date: 24/4/2008: 10h00	Umgungundlovu District LED Project Managers
Interview 3	Planned Date 06/01/2008 Actual Date: 18/4/2008	EThekivini Municipality LED Project Representatives
Interview 4	Planned Date 07/01/2008 Actual Dates DLGTA: 17/4/2008	Land Bank Project Manager 'Was Replaced by DLGTA M& E Manager'.
Interview 5	Planned Date 08/01/2008 Actual Date 10/4/2008	Umsunduze Municipality LED Managers
Focus Groups [4]: One Day workshop 'Was Replaced by three extra interviews, which Project consolidate and Gijima KZN which support programmes in DLGTA and DED.	Planned Date 18/01/2007 Actual Dates Gijima KZN :11/4/2008	LED Representatives and capital projects managers target is [20] representatives

¹ Interview guiding questions attached



UNIVERSITY OF
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

Research Office, Govan Mbeki Centre
Westville Campus
Private Bag x54001
DURBAN, 4000
Tel No: +27 31 260 3587
Fax No: +27 31 260 4609
ximbap@ukzn.ac.za

31 October 2011

Mr H J Ngcobo (207526696)
Leadership Centre

Dear Mr Ngcobo

PROTOCOL REFERENCE NUMBER: HSS/1109/011M

PROJECT TITLE: The Effectiveness of the Earned Value Management System: A Case for Local Economic Development Projects

In response to your application dated 25 October 2011, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

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 Science Research Ethics Committee

cc Supervisor – Mr S Hardman
cc Mrs. C Haddon



100 YEARS OF ACADEMIC EXCELLENCE

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville