



European Union's AFS Programme for South Africa

**LED SUPPORT IN THE KWAZULU-NATAL
PROVINCE: FINAL EVALUATION**

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FINAL REPORT

**Prepared by
Dr. Nico van Tienhoven
Bernd Drechsler**

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LIST OF ABBREVIATIONS AND ACRONYMS

AM	Area Manager (of the DEDT)
BEF	Business Enabling Fund
CA	Contracting Authority
CAP	Competitiveness Action Plan
CBO	Community-Based Organisation
CSP	Country Strategy Paper
DCOGTA	Department of Cooperative Governance and Traditional Affairs
DED	Department for Economic Development
DEDT	Department for Economic Development and Tourism
DEU	Delegation of the European Union
DM	District Municipality
DPLG	Department of Provincial and Local Government
DTI	Department of Trade and Industry
EU	European Union
EUD	European Union Delegation
FA	Financing Agreement
FI	Financial Institution
GoRSA	Government of the Republic of South Africa
GTZ	German Agency for Technical Cooperation (now GIZ “Deutsche Gesellschaft für Internationale Zusammenarbeit”)
KZN	KwaZulu-Natal
LCF	Local Competitiveness Fund
LED	Local Economic Development
LMRF	Learning, Monitoring and Research Facility
LTE	Long Term Expert
M&E	Monitoring and Evaluation
MIS	Management Information System
MLRF	Monitoring, Learning and Research Facility
MTR	Mid-Term Review
NAO	National Authorizing Officer
NGO	Non-Governmental Organisation
NCF	Networking and Co-operation Funding
OVI	Objectively Verifiable Indicator
PCU	Programme Coordinating Unit
PMU	Project Management Unit
PSC	Programme Steering Committee
ROM	Result Oriented Monitoring
RSA	Republic of South Africa
SDI	Spatial Development Initiative
STE	Short Term Expert
TA	Technical Assistance
TAP	Technical and Administrative Provision
ToR	Terms of Reference
UKZN	University of KwaZulu-Natal

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1. PREAMBLE

The “Local Economic Development Support Programme in the KwaZulu-Natal Province, Republic of South II”, which was later renamed to Gijima KZN, was signed on 18 May 2003 by the European Union (EU) and on 18 June 2003 by the National Authorising Officer (NAO) for the Republic of South Africa. The Programme budget amounts to EUR 38,500,000. Rider 1 to the Financing Agreement increased the original financial ceiling of € 37,000,000 of the Programme with EUR 1.5 million, while making amendments to the Technical and Administrative Provisions (TAPs). This mainly enabled support to the national Department of Cooperative Governance and Traditional Affairs (then called the Department of Provincial and Local Government - DPLG). Rider 2 to the Financing Agreement, signed on 31 October 2008, extended the timeframe of the Programme (operational implementation period to end on 31 December 2010), effected a budget reallocation and further improved the TAPs.

Objectives of the Programme

Overall Objective: “An improved quality of life for the people of KwaZulu-Natal”.

Programme Purpose: “To achieve equitable economic growth starting initially in selected “learning areas” and replicating LED across the province”.

Objectives of the Final Evaluation

The global objective of the evaluation mission, as defined in the Terms of Reference (ToR, Annex 1), was to provide decision makers in the South African Government and the EU with an assessment of the relevance, quality of preparation and design, impact, efficiency, effectiveness, as well as overall quality, sustainability and replicability of the Programme against the expected results. This would have been measured on the basis of the indicators formulated in the logical framework of the Programme.

The specific objectives of the evaluation mission were defined as follows:

- Based on the design of the programme, to assess the efficiency and effectiveness of programme implementation;
- To assess the real and prospective impact of the successful delivery of the programme LogFrame activities and results, and achievement of the programme purpose;
- To assess the sustainability of the activities and structures developed during the programme;
- Provide clear key recommendations and guidelines on future activities in the sector of PFM improvement and reform that would benefit from donor support.

The evaluation mission to the Republic of South Africa was realized in three blocks between 14 October 2011 and 25 January 2012. During this period, meetings with more than 50 stakeholders (see also the complete “List of Persons Interviewed” in Annex 7) have been held in Pietermaritzburg, Durban and Pretoria, as well as in seven Districts of KwaZulu-Natal, including especially:

- The Delegation of the European Union (EUD) in South Africa
- Department of Economic Development and Tourism (DEDT)
- Members of the TA-Team
- Department of Cooperative Governance and Traditional Affairs (DCOGTA)
- National Treasury
- Beneficiaries of 29 grant funded projects in KwaZulu-Natal, representing over 32% of the actual grant volume awarded.

The main purpose of these interviews was to obtain first hand and un-biased comments from all categories of stakeholders concerning their perception of Gijima KZN programme’s design, implementation and results, as well as to verify preliminary conclusions and recommendations formulated by the evaluation team. In order to facilitate an open and critical discussion, the evaluators have assured the interviewees that their comments (and especially the critical ones) would only be used in a “neutralized” form, without disclosing the individual source of the information.

An aspect that requires mentioning is the fact that evaluations have already been conducted on each programme instrument, wherefore it has been agreed that it is not necessary for this Report to present the same findings. The report should however be read in conjunction with these other reviews, which are of excellent quality and relevant for both the evaluation of the Gijima KZN Programme and the design of similar future projects / programmes.

Separate de-briefing presentations and corresponding discussions were organized towards the end of the mission at the DEDT, the EUD and the National Treasury: International Development Cooperation (IDC) Unit. The complete set of slides used at these de-briefings is attached in Annex 8. Further details of the methodology are outlined in the approved Inception Report (Annex 4).

The mission was assigned to the consortium lead by IBF and executed by Dr. Nico van Tienhoven and Mr. Bernd Drechsler.

2. EXECUTIVE SUMMARY

The “Local Economic Development Support Programme in the KwaZulu-Natal Province, Republic of South II”, which was later renamed to Gijima KZN, was signed on 18 May 2003 by the European Union (EU) and on 18 June 2003 by the National Authorising Officer (NAO) for the Republic of South Africa. The Programme budget amounts to EUR 38,500,000. Rider 1 to the Financing Agreement increased the original financial ceiling of € 37,000,000 of the Programme with EUR 1.5 million, while making amendments to the Technical and Administrative Provisions (TAPs). This mainly enabled support to the national Department of Cooperative Governance and Traditional Affairs (then called the Department of Provincial and Local Government - DPLG). Rider 2 to the Financing Agreement, signed on 31 October 2008, extended the timeframe of the Programme (operational implementation period to end on 31 December 2010), effected a budget reallocation and further improved the TAPs.

The **objectives** for the Gijima KZN Programme have been defined as follows:

- Overall objective: “An improved quality of life for the people of KwaZulu-Natal”.
- Programme Purpose: “To achieve equitable economic growth starting initially in selected “learning areas” and replicating LED across the province”.

The Programme has a very high relevance and it responds to the needs. Although generally being appropriate, its implementing methodology showed some deficiencies, mainly as regards the Business Enabling Fund (for details see further below in this Chapter). The LogFrame of Gijima KZN, too, is considered to be deficient as far as measurable and quantifiable Objectively Verifiable Indicators (OVIs) are concerned.

Main achievements

The overall level of achievement of the envisaged results being evaluated as “medium – good”.

The main achievements of the Gijima KZN are summarized here below:

- **Institution building**

The Programme succeeded to establish a well-qualified Local Economic Development (LED) Unit in the Department for Economic Development and Tourism (DEDT) of KwaZulu-Natal (KZN). The staff increased from 5 to 21 and continues to operate beyond the Gijima KZN Programme, now with South African financing. The corresponding procedures and systems (Management Information System -MIS) are appropriate and constantly improved. Lessons learnt are being implemented.

- **Local Competitiveness Fund (LCF)**

The LCF component has managed two competitive grant funds to strengthen the local economy in KZN: The Competitiveness Action Plan (LCF-CAP) to finance the preparation of business plans and feasibility studies and the Implementation Facility (LCP-IMP) to finance the corresponding implementation. Altogether, 483 projects submitted from KZN-based beneficiaries were assessed. Of the approved projects, 84 have been completed, representing a grant volume of more than ZAR 80 million. Additionally, these grants triggered private sector investments exceeding ZAR 50 million.

- **Learning Facility**

Gijima KZN succeeded to establish a LED course programme at the University of KwaZulu-Natal. In spite of several initial delays, this programme has finally been developed and is continued beyond Gijima KZN, now with South African financing. The application of participants is increasing and for the 2012 courses, 47 students have been recruited out of approximately 80-90 applicants.

Main weaknesses

- **Institution building**

Gijima KZN did not succeed to strengthen LED units at the district and local level as originally envisaged. The absorption capacity, especially for the many smaller and less resourceful municipalities, has turned out to be less than anticipated and the competitive grant funding through the Business Enabling Fund (BEF) facility has turned out to be of limited appropriateness for this specific target group. A supply driven approach could have been more appropriate.

- **Strengthening of a National LED platform**

This component (Result Area 5), which was added to the Programme through Addendum 1, did not achieve the envisaged outcomes as implementation of the originally planned activities never took off. Although being still a relevant theme, organizational changes within the implementing agencies (first DPLG and later in DCOGTA) did not provide the necessary absorption capacity to implement the activities as planned. The decision to reduce Programme inputs to a minimum was fully justified at this moment of institutional re-organization.

- **Delays**

The implementation of Gijima KZN had to cope with a number of delays, especially with regards to the tendering of major service contracts. Although finally successfully launched and contracted, the initial delays caused not only frustration among all stakeholders, but also had a negative influence on related activities. Main reasons for these delays were the PMU being unfamiliar with the corresponding strict EU procedures as well as an unsupportive attitude and the extremely conservative interpretation of the PRAG at the time at the EUD (which later on changed drastically, with the arrival of a new team). The delays in getting approvals from the Delegation were also a problem - this was mainly the result of disagreements and the requirement for rulings from the Ambassador or even Brussels. In addition, there was a problem with local companies not being compliant which cannot be ignored and may reflect on a lack of understanding by the PMU (and DEDT) of the local service provider market.

Lessons Learnt

As already mentioned above, one of the positive observations concerning the institutional capacity of the DEDT is its capability and willingness to learn from past experiences. This is clearly documented by the fact that it had commissioned the aforementioned internal reviews/evaluations and the fact that lessons learnt have led to constant institutional and procedural improvements. These have been institutionalised while implementing Gijima KZN and also in the planning and preparation of future activities beyond the Programme.

The below table presents a list of the main observations made during the final evaluation of Gijima KZN and the resulting recommendations, which should be taken into account for the planning and implementation of similar projects.

Observation	Recommendation(s)
A strict application of EU procedures (PRAG, etc.) is necessary. However, unconstructive and non-problem-solving feedback delays Programme implementation and frustrates beneficiaries.	More supportive approach by the EU Delegation: (A) Guide Contracting Authorities and beneficiaries. (B) Where possible, interpret procedures to facilitate smooth and target-oriented implementation. (C) EU procedural training and frequent updates
LogFrame does not reflect Programme's reality and lacks measurable OVIs.	The LogFrame is a management tool for the Financial Institution (FI), the implementing agency, the Contracting Authority, monitors and evaluators. It must be appropriately designed, adapted and used. EUD must insist on appropriate formulation and utilization of the LogFrame.
Co-financing (or partnerships lead by) established enterprises require different concepts and tools as compared to co-financing emerging, recently formalized entities.	Different funds with specific procedures and prerequisites must be established for different type of target groups, meeting their specific requirements and possibilities. This has already been taken into account by DEDT for the Gijima KZN follow-up programme.

Observation	Recommendation(s)
So far, no sustainable mechanism is in place to analyze and disseminate LED experience on a national level, assuring that lessons learnt in one Province are made available to others.	The institutional responsibility for this task is not yet defined. This should be targeted as soon as possible. It has to be taken into consideration that such an institution(s) must have the acceptance of the private sector (for example, the Department for Trade and Industry) as a precondition for successful LED initiatives, resulting in employment and income generation.
Less resourceful municipalities do not have the capacity to manage the application process for competitive grant support. Therefore, municipalities have widely outsourced project conceptualization, application and implementation, resulting in very limited ownership and sustainability on municipality level.	Supply driven concepts would be more suitable to support less resourceful municipalities than competitive application procedures.
In the case of Gijima KZN, the LED training for municipalities' staff was realized too late to accompany their grant project-related activities. This was due to procurement problems and general design flaws.	(A) Start procurement as early as possible, as it generally takes longer than expected. This phenomenon can be frequently observed in programme implementation worldwide. (B) Assure more careful planning, if activities are to be built on successful preceding steps.
Lengthy evaluation processes of applications result in frustration and applications becoming obsolete (e.g. in agriculture-related projects). Also, this does not motivate beneficiaries to comply with deadlines and their responsibilities.	It is important to establish and communicate appropriate and time binding limits – and adhere to them (PCU, EUD). Industry specific seasonal aspects and constraints have to be taken into account (e.g. in agriculture and tourism). Most beneficiaries accept the necessity of strict procedures and their time requirements. However, these timelines must be clearly communicated in advance.
An LED approach requires additional elements compared to “pure SME support”. In the case of Gijima KZN, this was introduced through the “partnership requirement”.	Future LED-driven business support programmes need to define a specific “extra value”, such as promoting emerging enterprises, value chains, clusters or other specific innovative approaches through partnerships.
In partnership projects, established “teams” have a higher success rate, while those partnerships which are formed for the single purpose to qualify for funding are likely to break apart	Do not limit future support to established partnerships. New partnerships especially deserve financial support. However, potential sustainability and value added of partnerships need to be carefully checked before approval of funding. This has already been taken into account by DEDT for the Gijima KZN follow-up programme.
In partnership projects, communication / contact is in most cases exclusively limited to the (more experienced) lead partner.	Although this is more efficient as far as project implementation is concerned, it should be required that junior partners participate in meetings as frequently as possible to facilitated know-how transfer.
In business support projects, public sector partners are less likely to lead successful and sustainable investments.	Insist on the private sector partner (preferably the future operator of the supported business) taking the lead and sharing the risk with its resources / funds. This has already been taken into account by DEDT for the Gijima KZN follow-up programme.
During application and implementation of projects, beneficiaries have received support mainly on procedural / admin issues, due to time constraints on the part of the Area Managers (AMs) and specific knowledge requirements.	It is important to foresee sufficient technical support capacity (during assessment of application and during implementation) to increase success rates of projects Institutional (check partnerships) Technical (check concept) Administrative (procedures, eligibility of expenses, required documentation etc.).
In most cases, feedback to unsuccessful applicants for LCF or BEF projects has been limited to formal / procedural aspects, not (sufficiently) including	This approach would be appropriate for a purely commercial project. But for a support programme, a qualitative feedback should be provided to facilitate the improvement of future

Observation	Recommendation(s)
content-related aspects.	project planning. This has already been taken into account by DEDT for the Gijima KZN follow-up programme, for example through formal feedback throughout the evaluation process, due diligence findings etc.
Already installed equipment or access to after sales services are important criteria for entrepreneurs to select a known supplier instead of competitive tendering.	Continue with flexibility to allow – if justified – for possibility of direct negotiations.
Valuation in monetary terms of beneficiaries' contribution in kind through time spent on the project is uncontrollable.	Either restrain from requiring own contribution in monetary terms or define better criteria (e.g.: "Cash" or supplies). This has already been taken into account by DEDT for the Gijima KZN follow-up programmes.
A Steering Committee with more than 50 members is not reasonable.	Limit the number of Steering Committee members to a maximum of 10. Further stakeholders could and should be integrated through an advisory or consultative group. The newly created Provincial LED Forum, which resulted from Gijima KZN experiences, is a good example of such a body.
The Gijima KZN Programme has commissioned reviews / evaluations for all its major components and sub components, which generated excellent inputs for future projects / programmes of a similar nature.	Future projects / programmes should incorporate similar reviews.
Since 2010, M&E has gained considerable importance within the Government of South Africa, but there is still a need to align provincial M&E systems with the corresponding national systems.	Provincial M&E systems should be aligned with the corresponding national system.
In spite of the Programme's achievement on provincial level in KZN, there is still an uncertainty at the national level with regards to what LED actually entails and what the government's role in it is. Public and private sector still regard each other with scepticism and constructive communication as well as an efficient and effective coordination of common projects is still deficient.	Development of commonly (in the public and private sector) accepted definitions, followed by a corresponding institution building and capacity development still requires further efforts and could benefit from donor support, especially on the national level. Consolidation of public-private communication platforms, such as the newly created Provincial LED Forum (see also further above in this Chapter) and selected public-private projects still require and deserve (donor) support.

3. PROGRAMME ENVIRONMENT AND BACKGROUND

Environment

Cooperation between South Africa and the European Union (EU) and its Member States takes place within the framework of the Trade, Development and Cooperation Agreement (TDCA) that came into full force in May 2004. This agreement provides for economic and trade cooperation, development cooperation, political cooperation as well as cooperation in other areas.

Development Cooperation under the TDCA supports policies and reforms carried out by the South African Government aimed at fighting poverty, promoting the integration of South Africa into the world economy, and consolidating the foundations of a democratic society. Accordingly, the overall objective of the South Africa – European Community Cooperation Strategy for the period 2003 – 2006 was to support policies and strategies that reduce inequality, poverty and vulnerability and mitigate the HIV/AIDS pandemic and its impact on society. It focused on four main areas: (1) access to and sustainable provision of social services, (2) equitable and sustainable economic growth, (3) deepening democracy, and (4) regional integration.

The South Africa – European Community Country Strategy Paper and Multi-annual Indicative Programme for the period 2000 – 2002 states as one of the key sector strategies for EU support, "poverty reduction through improved service delivery and stimulation of local economic development". The specific objective in this focal area is principally to increase efficiency in implementation of policies and strategies that have been defined during the past five years but for which sustainable delivery has only started to materialize.

Local Economic Development (LED), as described in the CSP, refers to the ability of a local area to achieve sufficient economic growth and redistribution to ensure a rising standard of living for all within that area. As reflected in the white paper on local government, LED has emerged at the time as a key strategy within the South African context to maximise impact of development initiatives on social and economic development of communities. LED was described as being about building capacity within a local or regional economy to develop basic economic infrastructure and services including energy, to create jobs and to meet threats and opportunities of rapid economic, technological and social changes. Successful local development depends on concerted efforts and actions from a range of individuals and organisations. Among other things, it entails the promotion of constructive partnerships between local authorities, the private sector and civil society organisations. These policy orientations have been translated in three major pieces of legislations in the form of: a Demarcation Act, a Municipal Structure Act and a Development Facilitation Act. It has also been the basis of the development of the Spatial Development Initiatives (SDIs), some of them being implemented in the most deprived Provinces of South Africa.

The above theme was echoed in the South Africa - European Community Country Strategy Paper and Multi-annual Indicative Programme for the period 2003 – 2006 under the Area of Co-operation 2, which entailed "equitable and sustainable economic growth". The purpose was to contribute to the acceleration of growth, equity and employment. The South Africa – European Community Country Strategy Paper and Multi-annual Indicative Programme for the period 2007 – 2013 is available on the website of the EU Delegation to South Africa: www.eusa.org.za. The Paper states that the European partners will focus on three areas of development cooperation with a specific objective for each of them:

To promote pro-poor, sustainable economic growth, including in the second economy, focusing on generating employment, reducing inequality, developing skills and tackling social exclusion. Support to LED activities falls under this priority.

To improve the capacity and provision of basic services for the poor at provincial and municipal level, and promote equitable access to social services.

To promote good governance in both the public and non-public domains.

On the state side, this would focus on fighting crime, including corruption, and promoting safety, security and the rule of law. On the non-state side, the focus would be on strengthening civil society and helping NGOs, CBOs, social partners and indeed non-state actors generally to play their part in partnership with government.

The “Local Economic Development Support Programme to the KwaZulu-Natal Province”

The Local Economic Development Support Programme to the KwaZulu-Natal Province (which was later renamed “Gijima KZN”) is based on the Financial Agreement (SA/73200-02/04) between the EU and the Government of South Africa.

The KwaZulu-Natal Department of Economic Development & Tourism (DEDT) is the Contracting Authority responsible for the implementation of the Programme.

The **overall objective** of the Programme is “to improve the quality of life of the people of KwaZulu-Natal”.

The **programme purpose** is “to achieve equitable economic growth starting initially in selected “learning areas” and replicating LED across the province”.

This should be achieved by achieving 5 main results. These are:

- **Result 1:** Stakeholders combine in partnership to develop and implement employment generating investment and enterprise growth plans with poor outcomes.
- **Result 2:** Grants enable public sector stakeholders engaged in LED related processes to create and operate an enabling environment for LED and pro-poor development.
- **Result 3:** Sustainable mechanisms for learning, knowledge exchange, information dissemination, training and replication have been established and are working,
- **Result 4:** Effective LED management functions established and operational at provincial and area levels.
- **Result 5:** Support to DPLG at national level for strengthening of the LED environment through operationalising the national LED strategy.

Programme History

The Financial Agreement (FA) was signed on 18 May 2003 by the EU and on 18 June 2003 by the National Authorising Officer (NAO) for the Republic of South Africa. The Programme budget amounts to EUR 38,500,000. Rider 1 to the Financing Agreement increased the original financial ceiling of € 37,000,000 of the Programme with EUR 1.5 million, while making amendments to the Technical and Administrative Provisions (TAPs). This mainly enabled support to the national Department of Cooperative Governance and Traditional Affairs (DCGTA, then called the Department of Provincial and Local Government - DPLG). Rider 2 to the Financing Agreement, signed on 31 October 2008, extended the timeframe of the Programme (operational implementation period to end on 31 December 2010), effected a budget reallocation and further improved the TAPs.

Implementation commenced with the signing of the Interim Work Plan in February 2004. There have been six subsequent annual work plans / programme estimates (including the current closure programme estimate). To date, total disbursement on the Programme amounts to EUR 33,422,160.67. For Result Area 5, one programme estimate was implemented (signed in December 2009) to the value of EUR 449,545.67, while additional support was provided through framework contracts.

The international Technical Assistance Contract (EuropeAid/116983/C/SV/ZA) was awarded to the IMC group (now WYG International) to establish a "Programme Management Unit to manage the implementation of the Local Economic Development Programme in Kwazulu-Natal Province". The total contract value amounted to EUR 13,427,969.80.

A second international contract (EuropeAid/122028/D/SV/ZA) was signed to establish a Monitoring, Learning and Research Facility in the field of Local Economic Development in the province. This contract amounted to EUR 1,489,131 and was awarded to the Koninklijk Instituut Voor De Tropen Vereniging (KIT).

A Mid-Term Review was carried out in 2006. The Programme has been monitored in 2003, 2005, 2006 and 2008 as part of the EU Result Oriented Monitoring (ROM) process.

4. DESIGN / CONCEPT

General Aspects

The Programme's design was adjusted significantly throughout the implementation-phase of the project. On the one hand, this can be interpreted as a symptom of insufficient planning at the design-stage as well as, on the other hand, of active management, continuous lesson-learning, further development throughout the implementation-phase and a generally demand-driven approach.

In any case, the Programme was to a larger extent a pilot-initiative and lesson-learning is a key feature of such an initiative.

The project design changed entirely between the signing of the FA (2003) and Rider 1¹.

The initial Programme design focused on a loan-based model with inputs on development finance options. The principal aim was to review the South Africa capital markets, identify an existing Financial Institution to act as a disbursement agency, examine various financial instruments, and develop criteria for projects to receive (loan) financing. The revised design focused on a competitive grants approach. Another significant change in the design was to broaden the initial concept of targeting four 'learning areas' and to extend the Programme to all districts (except the eThekweni Metropolitan Municipality²) in the province. This significant change in the Programme's design was mainly due to lessons learnt in the Limpopo LED Programme, also funded by the EU, as well as the findings of the so-called Armstrong Report, which analysed the best and most efficient ways to implement the pilot LED programmes in South Africa through EU procedures.

The revised concept was likely to produce the desired impacts more immediately through direct funding for interventions on the ground, rather aiming for long-term improvements in institutional set-ups, etc³.

The new concept was developed as a result of a wide consultancy process. However, such radical changes in the initial design provided a challenge with regards to the reviewing of institutional and organisational set-ups and the changing of organisational and implementation procedures according to EU rules and regulations.

Unfortunately, the Logical Framework (LogFrame) was not used as a management-tool throughout the implementation period and to support the re-designing efforts. It was revised once as part of Rider 1 to the FA but was neither updated nor used for PCM purposes.

The Programme Steering Committee (PSC) has an unusual high number of members (more than 50). This was done to include representatives of as many stakeholders as possible. On the one hand, this provided an excellent forum to facilitate stakeholder participation in the management and implementation of the Programme. On the other hand, however, this large membership hampered its ability to effectively act as a decision-making body. Even its advisory-role was limited since most members did attend PSC-meetings quite irregularly. Nevertheless, in spite of the aforementioned limitations of this body, various interviewed stakeholders considered the Steering Committee as a good communication platform for LED stakeholders in the province and their first experience of a "high quality" level of discussions between private and public sector representatives. It has been clearly stated that such a platform should be continued beyond Gijima KZN to further facilitate a public-private dialogue, which is regarded as essential for any successful future LED policy. In the meantime, this has been realized through the establishment of the newly created Provincial LED Forum in KZN, which is co-hosted by DCOGTA and the DEDT.

¹ Rider No 1 was requested in December 2005 and approved in July 2006.

² The eThekweni Metropolitan Municipality was supported through the EU-funded Area-Based Management Budget Support Programme with the commencement of Gijima KZN.

³ Some stakeholders described the revised concept as 'funding job-creation on the ground rather than creating employment for consultants....'

Result 1 (LCF)

Both, the CAP as well as the IMP-facility are designed to fund initiatives based on partnerships to develop and implement employment generating investment and enterprise growth plans with pro-poor outcomes. The approach is certainly relevant. The design, however, also entails a few challenges.

Firstly, there is no common understanding about what kind of initiatives can be defined as “pro-poor”. The upper limit (ZAR 3.4 million for IMP-projects) for project funding targets mainly medium-size enterprises. The Local Competitiveness Fund (LCF)-approach is based on the assumption that benefits to such kind of enterprises “trickles down” to poorer members of the community. This may be a valid point. However, to what extent this approach holds true in practice is debatable.

Secondly, the concept of “partnerships” also provides challenges in practice. In some cases, the approach is “forcing” applicants into partnerships, even if those partnerships are not genuine or mature enough to survive in the long term.

Result 2 (BEF)

The concept behind the Business Enabling Fund (BEF) is relevant. However, the design leaves space for improvements. The BEF is in essence a capacity building initiative for municipalities. However, the competitive approach followed through the grant funding mechanisms systematically excludes those municipalities which are in the most desperate need for capacity building efforts, since those that do not have the capacity to develop high-quality proposals do not have an equal chance to receive a capacity building grant. This may lead to two possible scenarios: a) ‘poorer’ municipalities are left out entirely, or b) the initiative is hijacked by service-providers, implementing the process (from application to implementation) on behalf of the municipality. In the latter case, the beneficiary may not have the capacity to manage, control and make appropriate use of the project. Additionally, ownership from the beneficiary is likely to be low. The approach of 30% contribution in “cash or kind” from the beneficiaries is thought to increase local ownership. However, while contributions in kind (e.g. in working-hours) are difficult to verify; contributions in cash may be beyond the financial capacity of “poorer” municipalities.

The BEF facility has to be seen in the context of Result Area 3 (MLRF/NCF). An efficient training facility for municipal personnel could help to increase capacity on this level, allowing a better use of the BEF. For this goal, it would have been necessary to have an efficiently functioning MLRF before the implementation of the BEF. However, due to time constraints related to contracting, both Programme components have been implemented in parallel.

Result 3 (MLRF/NCF)

The design for the Monitoring, Learning and Research Facility (MLRF) proved to be a challenge. Firstly, there was a certain disagreement among players whether to concentrate more on the “training/learning” or more on the “research” component of the Facility.

Secondly, (financial) sustainability for such a facility beyond the Programme’s lifespan is difficult to achieve for the training- as well as the research component. It is understood that those who are most in need of such kind of training and capacity building (such as rural municipalities) are the ones less likely to have the capacity to fund such a unit.

It would have been advisable to embed such a facility in an existing training and research institution, especially since KZN has a well-developed tertiary education sector. An example of an institution that could be used is the University of KZN (UKZN). However, in practice, two main factors hindered the realisation of this idea. Firstly, around the design phase for the MLRF, the UKZN underwent a process of structural reform (merging the University of Durban-Westville and the University of Natal) and it showed a “silo related mentality and the lack of an institutional home for a multi-disciplinary approach for LED” (as outlined in the Learning, Monitoring and Research Facility – LMRF – design report), both aspects together resulting in a certain lack of enthusiasm, commitment and structural adequacy to host the initiative. Secondly, EU rules, regulations and procurement procedures are, in general, not supportive of the idea of allowing contracts with pre-selected partners, as fair competition and transparency need to be maintained. Derogations can in exceptional cases be allowed.

Consequently, the selected approach was to tender (internationally) the implementation of a stand-alone MLRF. However, it was and is unrealistic that such a stand-alone unit can be set-up and run (financially) sustainably beyond the end of Programme funding.

Result 4 (Institution Building)

The Programme design was very supportive of the establishment of a strong and competent LED Unit on provincial level (DEDT) and the Programme ownership was very high at this level. The PMU worked very closely with DEDT personnel. The design was strictly based on the approach that every PMU position had a DEDT counterpart to allow a sustainable continuation of Programme efforts even beyond the Programme's lifespan.

On the other hand, the approach for capacity building on municipal level was less straightforward.

There is an element of capacity building at this level in all four result areas. However, the revising of the design, especially the approach to work in all districts instead of concentrating on four "learning areas" made it more difficult to achieve a significant and sustainable impact. This is especially true for poorer rural municipalities, since especially the design of the LCF and BEF-components were not supportive to those less developed municipalities and institutions that were in greatest need of capacity building initiatives.

5. RELEVANCE

General

The Programme was and remains highly relevant in terms of its Overall Objective⁴, which is “an improved quality of life for the people of KwaZulu-Natal”. This would be done through “achieving equitable economic growth starting initially in selected “learning areas” and replicating LED across the province” as stated in the Project Purpose.

This is mainly based on the assumption that Local Economic Development leads to increased employment and income generating opportunities and up- and down-stream benefits for all. Unemployment is estimated (in terms of the expanded definition of unemployment) as high as 45%⁵ in KZN and, as such, it is widely considered as one of the main reasons for poverty.

The programme is consistent with the goals agreed in the South Africa-EU CSPs and Multi-annual Indicative Programmes for the periods 2003-2006 and 2007-2013. These documents state (among other areas) “pro-poor sustainable growth” (which certainly includes LED) as well as “good governance in both the public and non-public domains...” as focus areas of support for European partners.

Result 1 (LCF)

“Stakeholders combine in partnership to develop and implement employment generating investment and enterprise growth plans with pro poor outcomes”.

This result entailed the mobilisation of local or sector-based private and public stakeholders for LED strategy formulation and implementation, based on the appraisal of competitive advantages and the identification of economic opportunities and their connection with social need. The LCF, which includes two tools, namely the ‘CAP-’ (Competitiveness Action Plan) and the ‘IMP-’ (Implementation) Facility, would provide partnership groups with support to establish integrated projects to:

- Establish a base of infrastructure and services to provide a platform for increased competitiveness;
- Enable structural economic change, including repositioning the province into higher value-added segments of supply chains, based on knowledge-based manufacturing and service sectors; while increasing equitable participation in these value chains;
- Provide particular support to sectors that have a high potential to boost the Programme’s socio-economic objectives, in particular: agriculture and agro-processing; tourism; clothing and textiles; wood and wood products; arts, crafts and cultural industries; information and communications technology; logistics and transport.

This approach is highly relevant. LED is widely based on local partnerships, mainly along value adding chains, between established enterprises, large farms, etc. and emerging players, manufacturing sector and service providers, between local governments, governmental institutions, privately owned enterprises and non-state-actors.

This tool can be used to boost targeted initiatives, which are considered key for LED-concepts. The high number of applications for both CAPs and IMPs confirms the need for such a facility.

Result 2 (BEF)

“Grants enable public sector stakeholders engaged in LED related processes to create and operate an enabling environment for LED and pro-poor development.”

This result involved assisting provincial and local government authorities and public agencies to plan and implement actions that generate local conditions conducive of enterprise establishment/expansion and equitable economic growth. Support was given by means of grants from the BEF.

⁴ As usual for Overall Objectives, this is formulated in very “general” terms. The programme’s concrete contribution is difficult to measure, due to multiple other influencing factors.

⁵ www.atra.co.za/default.asp?id=975 (used source: *Census in Brief, Mid-year Estimates 2004*)

Support was focused on assisting provincial and local government and public agencies to create an enabling environment for LED through interventions such as:

- Clarifying the legislative and regulatory requirements of the local economic development role of Government;
- Strengthening the enabling role of local and provincial government with respect to local economic development;
- Reducing or removing legal, regulatory or administrative barriers to LED;
- Improving the performance of local and provincial government with respect to LED planning, governance and facilitation;
- Improving Programme coordination between the different levels of local government and the different spheres of government;
- Establishing effective participation in development planning and implementation within the local sphere (including improving coordination with the private sector and NGOs, CBOs, Business Chambers, Organised labour and other groups);
- Developing a sector approach to the LED work of the municipalities that closely articulates with the sectors developed within the provincial sphere;
- Decentralising service delivery to the local sphere of government including the establishment of one-stop service centres at local government level;
- Assisting local government to make effective use of the Municipal Infrastructure Grant;
- Development and institutionalisation of LED-related systems within provincial and local authorities and public agencies;
- Planning and facilitation activities that secure improvements in the operation of local and regional labour markets.

Local government authorities, especially local municipalities are key-agencies for planning and supporting holistic LED initiatives. Unfortunately, many municipalities, especially in the rural areas neither have the necessary capacity to fulfil this function, nor have the absorption and/or management capacity for such a grant facility. The BEF is therefore mainly a part of a capacity building strategy, rather than a stand-alone tool and has to be seen in close connection with the MLRF/NCF described in "Result Area 3".

Capacity building for governmental institutions is a mid- to long-term process and a phased approach is necessary when funded through a donor-funded programme (given the limited time spans of such programmes). Donor funding should in these cases be used to test or pilot capacity building mechanisms, processes and tools that could be up-scaled through domestic resources.

Result 3 (MLRF/NCF)

"Sustainable mechanisms for learning, knowledge exchange, information dissemination, training and replication have been established and are working".

This involved monitoring and evaluating, learning from experience and sharing of lessons learnt.

Considering the significant lack of capacity among local municipalities and governmental institutions to design and manage LED strategies, this result area is likely to be the most relevant one. This result area includes the establishment of LED research capacity within the province as well as a sustainable training facility to increase LED planning and management capacity for local governmental institutions.

Result 4 (Institution Building)

"Effective LED management functions established and operational at provincial and area levels".

In terms of sustainability of the Programme and its initiatives it is vital that Gijima KZN leads into a sustainably functional LED management unit, which has the capacity to continue and further develop programme efforts beyond the end of EU-programme funding. Consequently, also this Result area is highly relevant.

6. EFFICIENCY

Timing

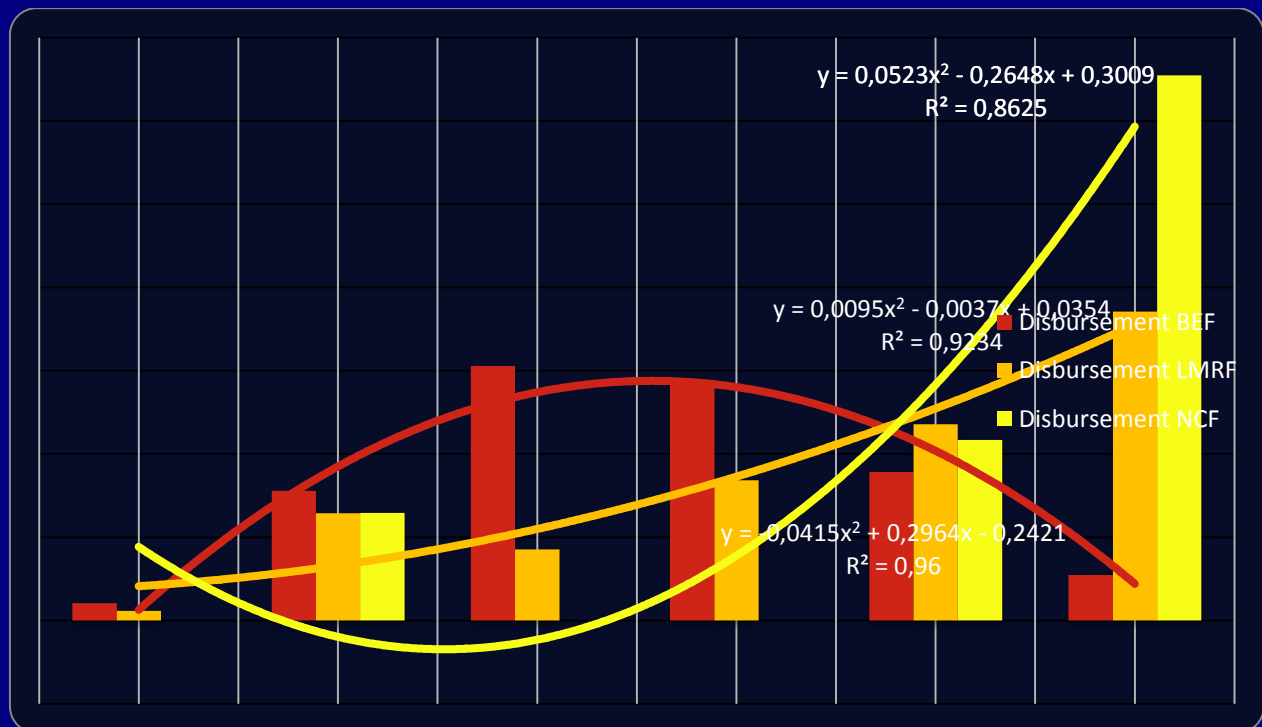
Overall, the efficiency of the Programme has been low at the beginning of the implementation period, due to delays in re-defining the Programme design (resulting in Addendum 1 in July 2006). Subsequent to this the internal efficiency of the PMU had constantly increased and reached a high efficiency level towards the end of the Programme. A major bottleneck, which (among others) caused considerable delays in tendering and the final signing of the different service contracts, was the unsupportive attitude of the EUD's Finance & Contracts Unit, in combination with the initial ToR designs that were impractical and not well thought through. This resulted in numerous loops and delays, for example with regard to the following service contracts:

- Marketing and Communication contract: ToR finalized in January 2005, contract signed in February 2007.
- NCF 3 Emerging Consultants contact: ToR finalized in January 2005, contract signed in December 2007.
- NCF 4: Framework for LED Institutions contract: ToR finalized in March 2006, contract signed in December 2007.

This situation could have been avoided through closer communication and cooperation between the PMU and the EUD, which only changed towards the final implementation phase of the Programme, when new managers were deployed at the EUD's Finance & Contracts Unit. This allowed for an efficient programme management during the final phase of the Programme without any further (unnecessary) delays.

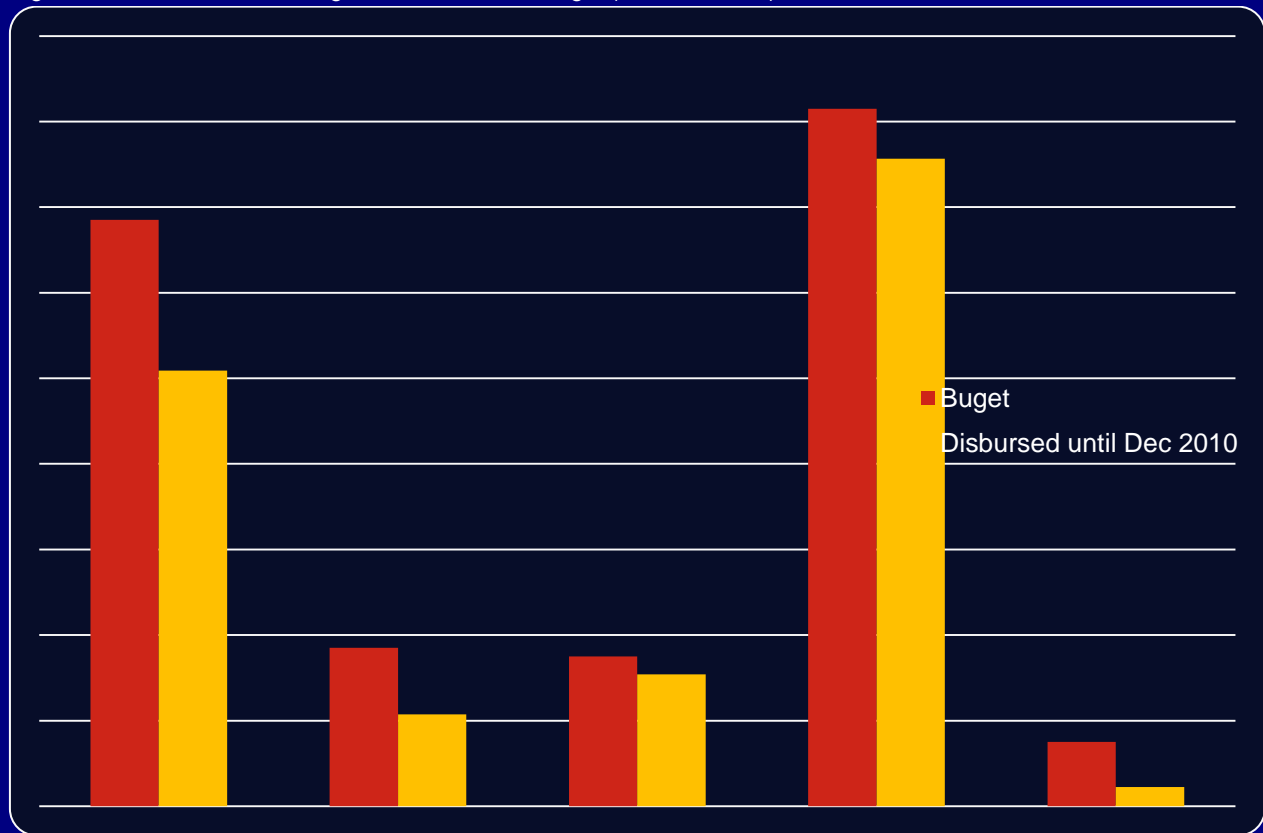
As for the timing of programme activities, Figure 1 indicates very clearly that, on the one hand, disbursements for the LMRF and NCF (which comprise capacity building / training for municipalities' LED staff) have been predominantly realized towards the end of the Programme. On the other hand, disbursements for BEF-funded projects have been predominantly committed already during the early phase of the Programme and disbursed during the mid-term period. Consequently, the municipalities had to plan, prepare and implement a large part of their BEF-funded projects before participating in the corresponding trainings to strengthen their capacity in LED project management. This contributed to the low project management efficiency on municipality level, which had to be compensated for by the PMU team.

Figure 1: Disbursement of funds for BEF vs. LMRF and NCF



As for the disbursement of funds, an overall of approximately 80% of the budget had been spent and invested in the activities targeting the 5 result areas (see Figure 2).

Figure 2: Disbursement of Programme funds vs. Budget (in million EUR)



The distribution of disbursements according to result areas shown in Figure 1 requires an additional comment. All activities financed from the main TA contract (awarded to WYG) are included under “Result area 4”. A considerable part of these assignments, however, also supported activities in the other result areas, such as “Result area 3”. This was done to “fill the gap” caused by the aforementioned delays in tendering and the severe bottlenecks in the corresponding areas. The input of short term experts (STEs) was essential to minimise the negative impact of delays in contracting.

The fact that the originally planned budget could not be entirely disbursed (approximately 20% remained undisbursed) does not reflect an inefficient Programme management. Rather, it is an indicator of the PMU’s careful management of funds. Decisions to terminate projects with LCF- or BEF funding, due to beneficiaries not complying with their responsibilities / contributions, are fully in line with efficient programme management principles.

Grant funded projects

Through the LCF (CAP and IMP) and BEF facilities, the Programme has achieved an enormous awareness throughout KZN. Altogether 741 projects have been submitted, following the different Calls for Proposals. Finally, 159 were completed (see Table 1) with an overall funding of approximately ZAR 100 million (see Table 2). Although the PMU’s internal organization (especially with regards to the internal monitoring and quality assurance system) and the corresponding (MIS-) systems needed some time to adapt to the requirements for efficient project management, it succeeded in establishing an efficient and sustainable unit, which now is a major asset for future programme implementation.

Table 1: Number of projects per funding line

	Submitted Projects	Assessed Projects	Approved Projects	Started Projects	Completed Projects
LCF – CAP	300	191	85	82	64
LCF – IMP	183	101	46	32	22
BEF	258	198	88	87	73
TOTAL	741	490	219	201	159

Table 2: Value of projects per funding line (in ZAR)

	Assessed Projects	Approved Projects	Disbursed until July, 2011
LCF – CAP	62,526,852	29,724,704	20,143,343
LCF – IMP	323,619,408	84,501,174	63,644,218
BEF	58,235,393	23,765,133	16,852,583
TOTAL	444,381,652	137,991,011	100,640,144

Monitoring and Evaluation

Monitoring (ROM) and Mid-Term Review (MTR) missions were carried out in the usual frequency and recommendations have been widely taken into account by the PMU and DEDT. There was one major exception: in spite of the repeatedly documented recommendation to review the LogFrame and especially to further specify the OVIs, these adjustments have never been realized. Consequently, this final evaluation, but also the internal reporting, had to work with an inadequate LogFrame, which does not reflect the project reality and lacks quantifiable indicators.

Apart from these shortcomings, the PMU has taken into account the other recommendations and suggestions for the remaining implementation period. This refers to structural- as well as to procedural adaptations, which both contributed to further quality improvements.

Additionally to the aforementioned reports (ROM and MTR), which were externally commissioned by the EUD, the PMU has commissioned six internal reviews / evaluations towards the end of the Programme, covering all major components / activities:

- Documenting key lessons and outcomes of the BEF.
- Planning and leveraging economic development: review of the Gijima CAP funding mechanism.
- A socio-economic impact assessment of the Local Competitiveness Fund's implementation projects under Gijima KZN support program.
- Learning from Experience - Review and Close out report for the Learning, monitoring and Research Facility.
- Review and Close out report for the marketing and Communications Component of the Networking and Cooperation Fund.
- Review and close out report for the Institutional Development and Capacity Building component of the Networking and Cooperation Fund.

These reports are of a high quality level and give an excellent overview of achieved results and lessons learnt for future similar projects / programmes. These reports are some of the best internal evaluations that the evaluators have seen in their Mid-term and Final evaluation experience and, furthermore, the main recommendations outlined in these reports have been taken into account by the DEDT for the design and implementation of follow-up Programmes (i.e. Gijima II).

Information Management

In spite of the delays in contracting the service provider for the Marketing- and Communication Contract, the overall information management of the Programme has been satisfactory and did in most cases meet the expectations of key stakeholders and beneficiaries. This refers to formal information through, for example, reporting and specific information events, as well as to the Project Coordination Unit (PCU)'s capability and willingness to respond to specific questions and clarifications requested from beneficiaries. The project management's readiness to provide additional information and competent explanation whenever requested has been consistently mentioned by all interviewed beneficiaries. In this context, the Area Managers (AMs) are playing a key role to keep information between the PCU, stakeholder and beneficiaries in the remote areas flowing.

Notwithstanding the aforementioned positive comments, one important aspect concerning the Programme's information policy has been widely criticized. Following the submission of grant applications, delays during the tender process (from evaluation to notification to applicants) have not (or at least not sufficiently) been communicated. This has caused a considerable degree of frustration for the beneficiaries, who not only had to put their own plans on hold for an unknown period, but who also had problems in explaining these delays to their partners and suppliers. However, it is understood that such feedback improved towards the end of the Programme and that related lessons learnt will be used for further improvements in Gijima II.

The Gijima KZN internal information management system is sufficient and effective. The fact that every member of the PCU had a counterpart within DEDT allowed a smooth handover of information and consequently, the end of the project (with its TA-support) did not cause a gap in the information flow and management.

7. EFFECTIVENESS

This Chapter analyses the Programmes achievements, measured on the basis of the OVIs formulated in the LogFrame (see Annex 5) of the Programme. As stated, the OVIs have never been revised and adapted to the Programme reality, in spite of repeated corresponding requests documented in various evaluation reports. Consequently, several indicators are not reflecting the Programme reality and, furthermore, almost all OVIs lack any kind of quantifiable element. They are formulated in rather general terms instead of defining corresponding measurable percentages or absolute values. The evaluators have therefore interpreted the OVIs in the assessment to make them compatible with the Programme reality.

Programme Purpose

In its revised version of the LogFrame, the Addendum 1 to the FA defines the **Programme Purpose** as follows:

“To achieve equitable economic growth starting initially in selected “learning areas” and replicating LED across the province”.

In summary, the Programme Purpose shows a medium or medium-to-good level of achievement, with 3 out of 4 indicators (OVIs) showing clear positive elements (see details further in this Chapter). As mentioned above, the private sector support initiatives (LCF) and the strengthening of LED institutions on provincial level have been a major success, while the establishment of sustainable LED support structures on district level only shows a very low level of achievement. The finally successful establishment of an LED course programme at the UKZN contributed to the overall positive evaluation of the programme purpose achievement.

More in detail, the achievement of indicators (as defined in the LogFrame) is evaluated as follows:

Indicator P.1: Stakeholder partnerships in KZN have developed and implemented plans that generate or preserve in excess of 3,000 jobs and gear programme investment with funds in excess of R30 million.

→ Project data is not sufficiently detailed to allow an exact quantification of the number of (full-time) jobs generated or preserved. Nevertheless, it is a unanimously shared conclusion that the target of 3,000 has not been reached. However, additional private sector investments triggered by Programme activities do definitely exceed ZAR 50 million.

Indicator P.2: Establishing or expanding enterprises within nonmetropolitan KZN encounter fewer constraints and increased/improved public sector support and services.

→ Programme activities have not resulted in decreasing constraints to establish/expand enterprises and corresponding public sector services have not significantly improved.

Indicator P.3: The level of LED knowledge and skills of LED actors in KZN and South Africa has increased and mechanisms for sustaining and expanding this learning are contracted.

→ On provincial level, LED knowledge and skills are very good (DEDT’s LED Unit), whereas no significant improvement has been achieved on district/municipality level. A mechanism to assure dissemination of LED knowledge and skills on a national level (as envisaged in Result 5) has not been established.

Indicator P.4: The programme is efficiently and effectively executed and mechanisms for programme sustainability contracted.

→ A sustainable LED Unit has been established in the DEDT, a follow-up project (“Gijima II”) has been approved and is financed with South African funding and a LED course has been established at the UKZN, whose financing beyond the Programme has been assured with Government funding.

Envisaged results

Result 1:

“Stakeholders combine in partnership to develop and implement sustainable employment generating investment and enterprise growth plans with pro-poor outcomes“.

This result area refers to activities related to the LCF, which *de facto* was divided into the LCF Competitive Action Plans (LCF CAP) and LCF Implementation (LCF IMP) facilities.

Overall, Result 1 shows a good level of achievement. After coping with some difficulties, which the PMU faced at the beginning of the Programme (e.g. establishment of an appropriate quality control and monitoring system for the grant projects), the implementation became very efficient and effective.

More in detail, the achievement of indicators (as defined in the LogFrame) is evaluated as follows:

Indicator 1.1: Local level partnership groups compile plans of action for activities, which increase the competitiveness of an area, sector or enterprise and mitigate the impact of HIV/AIDS and TB.

→ According to the LogFrame the achievement of this indicator should be measured against the “number of CAP’s developed”. But no quantifiable OVI was defined. Nevertheless, the overall 82 CAPs contracted (of which 64 were completed), can be evaluated as a success. It needs to be mentioned that the termination of some CAPs before their completion indicates (a) certain deficiencies during the early identification and approval process (which later-on has been improved) and (b) the PMU’s ability to monitor project progress and take appropriate decisions, when required.

Indicator 1.2: Partnership groups collaborate to successfully implement plans that increase the competitiveness of area, sector or enterprise and mitigate the impact of HIV/AIDS and TB.

→ No quantifiable OVI has been defined in the LogFrame. Nevertheless, the overall 32 IMPs contracted (of which 22 were completed), can be evaluated as a success. It needs to be mentioned that the termination of some IMPs before their completion indicates (a) certain deficiencies during the early identification and approval process (which later-on has been improved) and (b) the PMU’s ability to monitor project progress and take appropriate decisions, when required.

Indicator 1.3: Private and allied public sector funds are mobilised to support implementation of competitiveness action plans

→ Here again, no quantifiable OVI has been defined in the LogFrame. However, beneficiaries’ contribution to IMP projects of more than ZAR 50 million should definitely be considered as a success.

Indicator 1.4: Implementation of CAP’s directly results in the generation/preservation of 3,000 permanent job opportunities.

→ The indicator is not suitable, because not CAPs, but IMPs have a more direct potential to create jobs. Additionally, it needs to be mentioned that CAP-financed feasibility studies could also be classified as successful, if they come to the conclusion/recommendation NOT to invest in a specific project. Avoiding investments in unprofitable projects is as important as supporting potentially successful investments.

Concerning the number of jobs generated / preserved, project data is not sufficiently detailed to allow an exact quantification. However, it is a unanimously shared conclusion that the target of 3,000 has not been reached.

Result 2:

“Grants enable public sector stakeholders engaged in LED related processes to create and operate an enabling environment for LED and pro-poor development“.

In summary, this result area has been the most problematic one. The envisaged institutional strengthening of district and local municipalities’ LED management capacity has only been achieved to a minor degree. The applied competitive grant funding mechanism has turned out to be not appropriate in view of the beneficiaries’ (i.e. district and

local municipalities) very limited LED and general project management capacity. In many cases, the projects have been designed and were later on implemented by consultants, without sufficient participation of municipality staff, due to their limited capacity. This resulted in a low level of ownership within the municipalities and hence a low sustainability of the individual projects. The latter has been further impeded by the high fluctuation of staff within the municipalities.

More in detail, the achievement of indicators (as defined in the LogFrame) is evaluated as follows:

Indicator 2.1: Public sector authorities have reduced the time, cost and difficulty of obtaining statutory permissions for business establishment and expansion.

→ The evaluators did not identify corresponding achievements. However, if punctual achievements should be identified, these would most likely not be as a result from the Programme.

Indicator 2.2: Improved capacity to supply land/facilities to emerging new or expanding business enterprises.

→ The evaluators did not identify corresponding achievements. However, if achievements could be identified, these would not be resulting from the Programme.

Indicator 2.3: Increased availability and use of public sector data by economic enterprises.

→ The evaluators did not identify corresponding achievements. However, if punctual achievements should be identified, these would not be resulting from the Programme.

Indicator 2.4: Enhanced municipal capacity to mobilise and use public and private sector resources to install and maintain the municipal infrastructure necessary to support economic activities.

→ No (baseline) data available. Data base on municipality level has not been relevantly improved through Gijima KZN.

Indicator 2.5: Integrated Development Plans (IDPs) contain LED plans aligned with the Provincial Growth and Development Strategy, the National Spatial Development Perspective and allied frameworks.

→ Only few LED plans have been integrated into the IDPs and, in most cases, municipalities do not have the required resources (qualified staff, financing) to allow such an alignment of their planning documents.

Indicator 2.6: LED facilitation and management functions and processes have been institutionalized on a permanent basis within public sector agencies.

→ Only minimal achievements have resulted from Gijima KZN activities. A general institutionalisation on municipal level is not achieved.

Indicator 2.7: Grant beneficiaries plan and implement measures by which HIV/AIDS and TB impacts on the LED enabling environment will be mitigated.

→ Only minimal achievements have resulted from Gijima KZN activities. A general institutionalisation on municipal level is not achieved.

Indicator 2.8: Increased public sector capacity to assist emerging and existing SMEs to identify access and utilise business development and poverty alleviation support programmes.

→ No (baseline) data available and no quantifiable OVI defined.

Indicator 2.9: Public sector personnel are trained in LED skills.

→ No quantifiable OVI has been defined in the LogFrame. According to Programme data, 886 officials participated in training provided with Gijima KZN funding. However, there is no follow-up on these activities beyond the Programme and, consequently, the effect on municipality level is fading out, which is further accelerated because of the high turnover of staff in most municipalities.

Indicator 2.10: Public sector capacity to utilise procurement and business systems to generate targeted economic outcomes is enhanced.

→ The evaluators did not identify corresponding achievements. However, if punctual achievements should be identified, these would not be as a result of the Programme.

Result 3:

“Sustainable mechanisms for learning, knowledge exchange, information dissemination, training and replication have been established and are working”.

Overall, this result shows a medium level of achievement. On the one hand, the establishment of sustainable mechanisms for identifying, capturing and sharing relevant LED experience and a systematic learning platform for sharing and distributing LED experiences on a national level and beyond the DEDT has not been achieved. On the other hand, the establishment of a LED course within the UKZN and securing its financing beyond the Programme is a success. Moreover, the Programme has succeeded in communicating the LED philosophy to both the political decision makers and the private sector representatives in KZN. This was achieved in spite of the considerable delays in contracting the agency for the Marketing- and Communication Component.

More in detail, the achievement of indicators (as defined in the LogFrame) is evaluated as follows:

Indicator 3.1: A sustainable mechanism for identifying, capturing and sharing relevant LED experience from within the RSA, and internationally, and feeding these experiences into the LED programme is operational.

→ No quantifiable OVI defined. A (sustainable) mechanism does not exist and hence is not operational.

Indicator 3.2: Sustainable measures established to fully capture and document lessons generated within the LED programme and future LED initiatives.

→ Sustainable measures have not been established, although the UKZN has started some promising activities in the context of its new LED course.

Indicator 3.3: Learning from programme captured, appropriately documented disseminated in manners that result in improved LED practice within the province.

→ A large number of documents are available on the DEDT website and the DEDT’s LED Unit is implementing lessons learnt from Gijima KZN in new programmes. Additionally, the UKZN has recently realized 3 case studies as part of the academic curriculum.

Indicator 3.4: A skills and knowledge development system for programme participants/implementers is operational.

→ Towards the end of the Programme, a course has been established at UKZN. Albeit very late, this is finally a positive achievement, especially taking into account the increasing number of applications and the assured financing beyond the programme with South African funding.

Indicator 3.5: Effective programme communications ensures positive awareness of the programme and ability to interact effectively with the programme.

→ Delays in contracting the agency for the Marketing and Communication Component created severe marketing bottlenecks, especially during the first half of the Programme. However, negative impacts on programme implementation could be minimized through compensating these deficiencies with STE input.

Indicator 3.6: Decision makers at the political and policy level are assisted to provide the Gijima programme with a supportive environment for implementation and sustainability.

→ The approval of a South African financed follow-up Programme (Gijima II) and the consolidation of DEDT’s LED Unit confirm political support.

Result 4:

“Effective LED management functions established and operational at provincial and area levels”.

In summary, the envisaged result has been very well achieved on the provincial level, with the DEDT's LED Unit now being much stronger and competent when compared to the situation at the beginning of the Programme. The Unit's staff has increased from 5 to 21, with a good level of qualification and motivation within the team. However, the Programme has not achieved the corresponding results on the district and municipality level. This is mainly due to very limited resources at these levels (with regards to both financial resources and qualified staff) and a high turnover of staff. Effective LED management function has only been established in some exceptional cases.

More in detail, the achievement of indicators (as defined in the LogFrame) is evaluated as follows:

Indicator 4.1: Technical support to public agencies in four learning areas supplied.

→ The indicator still refers to the original approach, concentrating Programme implementation on four districts (learning areas), which was abandoned later on. However, the success rate (approvals) of applications for grant financed projects from these four learning areas has been even lower (29%), when compared to the remaining districts of KZN (31%), in spite of the additional support which they have received during the early period of the Programme.

Indicator 4.2: Sustainable mechanism for the supply of technical support to the provincial areas falling outside the four learning areas developed and implemented.

→ The indicator still refers to the original approach, concentrating Programme implementation on four districts (learning areas). However, it can be observed that, in spite of the lack of sustainable mechanisms on municipality level, support is provided through the 11 DEDT AMs.

Indicator 4.3: LED personnel at provincial, district and municipal level acquire skills for LED programme management.

→ Indicator fully achieved on provincial level. On district and municipal level, skills are still insufficient to allow for an efficient management of Gijima KZN type programmes.

Indicator 4.4: District and local municipalities hosting the Area offices are able to continue programme operations post programme completion.

→ The indicator still refers to the original approach, concentrating Programme implementation on four districts (learning areas). However, it can be observed that, on district and municipal level, skills are still insufficient to allow for an efficient management of Gijima KZN type programmes.

Indicator 4.5: The DED is capacitated to continue programme operations post programme completion.

→ The DEDT staff is competent and qualified to continue programme operations. It is currently implementing, among others, the GoRSA financed Gijima II programme.

Indicator 4.6: MIS fully operational.

→ The MIS has been constantly improved during Gijima KZN's implementation and is now fully operational. Furthermore, elements of the Gijima KZN's MIS are being introduced in other DEDT units.

8. IMPACT

General

The Programme was in essence a capacity building initiative and, as such, a medium- to long term exercise. Consequently, the impact on institutional capacity throughout the province is rather limited at this stage. However, some work has been done to provide a basis to spur further LED in the province.

However, various projects which have received directly grand-scheme support, show already verifiable impacts. As expected, out of the around 200 projects supported, some can be classified as “success-stories”, whereas other must be considered as a failure.

Result 1 (LCF)

Of the individual projects supported by the LCF-IMP-facility, a few can be considered successful that show some measureable positive impact. First of all, a significant number of jobs have been created and/or preserved⁶.

IMP: Projects that were considered important for LED in the area (but not necessarily bankable for commercial loans), could be implemented (e.g. the “Expansion of CBP’s Milling Plant in Dannhauser Municipality”, or the “Sisonke Stimela”). Interesting pilot project ideas and -partnerships between established business and emerging players could be field-tested (e.g. partnerships between mills and small-scale growers in the sugar industry) and evaluated and the success-stories are likely to be replicated in other areas. Through the partnership approach, also previously “disfavoured” groups and informal players could be included in commercial initiatives.

CAP: Project ideas **which** had potential for LED, could be further developed into feasibility-studies and/or fundable/bankable projects. Due to the partnership approach, quite a few interesting partnerships have been introduced between the public and private sectors; between companies and surrounding communities; between established and emerging players; up-and down the value-adding- and supply-chain, and between formal and informal sector,. Certainly, some of these partnerships were “forced” and formed for the purpose of receiving grant funding. However, several of them (even some of those which were not genuine at the beginning) proved to be quite successful or promising for future LED.

CAPs lead indirectly to job- and income creation. Several projects, which did not get IMP-funding, could raise other private or public funding and were implemented successfully (e.g. Ezingoleni Tea Tree Initiative). In general, CAP-projects usually raised high expectations among communities, potential beneficiaries and stakeholders. Consequently, CAP-project ideas, which could not be implemented for various reasons, led to disappointment and frustrations.

The LCF’s impact regarding poverty-reduction is debatable. The LCF targeted medium-size initiatives and businesses. Certainly, some of the benefits generated on these trickled down to poorer community members (especially through job- and income opportunities). However, real innovative pro-poor-initiatives remained limited.

On an institutional capacity building level, the following impacts of the **LCF** are apparent:

- The DEDT staff, beneficiaries and other stakeholders benefitted from intensive on-the-job-training in high-standard PCM.
- High standards⁷ for grants scheme management (including quality control and M&E) have been introduced in the public sector as well as to applicants. Service providers were introduced to demanding quality standards and effective quality control.
- The concept and practices of LED was introduced to a wider circle of stakeholders in various sectors.
- The LCF was also supposed to have a positive impact on the banking sector’s participation in LED financing. A Bank Forum was established by the Programme in order to introduce and link the banking sector and LED-initiatives for funding through commercial loans. Representatives of major banks were also part of the Steering Committee.

⁶ For detailed figures see chapter Effectiveness“.

⁷ EU-rules and regulations may not always have been the most appropriate ones for this programme environment. However, lessons have been learnt and an improved and more appropriate set of rules, regulations and procedures was then introduced for Gijima II.

Unfortunately, the Programme's impact on the banking sector regarding LED support was not as successful as expected. As already mentioned above under 'Design', the LCF and especially its IMP-component, created a certain "competition" to the commercial banking sector.

Result 2 (BEF)

Some of the 87 BEFs had more and better impact than others. This is mainly due to the various levels of capacity among implementing municipalities. The BEF was designed as a capacity building tool. However, as a rule (with exceptions), the lower the capacity of various municipalities have been, the lower sustainable impact could be achieved. Well-staffed and good organised "richer" municipalities managed to get high-quality outputs from BEF-projects. Additionally, the latter are most likely to use these outputs (studies, LED-plans, reports, etc.) more effectively and transfer them into LED in practice. On the other hand, municipalities with lower capacity had little chance to get their applications approved due to the low quality of proposals. If they got approved (e.g. a consultant wrote the application) they were less likely to manage and control the service provider effectively and to make full use of the output.

On an institutional capacity building level, the following impacts of the **BEF** are apparent:

- The DEDT's staff, staff of benefitting municipalities and other stakeholders benefitted from intensive on-the-job-training in high-standard PCM.
- High-standards for grants scheme management (including quality control and M&E) have been introduced to participating municipalities, as well as service providers who were (at least in the later stage of the Programme) exposed to demanding quality standards and effective quality control.
- The concepts and practices of LED were introduced to a wider circle of stakeholders in and outside of the municipality-offices in various areas and sectors.

Result 3 (MLRF/NCF)

Due to the various design failures and challenges in implementing the MLRF/NCF, impact to date is limited. The research done under MLRF/NCF produced good quality outputs. However, it is still to be seen to what extent this can be used and transferred into sustainable impacts and by whom.

Several people have been trained in various LED-related courses and training sessions. The knowledge is likely to remain and to be used within the system, even if staff turnover is high and remains a challenge in the public sector in general and in the (rural) municipalities in particular. The postgraduate learning facility, which became operational in the later stage of the Programme, is likely to sustain funding to continue to 'produce' LED-trained personnel for the public as well as the private sector. This already had (and will increasingly have) a positive impact on the common understanding of LED in the province and beyond. However, this knowledge has to be further developed and used on the job to become effective and to produce impacts on the ground.

Result 4 (Institution Building)

The Gijima Programme helped significantly to create and leave behind a very strong LED Unit on provincial level at the DEDT. The Unit has the capacity to further foster LED throughout the province. Gijima II will continue the effort, as well as the more successful and effective components of Gijima I.

The Programme's impact on municipality level is less impressive. Municipalities, which had already good capacity or at least very committed and competent individuals, were further strengthened. Municipalities with less capacity could only benefit and strengthen their capacity in isolated cases (e.g. the establishment of a LED Unit for the Big 5 False Bay Local Municipality). Especially the AMs did (and still do) their best to strengthen the capacity on this level. However, the idea of concentrating on 4 "Learning Areas" was dropped for several reasons. It is understood that it was beyond the Programme's capacity to make a significant impact on all or at least most of the municipalities across the province.

9. SUSTAINABILITY

General

The Programme had two distinct components; (a) the capacity building component on provincial, district and local level and (b) the LCF-grant component mainly for developing the private sector. In contrast to capacity building, a grant-facility cannot be sustainable by definition, since the funding has to be sourced and has normally a limited time span. However, individual projects supported by the LCF, if successful, can lead to some sustainable development outcomes.

Result 1 (LCF)

It cannot be said at this stage to what extent the various projects funded by the LCF will survive in the mid- to long-term and to what extent they will contribute to sustainable LED. To date, a number of projects failed already (in some cases due to external factors such as the 2008-09 recession and increased factor costs). Several other projects, however, can be considered a success story. Jobs and income opportunities, resulting from LCF-funded projects, also contribute to sustainable livelihood development in affected communities and beyond. Very likely, the CAP-facility has supported the development of project ideas and partnerships, which have the potential to be further developed in the future.

The LCF as such will be continued as the backbone of the Gijima II Programme. Lessons learnt from Gijima KZN are used to improve the approach and make Gijima II an effective tool. Domestic resources (i.e. Government funds) will be used for Gijima II.

It can be concluded that a high level of support at the planning stages of projects, as well as during the implementation stage increase success rate and potential sustainability.

Result 2 (BEF)

At present, only the minority of outputs from BEF are likely to lead to sustainable impacts with regards to LED. Only some municipalities with good capacity and/or very committed teams or individuals are likely to improve their LED strategies sustainably and significantly. However, even if not used so far, most of the ideas, studies, plans and strategies developed under this facility are still valid and can be used or implemented in one way or the other in the future. The BEFs have been part of the capacity building strategy of Gijima KZN and helped even smaller rural municipalities to familiarize themselves with the concept of LED and the principles of high-standard PCM.

Result 3 (MLRF/NCF)

The first attempt to establish a financially sustainable and stand alone MLRF must be considered a failure. However, it leaves behind some well-done and potentially useful research work, as well as a number of trained individuals, which may contribute to a more sustainable LED in the province and beyond.

The post-graduate course, which was established at the UKZN in the final phase of the Programme, is more likely to run sustainably, as (a) funding for the post-graduate activities at UKZN is secured (ZAR 17million) over the next 4 years and a corresponding contract has been signed between UKZN and the Department and (b) there is a clear and increasing demand from students and public servants for such a course. Graduates will use their knowledge and skills to promote and implement LED in the public as well as in the private sector.

Result 4 (Institution Building)

Institutional capacity building on provincial level is certainly the most sustainable outcome of the Programme. Gijima KZN created and leaves behind a well-established and well staffed LED Unit within DEDT for KZN. The Gijima II Programme continues the work, using South African public funds. Lessons learnt in Gijima I have been used to streamline and improve the general approach, the tools, the set-up and the procedures (including an efficient and appropriate MIS system) to come up with a most appropriate programme. Beyond that, the LED Unit continues to promote LED throughout the province. Well qualified AMs are responsible for implementing these efforts in their respective districts.

As stated, in terms of sustainable institutional development, the Programme was less effective on municipality level. Sustainable capacity building on this level is difficult. Main challenges are chronic underfunding and a high staff turnover, especially in rural municipalities.

Result 5

This component was added to the Programme in July 2006 through Rider 1. Complementing the Programme's LED activities on provincial, district and municipality level in KZN, it envisaged to support LED at national level. The expected result was defined as follows:

“Support to DPLG at national level for strengthening of the LED environment through operationalising the national LED strategy“.

As indicators for the achievement of this result, the excessive number of 14 OVIs has been defined (see Annex 5). Concerning the management of this result area, it did not fall under DEDT's reasonability, but was to be managed by the DCOGTA. However, due to reasons explained further below, only a few contracts were implemented, mainly managed by the EUD.

Unfortunately, the implementing agency, the DPLG, faced several major changes, shortly after including this result area into the Programme:

- The long-term organizational development TA support through GTZ finished.
- The DPLG LED Unit suffered a major loss of its key professionals.
- With the reorganisation of DPLG into the new DCOGTA, a newly organized LED Unit (with new staff) had to be established.
- Until the finalisation of Gijima KZN, the LED Unit within DCOGTA struggled to define its role, objectives and responsibilities and there is still uncertainty as to what LED actually entails and what national government's role in it is.

Within this difficult organizational environment, it was impossible to implement the project as planned. As a result, only EUR 0.45 million of the original budget of EUR 1.5 million was spent, mainly to finance contracting of consultants for the preparation of four studies through framework contracts. The Department also co-funded the arrangement of a Small Town Conference in the Eastern Cape Province.

This drastic cut of the originally planned activities has been a sound and well justified management decision by the EUD. Due to DPLG's (and later on DCOGTA's) very limited absorption capacity, any additional investment to further foster the implementation according to the original planning would have been a waste of resources.

Currently, an operational platform to coordinate LED-related activities does not exist and experiences from LED activities on provincial level are not systematically analyzed and shared. Consequently, there is a constant risk that efforts are duplicated in different regions, causing resources to be invested inefficiently.

In spite of the above mentioned difficulties and the impossibility to achieve the originally planned result, the overall idea to strengthen the LED capacity on national level is still valid and relevant. Thereby, the main obvious deficiencies and bottlenecks, which need to be overcome, can be summarized as follows:

- Definition of what LED actually entails and what government's role and functions should be on national, provincial and municipal level.
- Establishment of an institutional set-up, which ensures its acceptance in both, the public and private sector.
- Development of appropriate systems and mechanisms, which allow an efficient and effective implementation of the previously defined functions.
- Efficient government coordination and cooperation between various departments and different levels of Government
- Operationalisation of the aforementioned systems and mechanisms.

Consequently, it is recommended to further support a corresponding institution building and capacity development on national level. However, it is regarded as essential that a “LED Unit” or “think tank” is located within or at least chaired by an institution with a strong acceptance within the private sector. This could be, for example, the Department of Trade and Industry (DTI).

10. CROSS CUTTING ISSUES

General

The five standard cross-cutting themes, namely Gender; HIV/AIDS, Environment, Capacity Building and (Good) Governance had to be addressed through the Programme.

Gijima was in essence a capacity building initiative. Capacity building and to a certain extent promotion of Good Governance were the core-programme purposes and, as such, handled in the main chapters of this evaluation report.

The issues of Gender, HIV/Aids and Environment had to be addressed within Gijima's institutional capacity building process as well as in each of the various (>200) grant-funded projects under BEF and LCF. Cross-cutting issues had a dedicated chapter and worksheet in every Programme Estimate and Annual Workplan. They were also monitored as part of the Programme's Monitoring Framework.

Nevertheless, the impact on cross-cutting issues of any development initiative, such as Gijima, is hard to verify in practice since these are long-term issues and verifying and evaluating them requires access to reliable and updated data (including baseline data) and/or complex socio-economic impact assessments. This is beyond the capacity and mandate of this Final Evaluation.

HIV/Aids

There is a clear link between HIV/Aids and poverty and consequently between HIV/Aids and LED⁸. Likewise, fighting the HIV/Aids epidemic would certainly contribute to Gijima's overall objective.

Gijima did implement awareness-raising programmes throughout the province and within DEDT itself. It also developed a set of criteria for grant beneficiaries to demonstrate their HIV/Aids-related commitment and strategy in order to increase their chances of getting funding. These criteria included:

- Has the applicant considered the potential impact of HIV and AIDS on the functioning of the business?
- Has the applicant considered the potential negative and positive impacts of the business activities on HIV and AIDS?
- Does the applicant have an HIV and AIDS workplace prevention and mitigation policy?
- Does the applicant have a draft HIV and AIDS plan and accompanying budget?

Many beneficiaries had already a HIV/Aids programme and policy in place. Nevertheless, Gijima encouraged applicants and beneficiaries to develop and implement their own tailored and appropriate HIV/Aids workplace programme and provided assistance and information through a local service provider.

Such a HIV/Aids Workplace Programme included:

- A workplace HIV/AIDS policy
- Providing information and education about HIV/AIDS
- Providing and distributing condoms
- Providing access to voluntary counselling and testing for HIV
- Setting up an HIV/AIDS committee
- Providing care and treatment
- "Mainstreaming" HIV/AIDS into all workplace activities

Gijima KZN also provided an assessable database on local service providers in the field of HIV/Aids-related programmes, policies and initiatives. It also provides a Toolkit to assist interested stakeholders to develop and implement their own tailored Workplace Programme successfully.

⁸ Some research was done on this link between HIV/Aids and LED under the Gijima programme.

Gender

The Programme did not have a designated gender-component according to the OECD-Gender Policy Marker system⁹ (OECD policy marker = “0”).

Nevertheless, there is a certain trace of gender mainstreaming throughout the programme. A gender specialist provided technical support to the Gijima team for issues related to gender equality and gender mainstreaming in theory and practice. Gender mainstreaming was included in the criteria for applicants and various awareness raising initiatives for beneficiaries and other stakeholders have been implemented.

To a large extent, grant-funded projects did not have a designated gender component. Several projects have a predominant female beneficiary base. This is especially true for typical “pro-poor” and small-scale projects and in rural/agricultural bases projects.

Within the Gijima-team itself, the upcoming generation of younger and highly-skilled LED officers seems to be well gender-balanced¹⁰.

Environment

Each of the grant-funded projects and beneficiaries has its own environmental challenges and issues of various extent. In theory, environmental issues were considered at the application stage when projects were being assessed. In isolated cases, specific support was provided to further assess potential environmental impact or include such an assessment in feasibility studies, funded under the BEF or CAP facility.

However, all in all, it seems doubtful if Gijima KZN had the capacity and mandate to handle potential environmental issues (with regards to funded initiatives) sufficiently. On the other hand, South Africa has an environmental legislation and the means to implement it properly.

⁹ <http://www.oecd.org/dataoecd/4/23/39903666.pdf>

¹⁰ currently, 7 out of 9 area-managers are women

11. LESSONS LEARNT AND RECOMMENDATIONS

One of the positive observations concerning the institutional capacity of the DEDT is its capability and willingness to learn from past experiences. This is clearly documented by the fact that it had commissioned the internal reviews/evaluations and the fact that lessons learnt have led to constant institutional and procedural improvements already while implementing Gijima KZN, but also in planning and preparing its future activities beyond the Programme, such as Gijima II.

The following is a list of the main observations made during the Final Evaluation of Gijima KZN and the resulting recommendations, which should be taken into account for the planning and implementation of similar projects:

Observation	Recommendation(s)
A strict application of EU procedures (PRAG, etc.) is necessary. However, unconstructive and non-problem-solving feedback delays Programme implementation and frustrates beneficiaries.	More supportive approach by the EU Delegation: (A) Guide Contracting Authorities and beneficiaries. (B) Where possible, interpret procedures to facilitate smooth and target-oriented implementation. (C) EU procedural training and frequent updates
LogFrame does not reflect Programme's reality and lacks measurable OVIs.	The LogFrame is a management tool for the Financial Institution (FI), the implementing agency, the Contracting Authority, monitors and evaluators. It must be appropriately designed, adapted and used. EUD must insist on appropriate formulation and utilization of the LogFrame.
Co-financing (or partnerships lead by) established enterprises require different concepts and tools as compared to co-financing emerging, recently formalized entities.	Different funds with specific procedures and prerequisites must be established for different type of target groups, meeting their specific requirements and possibilities. This has already been taken into account by DEDT for the Gijima KZN follow-up programme.
So far, no sustainable mechanism is in place to analyze and disseminate LED experience on a national level, assuring that lessons learnt in one Province are made available to others.	The institutional responsibility for this task is not yet defined. This should be targeted as soon as possible. It has to be taken into consideration that such an institution(s) must have the acceptance of the private sector (for example, the Department for Trade and Industry) as a precondition for successful LED initiatives, resulting in employment and income generation.
Less resourceful municipalities do not have the capacity to manage the application process for competitive grant support. Therefore, municipalities have widely outsourced project conceptualization, application and implementation, resulting in very limited ownership and sustainability on municipality level.	Supply driven concepts would be more suitable to support less resourceful municipalities than competitive application procedures.
In the case of Gijima KZN, the LED training for municipalities' staff was realized too late to accompany their grant project-related activities. This was due to procurement problems and general design flaws.	(A) Start procurement as early as possible, as it generally takes longer than expected. This phenomenon can be frequently observed in programme implementation worldwide. (B) Assure more careful planning, if activities are to be built on successful preceding steps.
Lengthy evaluation processes of applications result in frustration and applications becoming obsolete (e.g. in agriculture-related projects). Also, this does not motivate beneficiaries to comply with deadlines and their responsibilities.	It is important to establish and communicate appropriate and time binding limits – and adhere to them (PCU, EUD). Industry specific seasonal aspects and constraints have to be taken into account (e.g. in agriculture and tourism). Most beneficiaries accept the necessity of strict procedures and their time requirements. However, these timelines must be clearly communicated in advance.
An LED approach requires additional elements compared to "pure SME support". In the case of Gijima KZN, this was introduced through the	Future LED-driven business support programmes need to define a specific "extra value", such as promoting emerging enterprises, value chains, clusters or other specific innovative

Observation	Recommendation(s)
"partnership requirement".	approaches through partnerships.
In partnership projects, established "teams" have a higher success rate, while those partnerships which are formed for the single purpose to qualify for funding are likely to break apart	Do not limit future support to established partnerships. New partnerships especially deserve financial support. However, potential sustainability and value added of partnerships need to be carefully checked before approval of funding. This has already been taken into account by DEDT for the Gijima KZN follow-up programme.
In partnership projects, communication / contact is in most cases exclusively limited to the (more experienced) lead partner.	Although this is more efficient as far as project implementation is concerned, it should be required that junior partners participate in meetings as frequently as possible to facilitated know-how transfer.
In business support projects, public sector partners are less likely to lead successful and sustainable investments.	Insist on the private sector partner (preferably the future operator of the supported business) taking the lead and sharing the risk with its resources / funds. This has already been taken into account by DEDT for the Gijima KZN follow-up programme.
During application and implementation of projects, beneficiaries have received support mainly on procedural / admin issues, due to time constraints on the part of the Area Managers (AMs) and specific knowledge requirements.	It is important to foresee sufficient technical support capacity (during assessment of application and during implementation) to increase success rates of projects Institutional (check partnerships) Technical (check concept) Administrative (procedures, eligibility of expenses, required documentation etc.).
In most cases, feedback to unsuccessful applicants for LCF or BEF projects has been limited to formal / procedural aspects, not (sufficiently) including content-related aspects.	This approach would be appropriate for a purely commercial project. But for a support programme, a qualitative feedback should be provided to facilitate the improvement of future project planning. This has already been taken into account by DEDT for the Gijima KZN follow-up programme, for example through formal feedback throughout the evaluation process, due diligence findings etc.
Already installed equipment or access to after sales services are important criteria for entrepreneurs to select a known supplier instead of competitive tendering.	Continue with flexibility to allow – if justified – for possibility of direct negotiations.
Valuation in monetary terms of beneficiaries' contribution in kind through time spent on the project is uncontrollable.	Either restrain from requiring own contribution in monetary terms or define better criteria (e.g.: "Cash" or supplies). This has already been taken into account by DEDT for the Gijima KZN follow-up programmes.
A Steering Committee with more than 50 members is not reasonable.	Limit the number of Steering Committee members to a maximum of 10. Further stakeholders could and should be integrated through an advisory or consultative group. The newly created Provincial LED Forum, which resulted from Gijima KZN experiences, is a good example of such a body.
The Gijima KZN Programme has commissioned reviews / evaluations for all its major components and sub components, which generated excellent inputs for future projects / programmes of a similar nature.	Future projects / programmes should incorporate similar reviews.
Since 2010, M&E has gained considerable importance within the Government of South Africa, but there is still a need to align provincial M&E systems with the corresponding national systems.	Provincial M&E systems should be aligned with the corresponding national system.
In spite of the Programme's achievement on provincial level in KZN, there is still an uncertainty at the national level with regards to what LED actually entails and what the government's role in it is.	Development of commonly (in the public and private sector) accepted definitions, followed by a corresponding institution building and capacity development still requires further efforts and could benefit from donor support, especially on the national level.

Observation	Recommendation(s)
<p>Public and private sector still regard each other with scepticism and constructive communication as well as an efficient and effective coordination of common projects is still deficient.</p>	<p>Consolidation of public-private communication platforms, such as the newly created Provincial LED Forum (see also further above in this Chapter) and selected public-private projects still require and deserve (donor) support.</p>

12. ANNEXES

Annex 1: TOR

Annex 2: CV Nico van Tienhoven

Annex 3: CV Bernd Drechsler

Annex 4: Inception Report

Annex 5: LogFrame

Annex 6: Grant Project Evaluations

Annex 7: List of persons interviewed

Annex 8: De-briefing Presentation

Annex 1 - Terms of Reference



**LOT N° 9: Culture, Education, Employment and Social
REQUEST N° AFS/2011/ 264-714 V2**

Specific Terms of Reference for the Final Evaluation of the Local Economic Development Support Programme in the KwaZulu-Natal Province, Republic of South Africa

1. Background

Cooperation between South Africa and the European Union and its Member States takes place within the framework of the Trade, Development and Cooperation Agreement (TDCA), that came into full force in May 2004. This agreement provides for economic and trade cooperation, development cooperation, political cooperation as well as cooperation in other areas.

Development Cooperation under the TDCA supports policies and reforms carried out by the South African Government aimed at fighting poverty, promoting the integration of South Africa into the world economy, and consolidating the foundations of a democratic society. Accordingly, the overall objective of the South Africa – European Community Cooperation Strategy for the period 2003 – 2006 was to support policies and strategies that reduce inequality, poverty and vulnerability and mitigate the HIV/AIDS pandemic and its impact on society. It focused on four main areas: (1) access to and sustainable provision of social services, (2) equitable and sustainable economic growth, (3) deepening democracy, and (4) regional integration.

The *South Africa – European Community Country Strategy Paper and Multi-annual Indicative Programme for the period 2000 – 2002* states as one of the key sectoral strategies for EU support, "poverty reduction through improved service delivery and stimulation of local economic development". The specific objective in this focal area is principally to increase efficiency in implementation of policies and strategies that have been defined during the past five years but for which sustainable delivery has only started to materialize.

Local economic development (LED), as described in the CSP, refers to the ability of a local area to achieve economic growth and redistribution sufficient to ensure a rising standard of living for all within that area. As reflected in the white paper on local government, LED has emerged at the time as a key strategy within the South African context to maximise impact of development initiatives on social and economic development of communities. LED was described as being about building capacity within a local or regional economy to develop basic economic infrastructure and services including energy, to create jobs and to meet threats and opportunities of rapid economic, technological and social changes. Successful local development depends on concerted efforts and actions from a range of individuals and organisations. It, among other things, entails the promotion of constructive partnerships between local authorities, the private sector and civil society organisations. These policy orientations have been translated in three major pieces of legislations in the form of a Demarcation Act - a Municipal Structure Act and a Development Facilitation Act. It has also been the basis of the development of the Spatial Development Initiatives (SDI's), some of them being implemented in the most deprived Provinces of South Africa.

The above theme was echoed in the *South Africa - European Community Country Strategy Paper and Multi-annual Indicative Programme for the period 2003 – 2006* under the Area of Co-operation 2, which entailed "equitable and sustainable economic growth". The purpose was to contribute to the acceleration of growth, equity and employment. The *South Africa – European Community Country Strategy Paper and Multi-annual Indicative Programme for the period 2007 – 2013* is available on the website of the EU Delegation to South Africa: www.eusa.org.za. The Paper states that the European partners will focus on three areas of development cooperation with a specific objective for each of them:

- To promote pro-poor, sustainable economic growth, including in the second economy, focusing on generating employment, reducing inequality, developing skills and tackling social exclusion. Support to LED activities falls under this priority.
- To improve the capacity and provision of basic services for the poor at provincial and municipal level, and promote equitable access to social services.
- To promote good governance in both the public and non-public domains. On the state side, this would focus on fighting crime, including corruption, and promoting safety, security and the rule of law. On the non-state side, the focus would be on strengthening civil society and helping NGOs, CBOs, social partners and indeed non-state actors generally to play their part in partnership with government.

The **Local Economic Development Support Programme to the KwaZulu-Natal Province (SA/73200-02/04)** (which was later renamed to Gijima KZN) was signed on 18 May 2003 by the European Union and on 18 June 2003 by the National Authorising Officer for the Republic of South Africa. The programme budget amounts to € 38,500,000.00. Rider 1 to the Financing Agreement increased the financial ceiling of the programme with €1,5 million, while making amendments to the Technical and Administrative Provisions (TAPs). This mainly enabled support to the national Department of Cooperative Governance and Traditional Affairs (then called the Department of Provincial and Local Government). Rider 2 to the Financing Agreement, signed on 31 October 2008, extended the timeframe of the programme (operational implementation period to end on 31 December 2010), effect a budget reallocation and improving further the TAPs.

The KwaZulu-Natal Department of Economic Development & Tourism is the Contracting Authority responsible for the implementation of the programme.

The **overall objective** of the programme is to improve the quality of life of the people of KwaZulu-Natal.

The core problem to which the programme responds is the major market failures and human and institutional capacity limitations that operate to perpetuate the exclusion of the majority population from the mainstream economy. This exclusion is manifest in rising unemployment, continuing socio-spatial divisions, poverty and vulnerability. The programme was initially designed to support LED initiatives from provincial and local actors, initially focusing on four selected 'learning areas'. The replication of successful experience to the other six other non-metropolitan districts – the so-called 'Rest of the Province' area – was considered a key element of the programme. To achieve its purpose, the programme has been designed to:

- ✓ Build sustainable partnerships between LED stakeholders;
- ✓ Strengthen and cohere the enabling environment for investment and enterprise development, skills development, HIV/Aids and TB mitigation, and developmental local government around projects that promote economic growth and poverty reduction;
- ✓ Promote learning, knowledge exchange and replication; and
- ✓ Establish effective, adaptable and innovative LED management functions at the national provincial level and local levels.

Activities in the programme included the following (as per the Financing Agreement and Rider 1 and 2 to the Financing Agreement):

Result 1 - Stakeholders combine in partnership to develop and implement employment generating investment and enterprise growth plans with pro poor outcomes. This result entailed the mobilisation of local or sector private and public stakeholders around LED strategy formulation and implementation, based on the appraisal of competitive advantage and the identification of economic opportunities and their connection with social need. The Local Competitiveness Fund (LCF) would provide partnership groups with support to establish integrated projects to:

- Establish a base of infrastructure and services to provide a platform for increased competitiveness;
- Enable structural economic change, including repositioning the province into higher value-added segments of supply chains, based on knowledge based manufacturing and service sectors; while increasing equitable participation in these value chains;
- Provide particular support to sectors that have a high potential to boost the programmes socio-economic objectives, in particular: agriculture and agro processing; tourism; clothing and textiles; wood and wood products; arts, crafts and cultural industries; information and communications technology; logistics and transport.

Result 2 - Grants enable public sector stakeholders engaged in LED related processes to create and operate an enabling environment for LED and pro-poor development. This result involved assisting provincial and local government authorities and public agencies to plan and implement actions that generate local conditions conducive to enterprise establishment/expansion and equitable economic growth. Support was given by means of grants from a fund entitled the Business Enabling Fund (BEF).

Support was focused on assisting provincial and local government and public agencies to create an enabling environment for local economic development through interventions such as:

- Clarifying the legislative and regulatory requirements of the local economic development role of Government;
- Strengthening the enabling role of local and provincial government with respect to local economic development;
- Reducing or removing legal, regulatory or administrative barriers to LED;
- Improving the performance of local and provincial government with respect to LED planning, governance and facilitation;
- Improving programme coordination between the different levels of local government and the different spheres of government;
- Establishing effective participation in development planning and implementation within the local sphere (including improving coordination with the private sector and NGOs, Community Based Organisations, Business Chambers, Organised labour and other groups);
- Developing a sector approach to the local economic development work of the municipalities that closely articulates with the sectors developed within the provincial sphere;
- Decentralising service delivery to the local sphere of government including the establishment of one-stop service centres at local government level;
- Assisting local government to make effective use of the Municipal Infrastructure Grant;
- The development and institutionalisation of LED related systems within provincial and local authorities and public agencies.
- Planning and facilitation activities that secure improvements in the operation of local and regional labour markets

Result 3 - Sustainable mechanisms for learning, knowledge exchange, information dissemination, training and replication have been established and are working, which involved monitoring and evaluating, learning from experience, and sharing lessons.

Result 4 - Effective LED management functions established and operational at provincial and area levels. This result involved the establishment and operationalisation of effective, innovative and accountable management at the provincial and area levels. Area managers, operating on the basis of independent and lean structures, have developed co-operative relationships with local actors around LED initiatives, package and facilitate project proposals that achieve growth and address needs and source services and resources to support them. Provincial and area managers would also progressively transfer learning and skills to the programme partners, ensuring replication and sustainability of LED in the Province.

Result 5 - Support to DPLG at national level for strengthening of the LED environment through operationalising the national LED strategy. The key tasks of the national support initiative would be as follows:

- Identifying and testing feasible approaches, concepts and instruments.
- Enhancing institutional and human capacities.
- Information processing, co-ordination and dissemination.
- Policy development: including actively disseminating the new LED framework developed by DPLG, DTI and SALGA throughout South Africa.

More information on this can be viewed on the website: <http://www.gijimakzn.org.za/home.aspx>

Implementation commenced with the signing of the Interim Work Plan in February 2004. There have been six subsequent annual work plans / programme estimates (including the current closure programme estimate). To date, total disbursement on the programme amounts to € 33,422,160.67. For Result Area 5, one programme estimate was implemented (signed in December 2009) to the value of € 449,545.67, while additional support was provided through framework contracts.

The international Technical Assistance Contract (EuropeAid/116983/C/SV/ZA) was awarded to the IMC group (now WYG International) to establish a "Programme Management Unit to manage the implementation of the Local Economic Development Programme in Kwazulu-Natal Province". The total contract value amounted to € 13,427,969.80.

A second international contract (EuropeAid/122028/D/SV/ZA) was signed to establish a Monitoring, Learning and Research Facility in the field of Local Economic Development in the province. This contract amounted to € 1,489,131.00 and was awarded to the Koninklijk Instituut Voor De Tropen Vereniging (KIT).

A Mid-Term Review was carried out in 2006. The Programme has been monitored in 2003, 2005, 2006 and 2008 as part of the EU Result Oriented Monitoring (ROM) process.

2. Description of the assignment

2.1 Global objective

The overall objective of the Final Evaluation of the Gijima KZN Programme is to provide decision makers in the South African Government and the EU with an assessment of the relevance, quality of preparation and design, impact, efficiency, effectiveness, as well as overall quality, sustainability and replicability of the Programme against the expected results. This will be measured on the basis of the indicators formulated in the logical framework of the Programme.

2.2 Specific objective(s)

The specific objectives are:

- Based on the design of the programme, to assess the efficiency and effectiveness of programme implementation;
- To assess the real and prospective impact of the successful delivery of the programme logframe activities and results, and achievement of the programme purpose;
- To assess the sustainability of the activities and structures developed during the programme;
- Provide clear key recommendations and guidelines on future activities in the sector of PFM improvement and reform that would benefit from donor support.

2.3 Requested services

The services to be provided must be rendered in accordance with the published EC Guidelines on Project Cycle Management, Institutional Assessment and Capacity Development, and gender (*Toolkit on mainstreaming gender equality in EC development cooperation*), and will include:

- An assessment of the extent to which the programme remained consistent with, and supportive of, the strategic priorities and policies of South Africa;
- A thorough assessment of stakeholder participation in the management and implementation of the programme, and the level of ownership at institutional level;
- A critical assessment of programme performance with respect to efficiency (input delivery, cost control and activity management) and effectiveness (actual and potential delivery of outputs and progress towards achieving the purpose);
- A thorough assessment of programme management and coordination arrangements, and the extent to which timely and appropriate decisions are being made to support effective implementation and problem resolution;
- A thorough assessment of the quality of operational work planning, budgeting and risk management;
- An assessment of the quality of information management and reporting, and the extent to which key stakeholders are kept adequately informed of programme activities (including target groups and beneficiaries);
- An assessment of the effectiveness and successfulness of aligning the outcomes and activities of the programme with other EU-, government- and donor funded programmes;
- An assessment of the prospects for sustainability of benefits;
- Provide key recommendations on future activities in the sector that would benefit from donor support *in the province and in the country*.

The services will include a site visits to the grant beneficiaries and other stakeholders that were supported through the programme. It will also include an assessment of the support provide to the Department of Cooperative Governance and Traditional Affairs (COGTA) in Pretoria through Result Area 5.

2.4 Required outputs

The following outputs are required:

- Inception Report, detailing the organisation and methodology to be adopted for the assignment;
- Debriefing Report, indicating the critical findings with respect to the assessments undertaken, and the corresponding recommendations. This report could take on the form of a presentation;
- Draft Final Report, documenting all aspects of the review; and
- Final Report, incorporating comments on the Draft Final Report.

3. Experts profile

A team of two experts are required:

- **Expert 1 (Team Leader, Senior expert):**
 - ✓ This expert will have an education at the level of a Masters Degree or equivalent and
 - ✓ preferably 10 years' experience relevant to the assignment (but with a minimum of 8 years' general experience).
- **Expert 2 (Senior expert):**
 - ✓ This expert will have an education at the level of a Masters Degree or equivalent and
 - ✓ preferably 10 years' experience relevant to the assignment (but with a minimum of 8 years' general experience).

Collectively, **Experts 1 and 2** should demonstrate the following:

- Extensive knowledge of EU and other donor programme implementation by means of the project delivery modality;
- Sound knowledge and experience of conducting reviews and evaluations of EU and other donor-funded projects (the Team Leader should have participated in at least two reviews and/or evaluations of EU or donor funded projects and have led at least a third in the past five years, and Expert 2 should preferably have participated in at least two reviews or evaluations of an EU funded or donor funded project in the past three years);
- Experience in implementation or evaluation of grant-based funded programmes.
- Experience in and working knowledge of any of the following the fields related to the programme: Local Economic Development, Economic Development, Community Development, Urban and Rural Development, Capacity Building, Private Sector Development;
- Sound knowledge and experience of the above in the Southern African context will be an asset.

The experts should be fluent in spoken and written English, and should have excellent technical writing skills. The Framework Contractor must ensure that the experts have adequate administrative support, so that their time and expertise can be used optimally for achieving the objectives of the assignment.

4. Location and duration

The assignment has to be executed during a period of 11 weeks, indicatively starting on 6 October 2011 and ending on 21 December 2011.

A total of 55 working days have been made provided for each of the experts (a total of 79 calendar days).

The assignment will be executed mainly in the KwaZulu-Natal Province (Pietermaritzburg), South Africa, where the Department of Economic Development and Tourism is located. For Result Area 5 of the Financing Agreement, the field work will be conducted in Pretoria, where the Department of Cooperative Governance and Traditional Affairs is located.

Additional travel is foreseen within the province to visit a selection of grant beneficiaries. This selection will be finalised during the inception phase of the assignment.

For the purpose of this contract, experts have the permission to work during weekends and public holidays, as required for delivering the requested services. If the final draft report is considered to be in order by the Contracting Authority and EU Delegation, experts may work from a home base after 15 December 2011 until the end of the contract period.

The contractor will cover the travel costs and subsistence allowance of the consultants from the overall budget value. The budget should make provision for:

- International travel depending on the home base of the experts proposed;
- Per diems;
- Local travel (inter-city travel).

The maximum budget available for this assignment is € 136,500.00.

5. Reporting

All reports as indicated in Section 2.4 of this ToR should be presented in an agreed format. The Inception Report should be between 5 and 10 pages, excluding annexes. The Draft Final and Final Reports should be a maximum of 50 pages, excluding annexes. All reports should be drafted in English, and prepared with MS Office software. Each report should be presented to the parties involved. The indicative time schedule for the delivery of and comment on the outputs indicated in Section 2.4 is as follows:

Report	Delivery & presentation dates (2011)	Date for comments (2011)
Inception Report	12 October	14 October
Debriefing Report / Presentation	25 November	30 November
Draft Final Report	12 December	15 December*
Final Report	21 December ^o	-

* Whether or not a presentation will be required, will be advised when comments on the Draft Final Report are provided.

^o If the Final Report is acceptable, this will be the date of approval.

Once the Task Manager has indicated by e-mail which version of a particular report is acceptable, and once a certificate of completion has been issued, 5 hard copies and an electronic version of the final version will be submitted to him.

The following information should be noted on the final reporting:

FINAL REPORT	
Title	Local Economic Development Support Programme in the KwaZulu-Natal Province (SA/73200-02/04) - Final Evaluation
Language	English
Recipient	European Union Delegation to South Africa
Responsible	Mr Gerhard Pienaar, Programme Officer
Copies to submit	Inception Report: electronic copy Debriefing document/presentation: electronic copy Draft document; electronic copy Final report: 5 hard copies + 1 electronic copy

6. Administrative information

6.1 This contract will be a global price contract

6.2 Conflict of interest: no contractor or expert who has been either a direct or indirect beneficiary (i.e. he/she should not have benefitted as a service provider either through consultancy assignments or through the grant scheme or procured project assignments) of the Gijima KZN Programme will be considered for this assignment.

Annex 2 – CV Nico van Tienhoven

CURRICULUM VITAE

Proposed role in the project: Senior Expert (Category I)

1. **Family name:** van Tienhoven
 2. **First names:** Nico Alexander
 3. **Date of birth:** 29-12-1954
 4. **Nationality:** Dutch
 5. **Civil status:** Married, three children
 6. **Education:**

Institution (Date from – Date to]	Degree(s) or Diploma(s) obtained:
University of St. Gall (Switzerland) MBA Programme 1974 – 1979	Master of Business Administration (MBA / Lic.oec.)
University of Hohenheim (Germany), 1983–1984	Ph. D. in Agricultural Economics

7. Language skills: Indicate competence on a scale of 1 to 5 (1 – excellent; 5 – basic)

Language	Reading	Speaking	Writing
German		mother tongue	
English	1	1	1
Spanish	1	1	1
French	1	2	3

8. Membership of professional bodies: The Competitiveness Institute (TCI)

9. **Other skills: (e.g. Computer literacy, etc.):** Fully computer literate (full autonomy with MS Word, Excel, Power Point etc)

10. **Present position:** Independent Consultant

11. **Years within the firm:** 5

12. Key qualifications (Relevant to the project):

- Fully familiar with **Project Cycle Management** and **Logical Framework**;
- Substantial experience as a **Team Leader** in numerous TA Programmes and Projects;
- Excellent knowledge of **evaluation methods and techniques**;
- Particular knowledge of **EU (EDF) funded Programmes/Projects** (formal-, technical-, financial aspects) and the corresponding procedures, including **grant-based funded** programmes;
- Long experience in **preparation / planning, implementation and evaluation** of programmes and projects in the context of **local economic development, community development, private sector development** and poverty alleviation;
- Ample experience in **RED / LED Programmes and Projects**;
- Sound understanding and experience in the planning, implementation and **evaluation of grant-based funded** programmes;
- Excellent knowledge of both, the **private sector** (including **agriculture & food processing**) and **private sector development concepts**) and the **public sector** (including institution building and development of **social & productive infrastructure**);
- Excellent understanding of a broad range of **Non-State Actors / Civil Society Organizations**;
- Good knowledge and experience of the above in the **PNG context**;
- Well experienced with all aspects concerning a successful promotion of a **constructive partnerships between local authorities, the private sector and civil society organisations**;
- Excellent **communication skills** in **multi-ethnic project environment**.

13. Specific experience in the region:

Country	Date from - to
PNG	11 / 2010 – 11 / 2011 (five short term missions)
Indonesia – Maluku (Ambonese) Archipelago	06 / 2007 – 12 / 2007 (two short term missions)

14. Professional experience (selection of assignments)

Date from –to	Location	Company	Position	Description
10/2011 – 02/2012	South Africa	EU / IBF Gerhard Pienaar (Programme Officer) Gerhard.PIENAAR@eeas.europa.eu	Team Leader	Final Evaluation of Local Economic Development Support Programme in the KwaZulu-Natal Province (Gijimas LED). Programme value: EUR 38.5 million). The core problem to which the programme responds is the major market failures and human and institutional capacity limitations. To achieve its purpose, the programme has been designed to: <ul style="list-style-type: none"> o Build sustainable partnerships between LED stakeholders; o Strengthen and cohere the enabling environment for investment and enterprise development, skills development, HIV/Aids and TB mitigation, and developmental local government around projects that promote economic growth and poverty reduction; o Promote learning, knowledge exchange and replication; and o Establish effective, adaptable and innovative LED management functions at the national provincial level and local levels
11/2010 – 04/2012	Papua New Guinea (5 missions to PNG)	EU / EPESMANDALA Thomas Viot Thomas.Viot@eeas.europa.eu Cristiana Bessa (Project Director) cristiana.bessa@epesmandala.com	Team Leader (intermittent)	Ongoing monitoring and overseeing the delivery of 3 programme estimates funded under the “ Strengthening of District and Local Level Governments Programme (SDLLG), strengthening the Implementing Agencies (IAs) through institutional capacity building and facilitation of efficient coordination between EUD, IAs, NAO-SU and the PIU (Programme Implementation Unit). The major PE is being implemented with the Office of Regional Development (ORD) .
04/2011 – 05/2011	Chile	EU / GFA Claudia Geier Claudia.GEIER@eeas.europa.eu Julio Fuster (Team Leader) juliof@corpsolutions.net	Senior Expert	Final Evaluation of the “ Innovative Companies Project ” (Proyecto Empresas Innovadoras) (Programme value: EUR 34 million). Main project activities: (a) Strengthening innovative MSMEs through more than 1.700 grant-funded –initiatives, co-financing company specific projects , (b) fostering public-private dialogue , (c) strengthening business service providers and (d) supporting innovation-related institutions.
01/2011 – 02/2011	Guatemala & Nicaragua	EU / Quality Institute Luz-María Habed-Castellon Luz-Marina.HABED-CASTELLON@ec.europa.eu Eric Mañé (Project Director) emane@qualityinstitute.com	Team Leader	Revision of the LogFrame, Development of appropriate indicators & design of an integrated Monitoring System for the CONSUAC-Programme (Programme value: EUR 7.5 million), which supports the design and application of a Central American Integration Policy. Evaluation of the Programme’s achievements to date.
08/2010 – 09/2010	Guatemala & Nicaragua	EU / GFA Luz-María Habed-Castellon Luz-Marina.HABED-CASTELLON@ec.europa.eu Harald.Landauer (Project Director) Harald.Landauer@gfa-group.de	Team Leader	Revision of the LogFrame, Development of appropriate indicators & design of an integrated Monitoring System for the ADAPCCA-Programme (Programme value: EUR 11.6 million), which supports the design and application of a Central American Integration Policy. Evaluation of the Programme’s achievements to date.
09/2010 – 11/2010	South Africa	EU / GFA Andreas Meyn (Project Director) Andreas.Meyn@gfa-group.de	Team Leader	Mid-Term Review of Programme to Support Pro-Poor Policy Development (PSPPD). Programme value: EUR 5 million).). The PSPPD is a large anti poverty programme involving the SA government, Presidency, line departments and academic institutions and

		Malado Kaba (Programme Officer) Malado.KABA@ec.europa.eu		research civil society bodies. Deals with issues of decentralisation from national to provincial level. Consultations with stakeholders and engagement on issues of Evidence-Based Policy-Making, Pro-Poor Policy-Making , Poverty and Inequality and Social Protection Systems. Analysis included assessment of consistency with, and support of, the strategic priorities in the CSP, and other EC, Government and donor-funded programmes. The entire PSPPD is essentially focused on capacity building (includes training and development) of civil service officials, and of civil society. The PSPPD supported significant local economic development (LED) components and included major capacity building components and grant-funded projects .
09/2003 – 06/2010	Caribbean (all ACP-Countries) (14 missions to the Caribbean)	EU / GFA Dr. Klaus Altemeier (Managing Director) Vaughn Renwick (CEO WIRSPA) vaughn.renwick@wirspa.com	Team Leader (intermittent)	Ongoing monitoring of the “ Integrated Development Programme for the Caribbean Rum Sector ”. The EUR 70 million programme has four main lines of activity, all targeted to strengthen the region’s SME-based rum industry : Enhancement of companies’ upgrading through co-financing schemes . Support to companies’ individual marketing through matching grant facility . Regional integration and institutional strengthening of industry association. Establishment of a joint umbrella Marque.
09/2009 – 10/2009	Jamaica	EU / GFA Shakierah Cowan (Programme Coordinator) Shakierah.Cowan@jsif.org	Team Leader	Mid-Term Review of the PRP II (Programme value: EUR 11.6 million). Main activities of the Poverty Reduction Programme (most of them grant-funded): (a) Socio economic projects focusing on small scale civil works (sanitation, health, water supply, roads etc.), (b) Capacity building and training on community level , (c) Non-State Actor (NSA) capacity building , (d) Support of Income-generating activities and MSMEs
04/2009 - 05/2009	Chile	EU / GFA Beatriz Gonzalez beatriz.gonzalez@ec.europa.eu	Team Leader	Final Evaluation of the Project “Support to the Management of the Co-operation Programmes between the Government of Chile and the European Union” (institutional strengthening). A special focus of the evaluation comprised the analysis of AGCI’s (Chilean “Agency for International Cooperation”) capability to ensure an appropriate design & implementation of technical and administrative planning, monitoring and evaluation of programmes and projects , including identification and measurement of impact indicators . EU-Chilean co-operation programmes include Local Economic Development and Poverty Reduction Projects .
01/2009 - 02/2009	Chile	EU / GFA Josephine Arpeillange josephine.arpeillange@ec.europa.eu	Team Leader	Final Evaluation of the “Araucanía Tierra Viva” Programme (Programme value: EUR 21 million). The Programme targeted at income and employment generation through local economic development in less developed areas of southern central Chile. Through strengthened local & regional institutions as well as business service providers , the Programme provided the corresponding capacity building and training to enable SMEs and family owned enterprises to benefit from business opportunities. Altogether, approximately 1.000 small projects have received grant-funding to strengthen small scale businesses.
09/2008 – 11/2008	Trinidad & Tobago	EU / GFA Terhi Karvinen terhi.karvinen@ec.europa.eu Gary Tagallie (Programme Coordinator) gtagallie@yahoo.com David Moore (Team Leader)	Short-Term Expert	Final Evaluation of the Poverty Reduction Programme (Programme value: EUR 6 million) , which aimed at implementing a National Poverty Reduction Strategy . The programme aimed at achieving 3 components: (a) Improvement of the delivery of poverty reduction services , (b) Strengthening of the institutional framework for poverty reduction , and (c) Strengthening of the information system on poverty and poverty reduction programmes. As a major component the Programme supported 650 micro-projects on a grant-funded base, to provide the targeted vulnerable groups with viable training and business opportunities . Implementation of these micro-projects was achieved through

		davidroy_moore@yahoo.ca		strengthening Non-State Actors capacity in project planning and execution.
05/2008 – 09/2008	El Salvador	EU / CONAMYPE Arnulf Knorr (Programme Manager) Arnulf_KNORR@knorr-international.com	Team Leader (intermittent)	Strengthening competitiveness of honey exporting SMEs through introduction of an appropriate quality assurance & control system: Preparation and realization of site visits to all levels of the value chain by 5 European sector specialists and development of suitable concepts to improve quality, productivity and innovation.
03/2008	El Salvador	GTZ / GFA Dr. Frank Pohl (Programme Manager) frank@frank-pohl.de	Team Leader	Preparation of recommendations concerning the overall sustainability the programme's achievements with regards to local economic development . The FORTALECE programme focussed on MSME support and employment creation strategy for the region of La Paz through co-financing micro-projects targeting at the impoverished region's integration in the national economy
06/2007 – 12/2007	Indonesia	EU / IDOM Craig Redmond (Country Mgr Mercy Corps Indonesia) crichmond@id.mercycorps.org Kevin Corbin (Country Mgr Indonesia Save the Children)	Senior Monitor	Result Oriented Monitoring of the implementation of projects / programmes of external assistance financed by the EC. Assignments included the evaluation of projects focused on community based activities in the Maluku (Ambonese) Archipelago, implemented through local Non-State Actors: Micro project support (grant-funded) to provide employment opportunities ("Maluku Recovery Programme") and support to integrated basic school education for Christian and Muslim children and youth.
01/2007 – 02/2007	El Salvador	GTZ / GFA Dr. Frank Pohl (Programme Manager) frank@frank-pohl.de	Team Leader	Mid-Term Review of programme's achievements to date and preparation of an action plan for identification of micro-projects in the context of local economic development . The targeted industries included food processing, tourism, metalwork and furniture.
06/2004 – 12/2006	Chile	GTZ / GFA	Project Director (intermittent)	Regional Economic Development in the regions of Bio Bio, Araucanía y Aysén: (a) Institucional strengthening of public and private business service providers ; (b) Strengthening of value chains in the following sectors: agro-industry, wood processing / furniture, fishery, tourism; (c) Fostering a business friendly institutional environment and regulatory framework on local and regional level.
07/2005- 12/2006	Chile & European Union	EU / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader (intermittent)	Analysis of existing & potential co-operation opportunities in Europe (European Commission, Member States and NGOs) in order to maximize the co-operation, which Chile could receive to foster the country's development process.
12/2003 – 02/2004	Caribbean (OECS-Countries)	EU / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Final Evaluation & Programming / Planning of follow-up phase for a Regional Private Sector Support Programme , strengthening a Caribbean service provider and provision of co-financed services to companies from various industries to bust employment.
06/2003 – 09/2003	Barbados, Dominica, Grenada	EU / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Mid-Term Review for the STABEX 1993, 1994 and 1995 Programmes of Grenada; and the STABEX 1995, 1996 and 1997 Programmes of Commonwealth of Dominica". And planning of follow-up phases: Improve approaches and procedures used for identifying, implementing, monitoring and evaluating future programmes & projects targeted at poverty reduction through Local Economic Development , HRD, SME development, social & productive infrastructure .
11/2002 – 03/2003	Barbados, Dominica, Dominican Republic, Haiti, St. Lucia, Trinidad & Tobago	CDE / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Development of a concept for CDE's decentralisation strategy . Analyses of the Regional Field Office and the local antennae in the Caribbean and recommendations for CDE's future decentralisation strategy in the Caribbean and in its other ACP-regions, in order to provide more efficient services to local enterprises on a matching grant scheme . CDN's objective is to foster private sector development in ACP countries.

08/2001 – 02/2002	Ecuador	KfW / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Project Director and Short-Term Expert	Feasibility study: Decentralization, strengthening of municipalities and planning of water supply, sanitation and solid waste management projects for 21 municipalities. Functional improvement of social infrastructure.
05/2000 – 07/2000	Colombia	SEQUA / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Project evaluation and programming / planning of follow-up phase: Strengthening the SME-sector through improved service packages provided by five Columbian Chambers of Commerce and Industry (“Institution Building” and development of service products).
11/1999 – 03/2000	Dominican Republic	GTZ / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Project Planning: Support to the Supreme Court of the Dominican Republic in order to increase efficiency in the application of the youth protection legislation (“Institutional Development”) . Identification of further consulting needs with regards to the efficient application of the new youth protection legislation and preparation of a consulting project.
06/1998 – 08/1998	Russia	KfW / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Final evaluation: Support to the local and regional authorities in order to create a more entrepreneur-friendly public administration through co-financing micro-projects on community level in the Moscow and Leningrad Region.
02/1998 – 03/1998	India	GTZ / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Project appraisal mission. Preparation of a long-term project in the field of strengthening environmental relevant consumer protection organizations (Non-State Actors). Including elaboration of draft ToRs, LogFrame, Budget etc.
12/1997 – 01/1998	Dominican Republic	GTZ / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Project programming / preparation mission. Policy advice in order to improve the legal, fiscal and institutional framework for private sector development.
03/1995– 12/1997	Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan	EU / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Project Director and Short-Term Expert	Advice to the local TACIS Co-ordinating Units. Identification of beneficiary-specific consulting needs and projects and co-ordination of implementation procedures.
10/1997 – 12/1997	Dominican Republic	GTZ / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Final evaluation and preparation of follow-up phase. Institution building and organisational development for 5 chambers of commerce and industry to foster private sector (SME) development in the Northern Region.
11/1994– 08/1997	Lithuania	KfW / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Project Co-ordinator and Short-Term Expert	Private sector development: Management consulting to five fruit and vegetable processing companies. Identification of company-specific consulting needs, set-up and implementation of a corresponding consulting scheme.
02/1995 – 04/1995	Chile	KfW / GFA Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Team Leader	Project preparation mission. Protection and management of natural forests , supported by a credit scheme for co-operating farmers.
09/1995 – 11/1995 and 1994	Mexico (and Brazil, Colombia, Guatemala)	GTZ / GFA Dr. Klaus Altemeier (Managing Director)	Team Leader	Mid-Term Review and development of a detailed implementation strategy for the establishment of a technical consulting unit for the Latin American and Caribbean sugar industry (two missions of 3 months each)

		Klaus.Altemeier@gfa-group.de		
01/1994 – 12/2006	Germany (and worldwide)	GFA Consulting Group GmbH Dr. Klaus Altemeier (Managing Director) Klaus.Altemeier@gfa-group.de	Managing Director, Head of Dptm., Senior Consultant	Main tasks: Acquisition and management of consultancy contracts world-wide; Co-ordination and realisation of consultancy contracts / assignments with special focus on Private Sector Development / SME Development Projects.
11/1988 - 11/1993	France (and Europe)	KUHN S.A., Saverne Michel Siebert (President & CEO) ++33 - 3 88 01 81 00	Project Director	Main tasks: (a) Elaboration of suitable product strategies; (b) Cooperation with foreign manufacturers (incl. local joint manufacturing of farm machinery or components, joint ventures and acquisitions);(c) Entry into new export-markets.
02/1985 – 08/1988	Germany (and Finland, Sweden, Italy, France, The Netherlands)	BCG (Boston Consulting Group) Harri Andersson (Partner) harri.andersson@bdhlink.com	Senior Consultant and Project Manager	Assignment to numerous consulting contracts for major internationally operating private clients . These strategy consulting activities for German, Dutch, French, Italian and Finish companies included a wide range of industries and covered various specific tasks.
05/1983 – 06/1984	Germany	University of Hohenheim Dr. Johannes Lagemann (Tutor) j.lagemann@web.de	Agricultural Economist	Institute of Rural Administration and Economics . Main activities: Preparation study for Master of Science students in the field of agricultural economics and farm management
01/1980 – 02/1983	Costa Rica, Nicaragua	CATIE Dr. Johannes Lagemann (Team Leader) j.lagemann@web.de	Agricultural Economist	Conception, planning, implementation and evaluation of various farm-management related projects.

15. Other relevant information (e.g. publications): n.a.

Annex 3 – CV Bernd Drechsler

05.05.2011
CURRICULUM VITAE
Bernd Drechsler

A-8332 Edelsbach 80, Austria, mobile: +43 664 5198604, e-mail: baer00@gmx.net
CURRICULUM VITAE

1. Family name: **Drechsler**
2. First names: **Bernd**
3. Date of birth: 30/10/64
4. Passport holder of: Austria
5. Residence: Austria
6. Education:

Institution / Dates	Degree(s) or Diploma(s):
Montanuniversitaet Leoben/Austria / 1983-1994	Master's in Minerals and Natural Resource Management
University of London , School of Oriental and African Studies, 2009-2010	Post Graduate Certificate in Sustainable Development
<i>(London University, School of Oriental and African Studies, Centre for Development, Environment and Policy; 2009-2011 (ongoing))</i>	<i>(Masters Programme in Sustainable Development: Rural Development and Change)</i>

7. Language skills: Indicate competence on a scale of 1 to 5 (1 - excellent; 5 - basic)

Language	Reading	Speaking	Writing
German	1	1	1
English	1	1	1
Spanish	3	3	3

8. Membership of professional bodies: AIC; Association of Independent Consultants
9. Other skills: Fully computer literate
10. Present position: Independent Consultant
11. Years within the firm: N/A
12. Key qualifications:
 - Extensive experience in implementing and managing EU-funded long- and short-term projects and programmes including solid team-leader experience.
 - Extensive experience in planning and implementing project evaluation missions including ex-post evaluations as team-member as well as team-leader for development programmes funded by international donor agencies with a special emphasis on EU funded programmes using the EU methodology.
 - Extensive experience in project evaluations **with a special emphasis on environmental and gender issues** and other crosscutting issues.
 - Experience in evaluation projects in Asia
 - Experience in design and implementation of **EU-funded projects** including evaluation missions and programmes focusing on **Rural Development**
 - **Familiar with development issues** from micro to country and global level, especially the concept of sustainable (rural) livelihood development and the aims of the Paris Declaration and the Accra Agenda for Action

13. Professional experience

Date from - Date to	Location	Company & reference person	Position	Description
July 2010 – August 2010	Nigeria	Danish Management Monika Zabel: mz@danishmanagement.dk	Monitoring & Evaluation Expert, Rural Development Expert	Results-Oriented Monitoring (including EX-POST) of various European Union External Assistance Projects and Programmes in Zambia. Annual monitoring mission in order to enhance aid effectiveness and long-term benefits of the following EC/EDF projects, covering the entire project circle including environmental and gender issues and other crosscutting aspects. The two projects monitored concentrate on Rural Infrastructure Development and Local Capacity Building. <ul style="list-style-type: none"> ○ Small Town Water Supply and Sanitation Programme (ex-post) ○ Sustainable Utilisation of Nigeria's Gas and Renewable Energy Resources (The SUNGAS Project)
May 2010 – June 2010	Rwanda	Project Consult michael.priester@projekt-consult.de	Team Leader, Evaluation Expert, Institutional Development Expert	Assisting selected mining companies, which are co-operating with Artisanal and Small-Scale Miners in Rwanda to develop tailor-made strategies and structures allowing them to reach internationally accepted standards in the fields of Occupational Health & Safety, Environmental Aspects and issues, Gender Equity , Good Governance including strategies against bribery and fraudulent payments and Environmental Protection.
April 2010	Zambia	Danish Management Monika Zabel: mz@danishmanagement.dk	Monitoring & Evaluation Expert, Quality Assurance Expert	Results-Oriented Monitoring of various European Union External Assistance Projects and Programmes in Zambia. Quality Assurance for Monitoring Report of team members of the Result Oriented Monitoring Mission to Zambia. These included monitoring reports for ongoing projects as well as ex-post monitoring reports including environmental and gender issues and other crosscutting aspects.
March 2010 – April 2010	Zambia	Danish Management Monika Zabel: mz@danishmanagement.dk	Monitoring & Evaluation Expert, Rural Development Expert	Results-Oriented Monitoring of various European Union External Assistance Projects and Programmes in Zambia. Annual monitoring mission in order to enhance aid effectiveness and long-term benefits of the following EC/EDF projects, covering the entire project circle including environmental and gender issues and other crosscutting aspects. <ul style="list-style-type: none"> ○ Rehabilitation of the Zimba-Livingstone Road ○ Rural Electricity Infrastructures and Small-Scale Projects These projects aimed at Rural and Agriculture Development and Local Capacity Building.
Jan. 2010 – Feb. 2010	Malawi	Danish Management Monika Zabel: mz@danishmanagement.dk	Monitoring & Evaluation Expert, Rural Development Expert	Results-Oriented Monitoring of various European Union External Assistance Projects and Programmes in Malawi. Annual monitoring mission in order to enhance aid effectiveness and long-term benefits of the following EC/EDF projects, covering the entire project circle including environmental and gender issues and other crosscutting aspects. These projects aimed at Rural and Agriculture Development and Local Capacity Building. <ul style="list-style-type: none"> ○ Msamala Sustainable Energy Project ○ Non State Actors Capacity Building Programme

Sept. 2009 – Oct. 2009	Sierra Leone	ARS Progetti Mariasara Castaldo: m.castaldo@arsprogetti.com	Evaluation Expert, Development Policy Expert	Overall 10th EDF/Joint Country Strategy Mid Term Review . Support & facilitation both to the office of the National Authorising Officer at the Ministry of Finance and Economic Development and the EC Delegation in preparing at country level the overall 10th EDF Mid Term Review, including assessing the governance action plan and updating the governance profile. This Assessment concentrated on Impact Assessments regarding countrywide as well as Local Economic Development Plans and Strategies at all levels. This included countrywide Agricultural Policy Analysis and had a strong emphasis on institutional capacity building in rural areas. It also included crosscutting aspects, such as environmental and gender issues.
Aug. 2009 – Sept. 2009	Liberia	Danish Management Monika Zabel: mz@danishmanagement.dk	Monitoring & Evaluation Expert, Rural Development Expert	Results-Oriented Monitoring (including EX-POST) of various European Union External Assistance Projects and Programmes in Liberia. Annual monitoring mission in order to enhance aid effectiveness and long-term benefits of the following EC/EDF projects, covering the entire project circle including environmental and gender issues and other crosscutting aspects. <ul style="list-style-type: none"> o Emergency Power Programme for Selected Neighbourhoods in Monrovia (ex-post) o Electric Grid Rehabilitation in Monrovia
June. 2009 – July 2009	Sierra Leone	Danish Management Monika Zabel: mz@danishmanagement.dk	Monitoring & Evaluation Expert, Rural Development Expert	Results-Oriented Monitoring of various European Union External Assistance Projects and Programmes in Sierra Leone. Annual monitoring mission in order to enhance aid effectiveness and long-term benefits of the following EC/EDF projects, covering the entire project circle including environmental and gender issues and other crosscutting aspects. These projects aimed at Rural Infrastructure Development and Local Capacity Building at Municipal level <ul style="list-style-type: none"> o Road Infrastructure Programme o Technical Assistance to the Ministry of Mineral Resources
Feb. 2009 – March 2009	Botswana	Danish Management: Monika Zabel: mz@danishmanagement.dk	Monitoring & Evaluation Expert, Rural Development Expert	Results-Oriented Monitoring (including EX-POST) of various European Union External Assistance Projects and Programmes in Botswana Annual monitoring mission in order to enhance aid effectiveness and long-term benefits of the following EC/EDF projects, covering the entire project circle including environmental and gender issues and other crosscutting aspects. These projects aimed at Rural Infrastructure Development and Local Capacity Building. <ul style="list-style-type: none"> o Economic Diversification of the Mining Sector (EDMS) o Assistance to the Base metal Mining Industry (ex-post)
July.2008 – August 2008	Sierra Leone	Italtrend: italtrend@italtrend.it	Team Leader, Evaluation Expert, Development Expert	Evaluation of the rebuilding of Sierra Leone's Mining and Minerals Sector The mission was aimed to evaluate the effectiveness of a € 25 million SYSMIN grand to the GoSL in order to restart and restructure the countries Mining Industry after the 10 year civil war including environmental and gender issues and other crosscutting aspects.
Jan.2008 – August 2008	Ghana	NTU Emina Hamzic Kapetanovic: ehk@ntu.eu	Team Leader, Evaluation Expert, Rural Development Expert	Mid-Term-Evaluation EU/EDF/SYSMIN Programme in Ghana as the TEAMLEADER of a team of 3 experts and as such responsible of design and implementation of the evaluation, co-ordination of activities and actors, internal and external communication, writing reports and quality control of out-puts. The mid-term review aimed to ensure that the programme components have been fully executed in accordance with the stipulated conditions and the desired benefits have either been or will be achieved by programme completion date. On the basis of this evaluation, proposals have been made to adjust the orientation of the programme and to improve the overall performance of the programme. The evaluation was carried out using the EC metrological approach, covering (beside others) logframe, relevance, design, efficiency, effectiveness, impact, sustainability, cross-cutting issues, and soft-issues including environmental and gender issues and other crosscutting aspects.

Nov.2007 – May 2008	Serbia	KANTOR Alexandra I Diamantopoulou: Alexandra_I_Diamantopoulou/Kantor@kantor.gr	Team Leader; Development / Institutional Support Programme Expert	Start-up facilitation for the Serbian Mining Agency-programme: Design implementation plan and blueprint-development for the entire intervention. The project aimed to provide a blue-print for the restructuring of the countries mining governance system with a special emphasis policy analysis and institutional building and development
March 2008 – Dec. 2008	Zambia	PAC-Southern Africa Grace Musarurwa: graced@practicalactionzw.org	Team Leader, Evaluation Expert, Rural Development Expert	Gemstone Sector Development– SEED Programme, Ministry of Mines "Assessment: How to improve Gemstone Trade and Access to Markets" Worldbank Project: Assessment of Zambia's Governmental and Ministerial Institutions to build capacity and improve structures in order to create an enabling environment to support and formalise gemstone trade and export including environmental and gender issues and other crosscutting aspects.
July 2007 – Dec.2008	Lao People's Democratic Republic	PAC Sharon Mackenzie: sharon.mackenzie@practicalaction.org	Evaluation Expert, Rural Development Expert	Worldbank Project: Design and Implementation of an Evaluation Systems of Benefit Streams and other Impacts in Mineral resources Operations for the Ministry of mines and the Lao PDR Government. Assessment of Government institutions and structures in order to provide the GoLPDR with a system to Monitor and Evaluate Benefit streams and other Impacts to optimise Sustainable Livelihood Development from the use of natural resources with a special emphasis on environmental and gender issues and other crosscutting aspects.
June 2007 - July 2007	Botswana	Lambard Management Consultants Silke Strommer: strommer@lambard.ie	Evaluation Expert, Rural Development Expert	Mid-Term review the 5 Year EU/EDF SYSMIN Programme (EDF9) The mid-term review aimed to ensure that the programme components have been fully executed in accordance with the stipulated conditions and the desired benefits have either been or will be achieved by programme completion date. On the basis of this evaluation, proposals have been made to adjust the orientation of the programme and to improve the overall performance of the programme. The evaluation was carried out using the EC metrological approach, covering (beside others) logframe, relevance, design, efficiency, effectiveness, impact, sustainability, cross-cutting issues, and soft-issues including environmental and gender issues and other crosscutting aspects.
January 2002 - January 2007	Zambia	ITC	Monitoring & Evaluation Expert, Rural Development Expert Project Management Expert; Member of the Project Management Unit	EU/SYSMIN Mining Sector Diversification Programme (EDF 9), Long term expert , responsible for managing & implementing the progamme's Rural Development and Capacity Building Components with a special emphasis environmental and gender issues and other crosscutting aspects. Within the team also responsible for: - design and implementation of Monitoring & Evaluation systems, strategies and missions for the programme and its sub-projects - Child Labour & Gender components - Sustainable Livelihood components - Environmental components - Appropriate Technology issues
September 2004 - March 2005	Nigeria	Worldbank	Evaluation Expert, Rural Development Expert	Training and advising the Nigerian team to implement a baseline study following the newly developed CASM/Worldbank standards, strategies and evaluating tools. Monitoring and evaluating the planning, preparation and implementation of the survey carried out by the local researchers

14. Other relevant information Conferences, seminars, publications:

- **2010, Research Project for the Master’s Programme in ‘Sustainable Development’,**
“Improving Monitoring and Evaluation of NGO Aid Effectiveness”
 London University,
 School of Oriental and African Studies,
 Centre for Development, Environment and Policy;
- **Various Papers presented at the following International Conferences and Workshops**

Place	Year	Conference / Workshop
Ansirabe/Madagascar	2006	CASM (Communities & Small scale Mining, a world wide World Bank/DFID(UK) Initiative); Annual General Meeting
Accra/Ghana	2003	CASM, AGM
Ica/Peru	2002	CASM, AGM
Windhoek/Namibia	2001	EU-CDI/CDE Workshop on Small Scale Mining in SADC
Johannesburg / South Africa	2001	MMSD-Research Workshop on Mining & Sustainable Development in Southern Africa;
London/UK	2001	MSDP Workshop on Mining & Sustainable Development
London/UK	2001	MSDP Workshop on Artisanal and Small Mining
Lusaka/Zambia	2000	Mines 2000: Investment Conference organized by SADC and EU
Vienna/Austria	1997	UNIDO: World Conference for small scale gold mining
Dar es Salaam / Tanzania	1996	SADC-MCU – Annual conference of the mining co-ordinating unit

The European Union's AFS Programme for South Africa

**Final Evaluation of the Local
Economic Development Support
Programme in the KwaZulu-Natal
Province**

Letter of Contract N° 2011/264714

INCEPTION REPORT

**Prepared by
Dr. Nico van Tienhoven
Bernd Drechsler**



“The contents of this publication are the sole responsibility of the contractor and can in no way be taken to reflect the views of the European Union.”

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As requested in the ToR, this Inception Report concretizes the Methodology and the Work plan to be followed during the Final Evaluation of the “Local Economic Development Support Programme in the KwaZulu-Natal Province” in South Africa.

METHODOLOGY

General remarks

As postulated in the ToR, the consultants will study the achievements of the Programme, its contribution to the overall objective, and performance in terms of Programme purpose and expected results. This will be done in accordance with the five main “standard” evaluation criteria:

- Relevance
- Efficiency
- Effectiveness
- Impact
- Sustainability

Given the specific character of a final evaluation, a special emphasis will be given to sustainability and impact related issues. Also, lessons learnt and corresponding recommendations for future activities of a similar nature will be outlined.

In this context, the Logical Framework will be carefully analyzed with a special emphasis on indicators and the corresponding level of compliance.

The methodology of the final evaluation will be based on the following main steps and methods, all of which have been applied by the consultants in similar previous assignments and proven most appropriate:

- Briefing sessions with main stakeholders during the first week (Delegation, Department of Economic Development & Tourism).
- Desk research and review of relevant documents (documents are provided mainly by the Department of Economic Development & Tourism). Especially the already conducted impact assessments will be carefully studied and will serve as a base for the corresponding aspects of the evaluation.
- Identification of key stakeholders to be interviewed.
- Meetings / interviews with all relevant stakeholders, including representatives from the Delegation, DEDT, PSC, financial institutions, consultants, former TAs etc. and representatives / beneficiaries of at least 20 projects). Generally, interviews will be realized in individual meetings rather than in group discussions.
- Intermittent discussion of preliminary findings and corresponding conclusions or recommendations with selected representatives of the evaluation’s beneficiaries (Delegation, Department of Economic Development & Tourism).
- “Formal” presentation of preliminary findings and recommendations in a de-briefing meeting with the beneficiaries of the final evaluation and selected stakeholders before the end of the main field phase of the mission (indicatively on December 15) and beginning of year-end holidays.
- Final field mission to follow up on suggestions resulting from the earlier mentioned de-briefing and finalizing interviews with stakeholders / beneficiaries.
- Submission of Final Draft Report (until January 31).
- Incorporation of possible comments into report and submission of Final report until February 15.

Below, some aspects of the above mentioned methodology will be further detailed.

Briefing sessions

During the first day in South Africa, a meeting had been arranged in the DEDT offices in Pietermaritzburg, at which the EUD task manager participated, too. For the following days of the first week, meetings have been arranged with the key DEDT staff.

Main objective of these briefings is to inform each other as regards the assessment of the current status of the Programme, expectations with reference to the evaluation and first coordination of next steps. Also, the evaluators will be provided with the relevant Programme documentation.

During the briefing session with representatives of the Delegation and the PMU, the following aspects concerning the evaluation's focus have been clarified:

- A main emphasis of the evaluation should be given to those aspects related to the sustainability and impact related issues.
- Result 5 ("Support to DPLG at national level for strengthening of the LED environment through operationalising the national LED strategy") shall be dealt with in a separate chapter in the final report, because of its specific nature.
- Other donors' or institutions' activities in similar areas shall not be analyzed by the evaluators.

Meetings with relevant stakeholders

The consultants will conduct meetings with all relevant stakeholders. Apart from the involved institutions and other contact persons in Pietermaritzburg, this includes explicitly those ones located in Durban and Pretoria and throughout the project region (KwaZulu-Natal).

A first list of potential institutions and persons to be visited and interviewed has already been compiled during the first briefings in South Africa and it will further concretized with support of the DEDT. This has been done with the support of the Delegation and the Department of Economic Development & Tourism. The Department of Economic Development & Tourism will also support the evaluators in finally arranging the interviews and accompany them whenever this seems to be appropriate.

Intermittent coordination with final evaluation's beneficiaries

Preliminary findings and corresponding conclusions or recommendations will be periodically discussed with selected representatives of the final evaluation's beneficiaries (Delegation and Department of Economic Development & Tourism). This will ensure a necessary feedback to the consultant and hence contribute to avoid misunderstandings and erroneous interpretations already at the earliest possible stage.

Presentation of preliminary findings and recommendations

Towards the end of the field mission in South Africa, the consultants will present their preliminary findings and recommendations in a meeting with main stakeholders. The number of participants should preferably not exceed 20. A preliminary list of persons to be invited will be established until end of October). Comments and remarks from the participants will be carefully registered and taken into account for the final field work and for the preparation of the draft version of the final report.

One or two days prior to the aforementioned presentation, the evaluators propose to coordinate with the EUD in order to discuss and coordinate the outline of the presentation.

Special issue: Result 5 (Support to DPLG at national level for strengthening of the LED environment through operationalising the national LED strategy)

As explained during the briefing sessions, the corresponding activities were not coordinated by the PCU, but directly out of the EUD. Consequently, it has been agreed to comment on this result area in a separate chapter in the final report. To assure that the evaluators will get the corresponding insight into this component, too, meetings

with stakeholders in Pretoria are foreseen and will be coordinated with the EUD. The evaluators plan to conduct approximately 3-4 interviews targeted at this Result and it is expected that the EUD supports them in arranging the corresponding meetings.

Special issue: Co-financed projects

The lion's share of the Programme budget (>EUR 10 million) has been allocated to co-finance approximately 200 projects. Consequently, this activity will receive a special attention during the evaluation. Based on the consultants' experience resulting from previous evaluations of similar Programmes, the crucial aspects to be analyzed will be:

- Selection criteria and corresponding procedures.
- Potential sustainability and impact (although the sustainability and impact of only recently completed project can only be estimated)
- Effectiveness
- Efficiency of project management by DEDT.

With these projects representing a core activity of the Programme, it is foreseen to visit at least 20 of them (i.e. at least 10% of the originally approved projects). This shall assure a broad inside into the different projects according to the following criteria:

- Type of project (BEF, LCF-CAP, LCF-IMP).
- Geographical location of projects (North KwaZulu-Natal, Central KwaZulu-Natal, South KwaZulu-Natal).
- Status of projects (successfully closed, terminated before completion).
- Sector (e.g.: agro-industry, wood processing, tourism etc).

It will be taken into account that a number of projects have already been visited by consultants / evaluators in context of the impact assessment study and an overlap with these projects shall be minimized.

For each of the visited projects, an evaluation sheet will be completed, commenting on an assessment, how the following criteria will be met: Relevance, Efficiency, Effectiveness, Impact, Sustainability.

Logistics

Full mobility of the evaluators is assured through appropriate car-rental arrangements

Communication is assured through the evaluators' local cell phones (Nico van Tienhoven: 0788127631; Bernd Drechsler: 0728279839) and an appropriate internet access (Nico van Tienhoven: NvT@ti-con.eu; [Bernd Drechsler: baer00@gmx.net](mailto:BerndDrechsler@baer00@gmx.net)).

Evaluation team

The evaluation is carried out by Dr. Nico van Tienhoven and Bernd Drechsler. As suggested by the EUD and the PMU, the team will be based in Durban, but include visits to Pietermaritzburg and other districts of the KwaZulu-Natal province as well as to Pretoria.

The interviews / meetings at the beginning of the mission and those with key stakeholders will be attended by both consultants. This will assure that both will share the same understanding of the Programme and the evaluation approach. Later on during the course of the mission, they will split up whenever it is appropriate.

Work plan

The below presented work plan (Annex 1) has been established according to the ToR and after first consultations with key stakeholders (Delegation and KwaZulu-Natal Department of Economic Development & Tourism). Further adaptations might be necessary during the course of the final evaluation, due to:

- priorities of the Delegation (and other stakeholders in South Africa),
- availability of institutions and persons to be interviewed,
- thematic requirements of the assignment.

Additionally to the below mentioned work plan, the consultants will keep in close contact with the Delegation and the KwaZulu-Natal Department of Economic Development & Tourism during the whole field mission in South Africa. Periodical and / or ad hoc meetings will be arranged with their corresponding representatives, whenever required. This is to discuss specific issues, which might arise and / or brief them on the mission's progress.

Special remark: Due to the late start of the field mission and the limited availability of stakeholders during Christmas Holidays (December 16 until January 16) it has been agreed to finalize the evaluation early 2012 and modify the original time plan outlined in the ToR accordingly.

ANNEX 1 – PRELIMINARY WORKPLAN (OCTOBER)

Preliminary Work plan Final Evaluation of the Local Economic Development Support Programme in the KwaZulu-Natal Province” in South Africa		
October 2011		
	Date	Experts
Fr	Oct 1	
Sa	Oct 2	
Su	Oct 3	
Mo	Oct 4	
Tu	Oct 5	
We	Oct 6	
Th	Oct 7	
Fr	Oct 8	
Sa	Oct 9	
Su	Oct 10	
Mo	Oct 11	
Tu	Oct 12	
We	Oct 13	
Th	Oct 13	NvT & BD
Fr	Oct 14	NvT & BD
Sa	Oct 15	NvT & BD
Su	Oct 16	NvT & BD
Mo	Oct 17	NvT & BD
Tu	Oct 18	NvT & BD
We	Oct 19	NvT & BD
Th	Oct 20	NvT & BD
Fr	Oct 21	NvT & BD
Sa	Oct 22	NvT & BD
Su	Oct 23	NvT & BD
Mo	Oct 24	NvT & BD
Tu	Oct 25	NvT & BD
We	Oct 26	NvT & BD
Th	Oct 27	NvT & BD
Fr	Oct 28	NvT & BD
Sa	Oct 29	NvT & BD
Su	Oct 30	NvT & BD
Mo	Oct 31	NvT & BD

RSA-based
Home-based

ANNEX 1 – PRELIMINARY WORKPLAN (NOVEMBER)

Preliminary Work plan Final Evaluation of the Local Economic Development Support Programme in the KwaZulu-Natal Province” in South Africa November 2011			Date	Experts
Tu	Meetings with Stakeholders in Pretoria (EUD, others)		Nov 1	BD
We			Nov 2	
Th			Nov 3	
Fr			Nov 4	
Sa			Nov 5	
Su			Nov 6	
Mo			Nov 7	
Tu			Nov 8	
We			Nov 9	
Th			Nov 10	
Fr			Nov 11	
Sa			Nov 12	
Su			Nov 13	
Mo			Nov 14	
Tu			Nov 15	
We			Nov 16	
Th			Nov 17	
Fr			Nov 18	
Sa			Nov 19	
Su	Review of Programme Documentation & Transfer to Amajuba District		Nov 20	BD
Mo	Visit of Grant Projects and Stakeholder Interviews in Amajuba District		Nov 21	BD
Tu	Compilation of Notes from Stakeholder Interviews		Nov 22	BD
We	Visit of Grant Projects and Stakeholder Interviews in Umkhanyakude District		Nov 23	BD
Th	Visit of Grant Projects and Stakeholder Interviews in Uthungulu District		Nov 24	BD
Fr	Stakeholder Interviews and Review of Programme Documentation		Nov 25	BD
Sa	Compilation of Notes from Stakeholder Interviews & Planning of Next Steps		Nov 26	NvT & BD
Su	Discussion of Conclusions from Stakeholder Interviews so far		Nov 27	NvT & BD
Mo	Visit of Grant Projects & Stakeholder Interviews inuMgungundlovu & Ileembe Dist		Nov 28	NvT & BD
Tu	Stakeholder Interviews and Review of Programme Documentation		Nov 29	NvT & BD
We			Nov 30	NvT & BD

RSA-based
Home-based

ANNEX 1 – PRELIMINARY WORKPLAN (DECEMBER)

Preliminary Work plan Final Evaluation of the Local Economic Development Support Programme in the KwaZulu-Natal Province” in South Africa		Date	Experts
	December 2011		
Th	Stakeholder Interviews and Review of Programme Documentation	Dec 1	NvT & BD
Fr		Dec 2	NvT & BD
Sa	Review of Project Documents & Preparation of Notes	Dec 3	NvT & BD
Su		Dec 4	NvT & BD
Mo	Stakeholder Interviews and Review of Programme Documentation	Dec 5	NvT & BD
Tu		Dec 6	NvT & BD
We		Dec 7	NvT & BD
Th	Stakeholder Interviews and Travel to Pretoria	Dec 8	NvT & BD
Fr	Stakeholder Interviews in Pretoria	Dec 9	NvT & BD
Sa	First Draft of Outline for Presentation of Preliminary Results and Travel to KwaZulu-Natal	Dec 10	NvT & BD
Su		Dec 11	NvT & BD
Mo	Stakeholder Interviews and Review of Programme Documents to Fill Gaps for Presentation of Preliminary Results	Dec 12	NvT & BD
Tu		Dec 13	NvT & BD
We	Communication with EUD as Regards Main Findings & Recommendations so far	Dec 14	NvT & BD
Th	Presentation of Preliminary Results	Dec 15	NvT & BD
Fr	Conclusions from De-briefing and Preparation of Corresponding “To-Do-List”	Dec 16	NvT & BD
Sa	Travel to Europe	Dec 17	NvT & BD
Su		Dec 18	
Mo		Dec 19	
Tu		Dec 20	
We		Dec 21	
Th		Dec 22	
Fr		Dec 23	
Sa		Dec 24	
Su		Dec 25	
Mo		Dec 26	
Tu		Dec 27	
We		Dec 28	
Th		Dec 29	
Fr		Dec 30	
Sa		Dec 31	

RSA-based
Home-based

ANNEX 1 – PRELIMINARY WORKPLAN (JANUARY)

Preliminary Work plan Final Evaluation of the Local Economic Development Support Programme in the KwaZulu-Natal Province” in South Africa		Date	Experts	
January 2012				
Su		Jan 1		
Mo		Jan 2		
Tu		Jan 3		
We	Preparation of Final Draft Report	Jan 4	BD	
Th		Jan 5	BD	
Fr		Jan 6	BD	
Sa		Jan 7		
Su		Jan 8		
Mo		Jan 9		
Tu		Jan 10		
We		Jan 11		
Th		Jan 12		
Fr		Jan 13		
Sa		Jan 14		
Su		Jan 15		
Mo	Review of Programme Documents & Interviews with Stakeholders. Selection of Stakeholders to be Interviewed will Include Recommendations Resulting from Presentation of Preliminary Results (December 15)	Jan 16		
Tu		Jan 17	NvT	
We		Jan 18	NvT	
Th		Jan 19	NvT	
Fr	Preparation of Final Draft Report	Preparation of Final Draft Report	Jan 20	NvT & BD
Sa	Final Revision of Project Evaluation Sheets		Jan 21	NvT
Su	Preparation of Final Draft Report		Jan 22	NvT
Mo	Final De-briefing at DEDT		Jan 23	NvT
Tu	Review of Programme Documents		Jan 24	NvT
We	Final De-briefing at EUD	Preparation of Final Draft Report	Jan 25	NvT & BD
Th			Jan 26	
Fr	Preparation of Final Draft Report		Jan 27	NvT
Sa			Jan 28	
Su			Jan 29	
Mo	Preparation of Final Draft Report		Jan 30	NvT & BD
Tu	Finalizing of Final Draft Report		Jan 31	NvT

RSA-based
Home-based

ANNEX 1 – PRELIMINARY WORKPLAN (FEBRUARY)

Preliminary Work plan Final Evaluation of the Local Economic Development Support Programme in the KwaZulu-Natal Province” in South Africa		Date	Experts
February 2012			
We		Feb 1	
Th		Feb 2	
Fr		Feb 3	
Sa		Feb 4	
Su		Feb 5	
Mo		Feb 6	
Tu		Feb 7	
We		Feb 8	
Th	Incorporation of Comments into Final Report	Feb 9	BD
Fr	Finalizing and Submission of Final Report	Feb 10	NvT
Sa		Feb 11	
Su		Feb 12	
Mo		Feb 13	
Tu		Feb 13	
We		Feb 14	
Th		Feb 15	
Fr		Feb 16	
Sa		Feb 17	
Su		Feb 18	
Mo		Feb 19	
Tu		Feb 20	
We		Feb 21	
Th		Feb 22	
Fr		Feb 23	
Su		Feb 24	
Mo		Feb 25	
Tu		Feb 26	
We		Feb 27	
Th		Feb 28	
Fr		Feb 29	

RSA-based
Home-based

Annex 5 –LogFrame

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall objective	An improved quality of life for the people of KwaZulu-Natal	Lower poverty levels, higher employment levels, income growth, higher human development index, greater participation, gender equity reduced social inequalities, greater economic engagement of vulnerable groups, mitigation of the socio-economic impact of HIV/AIDS and its spread	Baseline and follow-up studies	No significant downturn in the national or provincial macro economic situation; HIV prevalence rate declines Provincial, district and local government introduce new methods of working in LED
Project Purpose	To achieve equitable economic growth starting initially in selected "learning areas" and replicating LED across the province.	Stakeholder partnerships in KZN have developed and implemented plans that generate or preserve in excess of 3000 jobs and gear programme investment with funds in excess of R30 million Establishing or expanding enterprises within non-metropolitan KZN encounter fewer constraints and increased/improved public sector support and services The level of LED knowledge and skills of LED actors in KZN and SA has increased and mechanisms for sustaining and expanding this learning are established. The programme is efficiently and effectively executed and mechanisms for programme sustainability have been established.	Grant beneficiary reports as authenticated by the MLRF Grant beneficiary reports as authenticated by the MLRF MLRF and PCU reports as authenticated by the DED Quarterly and annual progress reports and Annual Work Plans as submitted by the PCU and approved by the PSC,DED and ECD	No significant downturn in the national or provincial macro economic situation occurs Political conflict does not inhibit investment or economic activity Non-economic criteria are not superimposed on the programme or the LED management The impact of Aids on the economy in KZN is contained Private sector entities are willing to enter into partnerships with emerging and community based enterprises
Result 1	1. Stakeholders combine in partnership to develop and implement sustainable employment generating investment and enterprise growth plans with pro poor outcomes	Local level partnership groups compile plans of action for activities which increase the competitiveness of an area, sector or enterprise and mitigate the impact of HIV/AIDS and TB Partnership groups collaborate to successfully implement plans that increase the competitiveness of area, sector or enterprise and mitigate the impact of HIV/AIDS and TB	Number of CAP's developed as recorded by PCU. Grant beneficiary progress reports/Independent reviews of grant beneficiary results by MLRF	Non-economic criteria are not superimposed on the programme or the LED management Private sector entities are willing to enter into partnerships with emerging and community based enterprises

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
		Private and allied public sector funds are mobilised to support implementation of competitiveness action plans.	PCU reports/Reports submitted by grant beneficiaries /Independent reviews of grant beneficiary results by MLRF	Political conflict does not inhibit investment or economic activity;
		Implementation of CAP's directly result in the generation/preservation of 3000 permanent job opportunities.	Reports submitted by grant beneficiaries /Independent reviews of grant beneficiary results by MLRF	No significant downturn in the national or provincial macro economic situation
Result 2	2. Grants enable public sector stakeholders engaged in LED related processes to create and operate an enabling environment for LED and pro-poor development	Public sector authorities have reduced the time, cost and difficulty of obtaining statutory permissions for business establishment and expansion	Grant beneficiary reports of average duration of applications, as recorded by application tracking registers, at commencement of a project and project completion	Public authorities apply for BEF funds to improve systems, processes and capacity
		Improved capacity to supply land/facilities to emerging new or expanding business enterprises	Net increase in floor area of publically owned buildings leased to business enterprises.Net increase in hectares of public sector land released leased to business uses. As reported by the grant beneficiaries and verified by the MLRF.	Development control legislation is not made more onerous
		Increased availability and use of public sector data by economic enterprises	Reports submitted by grant beneficiaries	Macro economic expansion continues
		Enhanced municipal capacity to mobilise and use public and private sector resources to install and maintain the municipal infrastructure necessary to support economic activities	DTLGA annual municipal capacity assessments	National and Provincial municipal infrastructure financing and capacity support programmes continue
		IDP's contain LED plans aligned with the Provincial Growth and Development Strategy , the National Spatial Development Perspective and allied frameworks	IDP assessment reports compiled by DTLGA dept of Development Planning	Employers not resistant to fighting the HIV/Aids pandemic
		LED facilitation and management functions and processes has been institutionalized on a permanent basis within public sector agencies	Annual IDP Reviews and municipal budgets as supplied by the DTLGA and Provincial Treasury and PCU Reports	Stigma does not reduce applications for assistance
		Grant beneficiaries plan and implement measures by which HIV/AID's and TB impacts on the LED enabling environment will be mitigated.	Approved HIV/AIDs and TB mitigation plans. Reports submitted by grant beneficiaries	Contradictions between National and Provincial policies are reconciled
		Increased public sector capacity to assist emerging and existing SMEs to identify access and utilise business development and poverty alleviation support programmes.	Value of extra programme resources mobilised by emerging enterprises and poverty alleviation initiatives with public sector assistance as reported by grant beneficiaries.	Local government is able to recruit or deploy suitable personnel into the programme
		Public sector personnel are trained in LED skills	Training provider reports indicating number of SAQA unit standards achieved/Number of person training days executed as reported by grant beneficiaries	LED personnel at the Municipality level are released to receive training and development
		Public sector capacity to utilise procurement and business systems to generate targeted economic outcomes is enhanced	Grant beneficiary reports	

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Result 3	3.Sustainable mechanisms for learning, knowledge exchange, information dissemination, training and replication have been established and are working	A sustainable mechanism for identifying, capturing and sharing relevant LED experience from within the RSA, and internationally, and feeding these experiences into the LED programme is operational	MLRF reports specifying person communication/learning hours of LED information exchanged between stakeholders	Local government is able to recruit or deploy suitable personnel into the programme
		Sustainable measures established to fully capture and document lessons generated within the LED programme, and future LED initiatives	Approved MLRF inception report and MLRF Reports	Public sector LED personnel are released to receive training and development
		Learning from programme captured, appropriately documented disseminated in manners that result in improved LED practice within the province	Participant reviews, PCU MIS reports, PCU Marketing Communication Reports and Collateral, MLRF reports.	
		A skills and knowledge development system for programme participants/implementers is operational	PCU reports	
		Effective programme communications ensures positive awareness of the programme and ability to interact effectively with the programme	Marketing & Communications strategy approved and implemented and PCU reports	
		Decision makers at the political and policy level are assisted to provide the Gijima programme with a supportive environment for implementation and sustainability	PCU reports indicating number of learning events attended by key political /policy decision makers	
Result 4	4.Effective LED management functions established and operational at provincial and area levels	Technical support to public agencies in four learning areas supplied.	Ratio of approved BEF and LCF applications compiled with assistance from area offices to approved applications compiled without area office assistance as reported by the PCU	Counterpart institutions deploy counterpart personnel
		Sustainable mechanism for the supply of technical support to the provincial areas falling outside the four learning areas developed and implemented	Number of approved BEF and LCF applications compiled with technical assistance from the rest of the province support mechanism as reported by the PCU	Provincial counterpart wishes to take over system
		LED personnel at provincial, district and municipal level acquire skills for LED programme management	Number of programme processes competently executed by counterpart personnel without PCU input as reported by the PCU	Public sector accepts the success of the programme and continues to fund it
		District and local municipalities hosting the Area offices are able to continue programme operations post programme completion.	Number of programme processes competently executed by counterpart personnel without area office input as reported by the PCU	
		The DED is capacitated to continue programme operations post programme completion.	PCU monitoring reports with MLRF authentication	
		MIS fully operational.	PCU reports	
		An additional R6 mn mobilised and used to fund approved BEF project by end of programme.	PCU reports	
		An additional R6 mn per annum has been mobilised to co-finance LCF activities by year 2009	PCU reports	

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
		Medium term expenditure framework for the DED reflects funding allocations of R10m pa for LCF type activities and R3m pa for BEF type activities at time of the MTR	Provincial Government Medium Term Expenditure Framework and Budgets	
	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Result 5	Result 5: Support to DPLG at national level for strengthening of the LED environment through operationalising the national LED strategy.	LED tools and instruments (i.e. sector analysis; red-tape analysis; PPP models; business linkage tools; etc) are available and used throughout South Africa	Completed products Number of trainees	DPLG will continue Excellence network after Eu support ends Better information, tools and training will result in better LED strategies and activities Better equipped consultants will result in improved LED strategies LED will remain a focus area of government, increasing in importance Improved planning and capacity will lead to improved actions An effective sector strategy will lead to improved donor support
		Information is disseminated on LED concepts, case studies, learning from the ECD support programmes and other LED support programmes, tools, service provider information, policy and funding sources - through the internet, in print media, through existing channels, debates and events	Survey of practitioners and officials indicates knowledge of sources and materials	
		An LED sector strategy is developed and there is private and public sector support to the LED concept in South Africa	Strategy document and partnership agreements	
		Public and private sector partnerships are established to put into action and LED sector strategy.	Actions undertaken and resources made available in line with strategy	
		National, provincial and local institutions and stakeholders have a clearly defined role in LED	Strategy document Survey of stakeholders	
		National support institutions and partners have capacity to fulfil their roles and build partnerships	Monitoring of LED activities and interventions, IDPs	
		LED training facilities, material and activities are developed and improved	Review against current situation	
		There are better trained LED facilitators and consultants	Survey of stakeholders	
		The economic development aspects of PGDPs and IDPs are improved	Review of PGDPs and IDPs	
		LED activities in South Africa are monitored and their impact on policy and strategy assessed	Monitoring reports	
		The Excellence Network and an LED web page are functional	Minutes, web site	
		The dplg LED Donor Co-ordination Forum meets at least every six months	Minutes	
		There is increased harmonization of donor support in the LED sector	Joint or aligned donor supported programmes	
		National LED strategy and policy are further refined and monitored	Review of policy and strategy against current	

	Activities	Assumptions
Result 1	LCF promotion, preliminary and development	Local economic actors and institutions are interested in co-operating with each other and with the programme; Beneficiaries take up opportunities offered by the programme funds Service suppliers co-operate and deliver effectively; Employers co-operate to implement AID's mitigation plans
	Develop a coherent LED approach, and strategy, for the learning areas	
	Identification and development of additional funding resources	
	Develop and implement strategy to ensure that economic growth takes place in area ROP5.	
	Identify and train LCF evaluation committee	
	Implement LCF Stage 1:Pilot phase	
	Review of first round of LCF projects and evidence of lessons learnt by project and by local partnerships	
	Implement LCF stage 1 :Second call	
	Implement LCF stage 1 :Third call	
	Implement LCF Stage 2: First call	
	Implement LCF Stage 2: Second permanent call	
	Training in strategic review and partnership development introduced as part of the review and update of LED strategies	
	Review existing initiatives in the prevention & treatment of HIV/Aids and TB in the workplace	
	Development of policies to combat HIV/Aids and TB in the workplace and along the businesses' supply chain	
Result 2	Design development and promotion of the BEF grant system	Local government has access to the necessary finance to attract experienced staff. Programme co-financing is available Local government attitudes to business can be developed positively, especially at District level. LED staff are available to work at the district level with the right level of skills and experience
	Implementation of the BEF pilot phase	
	Formal review of first round of BEF applications specifically examines lessons for local government;	
	Implementation of the BEF phase 2	
	BEF third call	
	BEF fourth call	
	Training and mentoring for the development & review of LED strategies for the learning areas	
	Review and evaluate existing provision of business support services and finance	
Result 3	TORs developed for MLRF and contract let	The programme is sufficiently successful to induce other models to be developed
	Identify LED stakeholders and institutions and assess capacity and training needs and provide relevant support and capacity	
	Establish and implement measures to monitor the LED programme	
	Develop and establish and developed to capture and document best practice and lessons learnt	
	Establish Provincial LED forum to exchange best practice from within RSA and internationally to capture international best practice in LED	

	<p>Establish knowledge sharing network at provincial level, by month 12, initially bringing together stakeholders from the learning areas, and later to all areas of the Province; Training needs analysis of local government LED staff executed.</p> <p>Development of capacity building plan and programme for LED personnel (mentoring, partnership development, networking between LED groups, strategic development etc.) and implementation.</p> <p>Focused study tours within South Africa and overseas, arranged as part of the capacity building</p> <p>Agree and implement marketing and communication strategy to ensure activities and achievements of the programme are widely understood throughout KZN</p> <p>Database of constraints to LED established and updated</p>	
Result 4	<p>Establish programme office</p> <p>Brief and train PCU staff</p> <p>Establish finance administration and logistics</p> <p>Evaluate availability of additional funding</p> <p>Development of additional funding from other sources</p> <p>Establishment & development of Programme Steering Committee</p> <p>Establish and capacitate programme offices in learning areas 1,2,3,4</p> <p>Establish capacity and systems for the rest of the Province</p> <p>Establishment of MIS –including a programme monitoring and evaluation system -across all learning areas and central office</p> <p>Training for PCU and DED staff on MIS</p> <p>Plan mobilise and train counterpart staff within DED offices and with local government</p> <p>Capacity building and training completed in the province.</p>	<p>Non-economic criteria are not superimposed on the programme or the LED management;</p> <p>Staff are available at the District and District Municipality level to receive training and development;</p> <p>Staff are available at the District and District Municipality level to receive the MIS from the programme;</p>
Result 5	<p>Appoint long-term experts</p> <p>Contract with GTZ for office space and support services for experts</p> <p>Identifying and testing feasible approaches, concepts and instruments.</p> <p>Enhancing institutional and human capacities</p> <p>Information processing, co-ordination and dissemination</p> <p>Policy development</p>	

Annex 6 – Visited Grant Projects

District	Proj Ref No	Project Name	Grant Beneficiary	Location	Description	Sector	Actual Gijima Grant Awarded (ZAR)	Actual Own Contribution(ZAR)	Status
Umgungundlovu	CAP 002/002	Gateway Tourism Initiative - Interpretive Master Strategy Plan	The Gateway	Umgungundlovu District Municipality	The overall objective of the project is the maximisation of the Gateway Tourism Initiative's competitiveness within this niche market. The main activities of the CAP are to develop a comprehensive Feasibility Study and Interpretive Master Strategy Plan.	Tourism	245.735	105.000	Completed
Umgungundlovu	CAP 002/022	Greater Edendale Urban Agriculture Programme	Msunduzi Municipality	Msunduzi Municipality	The overall objective of the CAP is to contribute towards job creation and poverty alleviation through urban agriculture. The specific objectives is to establish potential for agricultural development in the Greater Edendale area, to mobilize stakeholders.	Agri-Business	400.184	236.783	Completed
Umgungundlovu	BEF 005/003	Feasibility Study and Business Plan for Howick Falls Precinct Project	Umngeni Municipality	uMgungundlovu District Municipality	Feasibility Study and Business Plan for Howick Falls Precinct Project	Economic Sector Plan	198.950	138,254	Completed
Umgungundlovu	BEF 005/036	Umngeni Municipality: Identification of Agro-processing and Beneficiation Opportunities for Low Income Communities	Umngeni Municipality	Umngeni Municipality	Umngeni Municipality: Identification of Agro-processing and Beneficiation Opportunities for Low Income Communities	Investment & Incentives Schemes	146.827	64.252	Completed
Umgungundlovu	IMP 4(ii)/057	Gateway Tourism Initiative	Project Gateway	Msunduzi Municipality	At the old Pietermaritzburg prison, the applicant intends providing increased local and international market access to the producer groups-focus on Tourism, arts, crafts and cultural issues.	Tourism	860.426	368.754	Project complete
Umgungundlovu	IMP 4(ii)/043	Thread of Hope Shoe Export Expansion Project	Corrida Shoes (Pty) Ltd	Umngeni Municipality	Expansion of existing export footwear business through the purchase of equipment to make soles for shoes. Will expand overall production at plant and in the outsourced activities in rural Lidgetton.	Manufacturing	3.679.513	1.667.062	Project complete
Ugu	BEF 001/27	Strengthening the LED Enabling Environment in Ugu District	Ugu District Municipality	Ugu District Municipality	Creating and enabling environment for LED in Ugu.	LED Plan & Strategy	569.392	363.878	Completed

District	Proj Ref No	Project Name	Grant Beneficiary	Location	Description	Sector	Actual Gijima Grant Awarded (ZAR)	Actual Own Contribution (ZAR)	Status
Ugu	IMP 4(i)/019	Small Grower Renaissance	Ilovo Sugar Ltd	Ugu District Municipality	Re-establish 500ha of sugarcane in the areas of Umdoni, Umzumbi and Vulamehlo Municipalities. The projections are that the overall community financial benefit in terms of farmers retained income and job creation at the end of the initial crop cycle of 8	Agri-Business	3.723.376	1.750.464	Project complete
Ugu	CAP 4(ii)/048	Eziqoleni Tea Tree Initiative	Oribi Flats Farmers' Association	Eziqoleni Municipality	Investigation into the viability and sustainability of tea tree growing on a commercial scale in the Eziqoleni area. CAP shall address: land legal issues for identified land; agreements with Traditional -ership and other land owners for the Nursery	Agri-Business	202.150	87.900	Completed
Ugu	IMP 002/012	Ugu Fresh-produce Market Parkhouse & Processing Plant	Ugu District Municipality	Ugu District Municipality	Ugu Agricultural Market is being established to help address the challenges facing emerging farmers, including a collection and distribution system (including transport) through depots in the rural areas. However, a central co-operative sorting and packing	Agri-Business	2.445.194	1.047.940	Project completed and variance due to unspent budget
Sisonke	CAP 001/040	PMB Southern Midlands Rail Tourism & Heritage Development	Paton's Country Narrow Gauge Railway	Sisonke District Municipality	Support the establishment of a rail Tourism industry within PMB and formulating a business plan for the Eshayamoya Express Train Route.	Tourism	361.000	155.000	Completed
Sisonke	CAP 003/015	Business Plan: Ingwe Forestry Waste-Biofuel Project	Ingwe Forestry Partnership	Ingwe Municipality	To establish a public-private partnership that will develop a bio-fuel enterprise based upon plantation and sawmill waste wood to create economic opportunities for people in the Ingwe Municipal area.	Renewable Energy	554.900	239.300	Completed
Sisonke	CAP 005/015	Hand Crafted Souvenir and Decorative Materials Development	Kwa Sani Municipality	Kwa Sani Municipality	Undertake a one year intervention programme to upgrade craft techniques, create a Kwa Sani souvenir/decorative material brand and link crafters to markets. Completion of a Business Plan that will map direction of the Kwa Sani craft industry forward to 2010.	Art & Craft	751.270	349.170	Completed

District	Proj Ref No	Project Name	Grant Beneficiary	Location	Description	Sector	Actual Gijima Grant Awarded (ZAR)	Actual Own Contribution(ZAR)	Status
Sisonke	IMP 4(ii)/002	Sisonke Stimela	Ingwe Municipality	Ingwe Municipality	The overall aim of the project is "increasing jobs & economic opportunities through increasing Tourism numbers, spend & length of day stay in the Ingwe Municipality. The specific objectives of the project are: (1) to establish a Sisonke Express train that is able to accommodate 70 sleeping passengers; (2) operating, marketing agent & traction service providers have been contracted to operationalise the Sisonke Express.	Tourism	3.787.788	3.887.568	Project completed and variance due to unspent budget
Sisonke	BEF 002/23	Proposal to undertake a Tourism Development Plan	Kwa Sani Municipality	KwaSani Municipality	To address the Tourism vision common goals, objectives strategies for their achievement, to allocate responsibility for the integrated implementation.	Economic Sector Plan	93.610	40.118	Completed
Ilembe	IMP 4(i)/004	Rehab of Sugarcane for Small Scale Sugarcane Farmers in the Darnall Area	Darnall Farmers Association	KwaDukuza Municipality	Develop farms belonging to 142 small-scale farmers in Ilembe District Municipality. The individuals farming on their own farms and there are no traditional structures that could impede upon the project objectives. Farms have been neglected and the funding will be used to establish new cane fields. All the identified farmers belong to the Darnall Farmers Association. The area to be rehabilitated is 440ha. Indication that project will generate R35mn that would flow back into the region.	Agri-Business	3.402.440	1.515.802	Project completed and variance due to unspent budget
Ilembe	BEF 003/006	Endondakusuka LED Plan	eNdondakusuka Municipality	eNdondakusuka Municipality	Compile Integrated LED Plan for the Municipality that would facilitate employment operation and improve the local economy of Endondakusuka.	LED Plan & Strategy	144.900	68.700	Completed
Ilembe	BEF 005/009	Tourism Development Strategy and Implementation Schedule	Mandeni Local Municipality	Mandeni	Tourism Development Strategy and Implementation Schedule	Economic Sector Plan	219.271	116.519	Completed
Ilembe	BEF 005/010	SMME and Informal Traders Management and development Strategy	Mandeni Local Municipality	Mandeni	SMME and Informal Traders Management and development Strategy	Economic Sector Plan	173.295	95.046	Completed

District	Proj Ref No	Project Name	Grant Beneficiary	Location	Description	Sector	Actual Gijima Grant Awarded (ZAR)	Actual Own Contribution(ZAR)	Status
Amajuba	IMP 4(ii)/038	Expansion of CBP's Milling Plant	Crosswind Business Projects (Pty) Ltd	Dannhauser Municipality	Expansion of CBP's existing grain mill which was re-started by CBP in 2005 after closure and retrenchment by Afgri.	Agri-Business	3.404.406	1.527.371	Project completed and variance due to unspent budget
Amajuba	BEF 002/03	Establishment of a Regional Development Forum	Amajuba DM	Amajuba District Municipality	Establish Regional Development Agency to coordinate planning and policy and attract investment.	Partnerships for LED	418.774	179.474	Completed
Amajuba	BEF 002/11	Manufacturing Development Plan	Amajuba District Plan	Amajuba District Municipality	Develop integrated Manufacturing development plan and marketing strategy for Amajuba.	Economic Sector Plan	243.531	104.370	Completed
uThungulu	IMP 4(i)/006	Nkandla Essential Oils	Indian Ocean Trading	Nkandla Municipality	Expand production of already existing essential oil growing from 15ha to 40ha over 24 months to meet the needs of a newly constructed distillation plant at Nkandla. To improve oil yields 8-16 litres/ha/yr to 33 litres/ha/yr, build management skills, forge	Agri-Business	1.836.053	836.124	Project completed and variance due to unspent budget
Umkhanyakude	BEF 005/083	Establishment of LED Unit	Big 5 False Bay Local Municipality	Big 5 False Bay Local Municipality	Establishment of LED Unit	Capacity Building & Skills Development	243.071	112.973	Completed
Umkhanyakude	BEF 4(ii)/035	Umhlabuyalingana Tourism Investment Plan	Umhlabuyalingana Municipality	Umhlabuyalingana Municipality	Developing Tourism Investment and Marketing Plan for Umhlabuyalingana LM.	Economic Sector Plan	0	0	Terminated
Umkhanyakude	BEF 005/085	Promoting Development of Manguzi and Mbazwana as economic Hubs	Umhlabuyalingana Local Municipality	Umhlabuyalingana Municipality	Promoting Development of Manguzi and Mbazwana as economic Hubs	Marketing & Promotion	374.768,00	161.382	Completed
Umkhanyakude	CAP 005/034	Commercial Marula Processing	Institute of Natural Resources	Umhlabuyalingana Municipality	Marula fruit has a significant potential market value in KZN. Marula Jam has been marketed and potential profitability of the product has been proven. This project would focus on the following key activities; Establish a partnership between the Local Group and a private sector player to;	Agri-Business	181.270	85.303	Completed

District	Proj Ref No	Project Name	Grant Beneficiary	Location	Description	Sector	Actual Gijima Grant Awarded (ZAR)	Actual Own Contribution(ZAR)	Status
					1) secure long term access to suitable facility (with water and electricity) for an expanded production facility, and installation and upgrading of equipment 2) improve quality and quantity of the supply of Marula products 3) for commercial marketing and merchandising of Marula products 4) Feasibility assessment and business plan of an expanded range of Marula products.				
Umkhanyakude	CAP 005/047	Feasibility Study and Business Plan for establishment of the Bhangazi Conservation Resort	Umzingazi Investments (Pty) Ltd	Umhlabuyalingan a Municipality	Objectives of the proposed project to establish an Integrated Conservation Resort that will include a Golf Course, a Conference Centre, a Wild Life Sanctuary, Craft Centre, a Fishing Village, Caravan Park and a Camping Site. This project shall conduct a detailed Feasibility Study and the creation of a Bankable Business Plan that will form the basis of commencement of development.	Tourism	277.724	143.325	Terminated
Umkhanyakude	IMP 4(ii)/004	Manzengwenya Dive Camp	Wilderness Safaris Investment and finance (Pty) Ltd	Manguzi	Create a 40 bed dive lodge at Manzengwenya which will complement the company's existing lodge at Rocktail Bay. Establish a Business Development Company, a Section 21, with the community to ensure capacity building of the community and secondly construct a lodge.	Tourism	3.699.775	4.362.980	Project completed and variance due to unspent budget

Annex 7 – List of persons interviewed

Name	Position	Institution, Company, Project	Place
Aniruth, Jay	Ex Fund Advisor	Gijima KZN - LED Support Programme	Durban
Bissessur, I.	Cain Grower	Darnall Farmers Association	KwaDukuza Municipality
Brüggemann, Edgar	Agricultural Manager	Illovo Sugar Ltd.	Sezela
Clacey, Richard	Land, Environment and Development Services	Department of Economic Development & Tourism of KwaZulu-Natal	Pietermaritzburg
Classen, Derrick	General Manager	Oribi Flats Farmers' Association	Oribi Flats
Coleman, Gareth	Ex TA Team Leader	Gijima KZN - LED Support Programme	Johannesburg
Devprasad, Roy	Cain Grower	Darnall Farmers Association	KwaDukuza Municipality
Dhlamini, Thabani	Project Manager MIS	Department of Economic Development & Tourism of KwaZulu-Natal	Pietermaritzburg
Dladla, Sizwe	Area Manager for Amajuba District	Department of Economic Development & Tourism of KwaZulu-Natal	Durban, Amajuba District
Dlamini, Michael	Tourism Officer	Local Municipality of Kwasani	Himeville
Durham, Mark	Deputy Director, Planning & Development Services	Amajuba District Municipality	Newcastle
Duze Themba	LED Manager	The Big Five False Bay Municipality	Hluluwe
Gilhan, William	Agricultural Operations	Illovo Sugar Ltd.	Sezela
Govender, Nathan	Business Centre Manager	Standard Bank	Durban
	Member of PSC	Gijima KZN - LED Support Programme	Durban
Greatwood, Mike	Acting Project Manager	Msunduzi Municipality & Greater Edendale Development Initiative (GEDI)	Edlington
Haikishna, N.	Cain Grower	Darnall Farmers Association	KwaDukuza Municipality
Hardman, Stanley	Leadership Centre	University of KwaZulu-Natal	Durban
Hongwane, Sikhumbuzo	Tourism & LED Manager	Ugu District Municipality	Port Shepstone
	Member of PSC	Gijima KZN - LED Support Programme	Port Shepstone
Jagessur, Aijun	Cain Grower	Darnall Farmers Association	KwaDukuza Municipality
Jela, Lindile	Development Manager	Msunduzi Municipality & Greater Edendale Development Initiative (GEDI)	Edlington
Legoobe, Alfred	Manager: LED Policy and Practice	Cooperate Governance Department	Pretoria
Maistry, Brian	Finance & Administration Officer	Illovo Sugar Ltd.	Sezela
Madikiza, Siphamandla	Area Manager for Sisonke District	Department of Economic Development & Tourism of KwaZulu-Natal	Durban, Sisonke District
Majola, Thulani	LED Officer	Local Municipality of Kwasani	Himeville
May, Naledi	Area Manager for Ugu and Uthukela District	Department of Economic Development & Tourism of KwaZulu-Natal	Durban, Ugu District
McDonald, Gerry	Ex TA Team Leader	Gijima KZN - LED Support Programme	Pietermaritzburg & Pretoria

Name	Position	Institution, Company, Project	Place
Mdletshe, Sihk	LED Officer	The Big Five False Bay Municipality	Hluhluwe
van der Merwe, Lourie	Area Manager for uMgungundlovu District	Department of Economic Development & Tourism of KwaZulu-Natal	Pietermaritzburg,, uMgungundlovu District
Milton, Di	General Manager	The Old Prison	Pietermaritzburg
Mkhize, Sihle	General Manager Economic Planning	Department of Economic Development & Tourism of KwaZulu-Natal	Pietermaritzburg
Mkhonto, Raphel	LED Officer	Umhlabuyalingana Municipality	Mbazwana
Mtimkulu, Sincengile	Area Manager for Umkhanyakude & Uthungulu District	Department of Economic Development & Tourism of KwaZulu-Natal	Pietermaritzburg, Umkhanyakude & Uthungulu District
Naran, Seema	Director Economic and Infrastructure Cluster – International Development Cooperation	National Treasury	Pretoria
Ncgobo, Sifiso	LED Officer	uMngeni Municipality	Howick
Ndaba, Phumla	Executive Manager: LED Policy and Practice	Cooperate Governance Department	Pretoria
Persad, Ranveer	General Manager Local Economic Development	Department of Economic Development & Tourism of KwaZulu-Natal	Pietermaritzburg & Durban
Pienaar, Gerhard	Project Officer	Delegation of the European Union to the Republic of South Africa	Pietermaritzburg & Pretoria
Reddy, R.	Programme Manager	Tongaat Hulett Ltd.	Tongaat
Reeve, Dr. Charles E.	Associate Director	WYG International	Pretoria
	Ex Project Officer	Delegation of the European Union to the Republic of South Africa	Pretoria
Reynolds, Brian	Director Finance and Administration	Corrida Shoes	Pietermaritzburg & Lidgetton
Robbins, Glen	School of Development Studies	University of KwaZulu-Natal	Durban
Sibeko, Mandla	Team Leader Finance and Contracting	Department of Economic Development & Tourism of KwaZulu-Natal	Pietermaritzburg
Sibisi, Zimbili	LED Officer	Mandeni Municipality	Mandeni
Sineke, Fezile	TA Team Leader	Gijima KZN - LED Support Programme	Durban
Smith, Dudley	LED Officer	Local Municipality of Ingwe	Creighton
Subramoney, R.	Financial Officer	Tongaat Hulett Ltd.	Tongaat
Tarmahomed, Tahira	Area Manager for Ilembe District	Department of Economic Development & Tourism of KwaZulu-Natal	Pietermaritzburg, Ilembe District
Wazui, Vitalis	Sector Manager Small Scale Agricultural Operations	Illovo Sugar Ltd.	Sezela
Watson, Paul	Planning	Ugu District Municipality	Port Shepstone

Note: In the course of various meetings, additional staff members and officials of the visited institutions / companies participated. In these cases, the above List of Interviews only lists the main contacts of the corresponding institutions, although interviews / discussions included other staff members and officials, too.

Republic of South Africa



Local Economic Development Support
Programme in the KwaZulu-Natal Province



Final Evaluation

De-briefing:
Presentation of preliminary results

Dr. Nico van Tienhoven
Bernd Drechsler



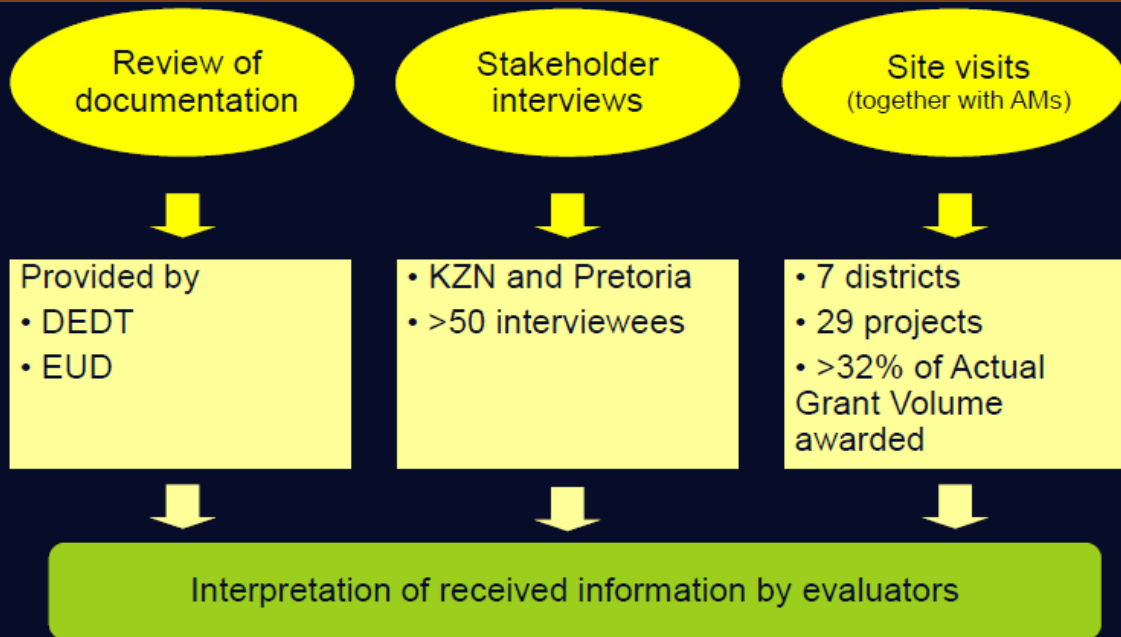
27.01.2012



OUTLINE

- Methodology
- 5 Result Areas
- Achievement of OVIs
- Evaluation according to DAC criteria
- Lessons Learnt

Methodology



27.01.2012

Local Economic Development Support Programme in the KwaZulu-Natal Province - Final Evaluation

3

OUTLINE

- Methodology
- 5 Result Areas
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- Evaluation according to DAC criteria
- Lessons Learnt

27.01.2012

Local Economic Development Support Programme in the KwaZulu-Natal Province - Final Evaluation

4

Results contribute to Overall Objective and Project Purpose

Overall Objective	Comments
An improved quality of life for the people of KwaZulu-Natal.	Very "general", as usual for Overall Objectives. Programme's concrete contribution difficult to measure, due to multiple other influencing factors.
Project Purpose	Comments
To achieve equitable economic growth starting initially in selected "learning areas" and replicating LED across the province.	Formulated in very generalized terms, but being more specified in the OVIs.

27.01.2012

Local Economic Development Support Programme in the KwaZulu-Natal Province - Final Evaluation

5

DEDT managed 4 Result Areas

Results („Result Areas“)	Comments
Stakeholders combine in partnership to develop and implement sustainable employment generating investment and enterprise growth plans with pro-poor outcomes.	Clearly targeted with LCF (CAPs & IMPs). Pro-poor outcomes never clearly defined.
Grants enable public sector stakeholders engaged in LED related processes to create and operate an enabling environment for LED and pro-poor development.	Competitive grants' suitability to achieve the aspired result is limited. Supply oriented support is likely to be more effective.
Sustainable mechanisms for learning, knowledge exchange, information dissemination, training and replication have been established and are working.	NCF / LMRF activities focussed on implementation (capacity building) rather than establishing corresponding sustainable mechanisms (institution building).
Effective LED management functions established and operational at provincial and area levels.	Provincial level was successfully targeted (DEDT). Targets for municipal level were by too ambitious.
<i>Support to DPLG at national level for strengthening of the LED environment through operationalising the national LED strategy.</i>	<i>Insufficient absorption capacity following shift to DCOGTA.</i>

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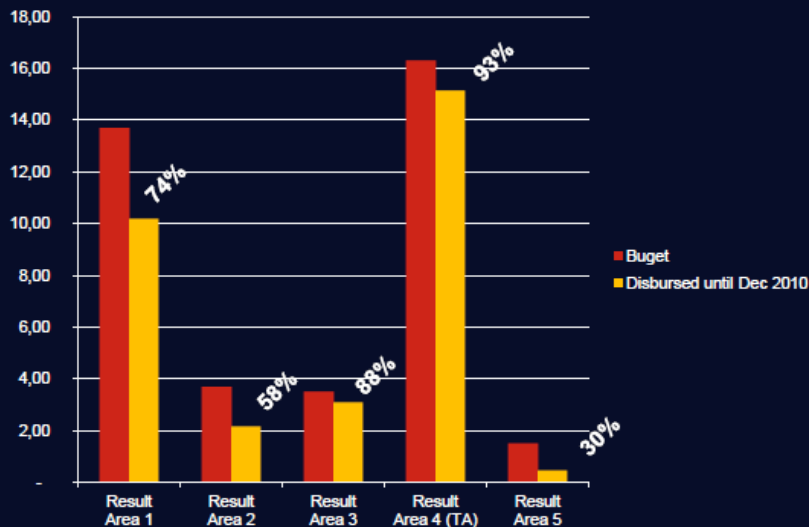
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Budget Utilization

80% of Revised Budget Disbursed

(until December 2010; data according to Annual Report)



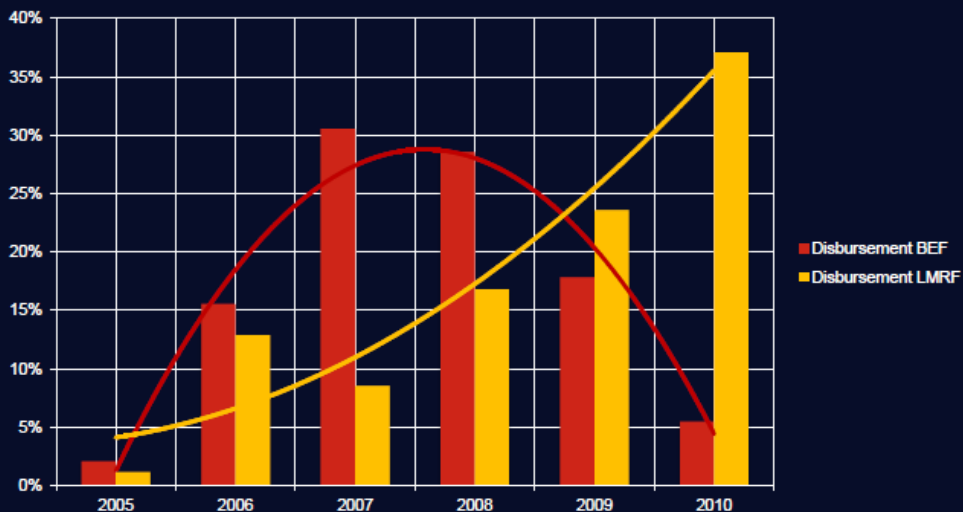
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Capacity building followed BEF instead of preceding it

(data according to Annual Reports)



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Programme Purpose Medium level of achievement





(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVIs	Achievement	Comments
Stakeholder partnerships in KZN have developed and implemented plans that generate or preserve in excess of 3,000 jobs and gear programme investment with funds in excess of R30 million.		Fulltime jobs generated /preserved <3,000. Investments exceed ZAR 50 mio.
Establishing or expanding enterprises within nonmetropolitan KZN encounter fewer constraints and increased/improved public sector support and services.		Constraints to establish / expand enterprises have not decreased.
The level of LED knowledge and skills of LED actors in KZN and SA has increased and mechanisms for sustaining and expanding this learning are contracted.		DEDT = good. Municipalities = weak. Spill-over to SA = weak (but refers to Result 5).
The programme is efficiently and effectively executed and mechanisms for programme sustainability contracted.		LED unit established in DEDT. Gijima II approved. Course at UKZN established.

Result Area 1 – LCF

Good level of achievement

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievement	Comments
Local level partnership groups compile plans of action for activities which increase the competitiveness of an area, sector or enterprise and mitigate the impact of HIV/AIDS.		No quantifiable OVI defined. 82 CAPs contracted. But only 64 were completed.
Partnership groups collaborate to successfully implement plans that increase the competitiveness of area, sector or enterprise and mitigate the impact of HIV/AIDS and TB.		No quantifiable OVI defined. 32 IMPs contracted. But only 22 were completed
Private and allied public sector funds are mobilised to support implementation of competitiveness enhancement plans.		No quantifiable OVI defined. Beneficiaries' contribution to IMP projects >ZAR 50 mio
Implementation of CAP's directly results in the generation/ preservation of 3000 permanent job opportunities.		Only 13 CAPs were implemented. Number not achieved. IMPs without CAPs contributed more jobs (but still <3,000).

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Result Area 2 – BEFs (1)

Low institutionalization on municipality level

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
Public sector authorities have reduced the time, cost and difficulty of obtaining statutory permissions for business establishment and expansion.		If achievements could be identified, these would not be resulting from the Programme.
Improved capacity to supply land/facilities to emerging new or expanding business enterprises.		If achievements could be identified, these would not be resulting from the Programme.
Increased availability and use of public sector data by economic enterprises.		No baseline available. Data base on municipality level not improved through Gijima I.
Enhanced municipal capacity to mobilise and use public and private sector resources to install and maintain the municipal infrastructure necessary to support economic activities.		No major increase of municipal capacity resulting from Gijima I activities.

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Result Area 2 – BEFs (2)

Low institutionalization on municipality level

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
IDP's contain LED plans aligned with the Provincial Growth and Development Strategy, the National Spatial Development Perspective and allied.		Only some LED plans have been integrated into the IDPs.
LED facilitation and management functions and processes has been institutionalized on a permanent basis within public sector agencies.		Only minimal achievements resulting from Gijima I activities.
Grant Beneficiaries plan and implement measures by which HIV/AIDS and TB impacts on the LED-enabling environment will be mitigated.		Only minimal achievements resulting from Gijima I activities.
Increased public sector capacity to assist emerging and existing SMMEs to identify access and utilise business development and poverty alleviation support programmes.		Not measured

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Result Area 2 – BEFs (3)

Low institutionalization on municipality level

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
Public sector personnel are trained in LED skills.		No quantifiable in OVI defined. 886 officials participated in trainings.
Public sector capacity to utilise its procurement systems to generate targeted economic outcomes is enhanced.		If achievements could be identified, these would not be resulting from the Programme.

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Result Area 3 – NCF & LMRF (1)

Overall: Low to medium level of achievement

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
A sustainable mechanism for identifying, capturing and sharing relevant LED experience from within the RSA, and internationally, and feeding these experiences into the LED programme is operational.		No quantifiable in OVI defined. Sustainable mechanism not achieved (except UKZN)
Sustainable measures established to fully capture and document lessons generated within the LED programme, and future LED initiatives.		Sustainable measures not established. UKZN has started some activities LED course.
Learning from programme captured, appropriately documented disseminated in manners that result in improved LED practice within the province.		Many documents available on website. Recently, the UKZN has realized 3 case studies.
A skills and knowledge development system for programme participants / implementers is operational.		Course established at UKZN. Also very late, this is finally a positive achievement.

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Result Area 3 – NCF & LMRF (2)

Overall: Low to medium rate of achievements

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
Effective programme communications ensures positive awareness of the programme and ability to interact effectively with the programme		Unsuitable OVI. Delays in contracting the agency were compensated through STEs.
Decision makers at the political and policy level are assisted to provide the Gijima programme with a Supportive environment for implementation and sustainability.		Approval of Gijima II and consolidation of DEDT's LED unit confirm political support.

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Result Area 4 – LED Institution Building (1)

Provincial level = good; Municipal level = low

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
Technical support to public agencies in four learning areas supplied.		28% of applications in 4 Learning Areas approved vs 31% in other areas.
Sustainable mechanism for the supply of technical support to the provincial areas falling outside the four learning areas developed and implemented.		11 AMs employed by DEDT. No sustainable mechanism on municipality level.
LED personnel at provincial, district and municipal level acquire skills for LED programme management.		Provincial level = ok. District & local level = not achieved.
District and local municipalities hosting the Area offices are able to continue programme operations post programme completion.		No major operations have been executed by municipalities' staff.

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Result Area 4 – LED Institution Building (2)

Provincial level = good; Municipal level = low

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
The DED is capacitated to continue programme operations post programme completion.		Staff of DEDT is qualified to execute processes also beyond Gijima I.
MIS fully operational.		MIS is fully operational.

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Result Area 5 – National LED Strategy (1)

Overall: Very low to medium level of achievement

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
LED tools and instruments (i.e. sector analysis; red tape analysis; PPP models; business linkage tools; etc) are available and used throughout South Africa.		xxx
Information is disseminated on LED concepts, case studies, learning from the ECD support programmes and other LED support programmes, tools, service provider information, policy and funding sources - through the internet, in print media, through existing channels debates and events.		xxx
An LED sector strategy is developed and there is private and public sector support to the LED concept in South Africa.		xxx

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Result Area 5 – National LED Strategy (2)

Overall: Very low to medium level of achievement

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
Public and private sector partnerships are established to put into action and LED sector strategy.		xxx
National, provincial and local institutions and stakeholders have a clearly defined role in LED.		xxxx
National support institutions and partners have capacity to fulfill their roles and build partnerships.		xxx
LED training facilities, material and activities are developed and improved.		Some training facilities have been developed on provincial level and initiative only.

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Result Area 5 – National LED Strategy (3)

Overall: Very low to medium level of achievement

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
There are better trained LED facilitators and consultants.		xxxx
The economic development aspects of PGDPs and IDPs are improved.		xxxx
LED activities in South Africa are monitored and their impact on policy and strategy assessed.		xxxx
The Excellence Network and an LED web page are functional.		xxxx
The DPLG LED Donor Co-ordination Forum meets at least every six months.		COGTA

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Result Area 5 – National LED Strategy (3)

Overall: Very low to medium level of achievement

(green=OK; red=NOT achieved; yellow=PARTLY achieved)

OVis	Achievements	Comments
LED tools and instruments (i.e. sector analysis;... Information is disseminated on LED concepts ... An LED sector strategy is developed and ... Public and private sector partnerships are ... National, provincial and local institutions and ... National support institutions and partners have ... LED training facilities, material and activities are ... There are better trained LED facilitators and ... The economic development aspects of PGDPs ... LED activities in South Africa are monitored and .. The Excellence Network and an LED web page ... The DPLG LED Donor Co-ordination Forum ...		None of the OVis has been achieved.

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Result Area 1 – IMPs

Relevance /
Design



Relevance high, although in some cases only advancing investment.
Design good (... with room for improvement)
Cases of "forced" partnerships.

Efficiency



Disbursement of funds = 70% (31.12.2010).
Good flexibility re project specifics.
Eligibility criteria for expenses not sufficiently clear with beneficiaries.
Long processing time in PCU / EUD.

Effectiveness



Majority of projects completed, but out of 32 contracted projects, 10 were terminated before completion.

Impact



Job creation / preservation.
Income generation.
Training on-the-job of DEDT staff.
Inclusion of "disfavoured" groups.

Sustainability



Programme continued (Gajima II)
Majority of completed Projects is sustainable.
Problematic when public sector driven.
More support at start would increase sustainability.

Result Area 1 – CAPs

Relevance / Design



Number of applications (300) confirm need for this instrument. Cases of “forced” partnerships. Not sufficiently targeted towards subsequent implementation of CAP-planning.

Efficiency



Disbursement of funds = 91% (31.12.2010)
Long processing time in PCU / EUD.
Quality control (partnerships, reports) at beginning not sufficient.

Effectiveness



64 projects completed and 13 of them were subsequently implemented. But out of 82 contracted projects, 18 were terminated before completion.

Impact



Indirect job & income creation (when followed by IMP). Inclusion of “disfavoured” groups. Not sufficiently targeted towards subsequent implementation of CAP-planning.

Sustainability



5 CAPs (8%) continued as IMPs.
At least 8 more CAPs implemented later on with non-Gijima funding.
Implementation of majority of CAPs unsure.

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Result Area 2 – BEFs

Relevance / Design



Need for institution & capacity building on municipality level. Municipalities' absorption capacity was overestimated. Applications very “consultant-driven”. Demand driven approach not appropriate.

Efficiency



Long processing time in PCU / EUD.
Low project management capacity on municipality level.
Disbursement of funds = <60% (31.12.2010)

Effectiveness



Participation of municipality staff & “learning on the job” was very limited.
Out of 82 contracted projects, 18 were terminated before completion.

Impact



For some municipalities, preparation of BEFs provided a training-on-the-job for their staff. But so far, no major use made of LED plans.

Sustainability








Some LED plans were incorporated in IDPs. More LED units in municipalities. Limited ownership and resources (human and financial) re implementation of plans.

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Result Area 3 – NCF & LMRF

Relevance / Design		High need for training on provincial, district & municipality level. In line with GoSA policy priorities. Concept for stand alone institution was unrealistic.
Efficiency		Once procured, training delivery was as expected. Procurements with big delays. Institution building did not get off the ground until 2009.
Effectiveness		Training delivery reached the target groups. Institutionalized learning facility has been established only at the end of the Programme.
Impact		Training for municipality staff likely to be without major impact, if not continued.
Sustainability		Training continues at UKZN. Trained individuals likely to apply part of their acquired knowledge. Low institutionalisation of LED on municipality level.
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Result Area 4 – LED Institution Building

Relevance / Design		Relevance very high. Good design for Institutional Capacity Building on provincial level (DEDT). Design for Institutional Capacity Building on municipality level was deficient.
Efficiency		Know how transfer on provincial level (PCU to DEDT staff) was successful, in spite of slow start. Implementation of activities targeted at municipalities started very late.
Effectiveness		Good effect on provincial level, but only small effect on municipality level. Low degree of participation of municipalities in project management.
Impact		Good on provincial level: - Fund mobilisation (Gajima II). - Qualified staff in DEDT's LED unit Very weak on municipality level.
Sustainability		Good on provincial level: - Programme continues (Gajima II). - LED unit in DEDT continues. Very weak on municipality level.
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Result Area 5 – National LED Strategy (DPLG / DCOGTA)

Relevance / Design		Relevance is still very high. However, the original design of this component does not fit the new institutional set-up.
Efficiency		No absorption capacity, due to the end of the TA support to DPLG and shift of responsibilities to DCOGTA. The decision to drastically cut down was appropriate and fully justified.
Effectiveness		Only a minor part of the originally aspired activities was implemented and expected results have not been achieved. No absorption capacity on beneficiary level.
Impact		No impact, so far.
Sustainability		Still not assured.

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Lessons Learnt and already implemented

The DEDT LED unit had commissioned very useful and objective reviews of sub-Result Areas (BEF, CAP, IMP, NCF, LMRF, Marketing & Communications)



Lessons learnt “on-the-job” (during implementation of Gijima I) and from the a.m. reviews have already been taken into account by DEDT for planning of follow-up programmes !

Lessons Learnt (1)

green = already implemented

Observation



Strict application of EU procedures (PRAG etc) is necessary. However, unconstructive and non-problem-solving feedback from EUD delays Programme and frustrates beneficiaries.

LogFrame does not reflect Programme's reality and lacks measurable OVIs.

Recommendation



Supportive approach by EUD's Finance & Contracts unit:
- Guide contracting authorities and beneficiaries.
- Where possible: Interpret procedures to facilitate smooth & target-oriented implementation.

LogFrame is a management tool for implementing agency, contracting authority, monitors and evaluators.
It must be appropriately designed, adapted and used.



Lessons Learnt (2)

green = already implemented

Observation



Co-financing (partnerships lead by) established enterprises requires different concepts and tools as compared to emerging, recently formalized entities.



Recommendation



Establish different funds with specific procedures and prerequisites.

So far, no sustainable mechanism is in place to analyze and disseminate LED experience on a national level, assuring that lessons learnt in one Province are made available to others, too.



Institutional responsibility for this task is not yet defined. This should be targeted asap. The "Economic Cluster" could be an appropriate option.

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Lessons Learnt (3)

green = already implemented

Observation



Less resourceful municipalities don't have the capacity to manage the application process for competitive grant support.



Recommendation



Supply driven concepts would be more suitable to support less resourceful municipalities than competitive application procedures.

Due to their limited resources, municipalities have widely outsourced project conceptualization, application and implementation, resulting in very limited ownership and sustainability on municipality level.



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Lessons Learnt (4)

green = already implemented

Observation

LED training for municipalities' staff was realized too late to accompany their grant project related activities. This was due to procurement problems and general design flaws.

Lengthy evaluation process of applications resulted in frustration and applications becoming obsolete (e.g. in agriculture-related projects). Also, this doesn't motivate beneficiaries to comply with deadlines.

Recommendation

(A) Start procurement as early as possible, because it "always" takes longer than expected.
(B) Assure more careful planning, if activities are built on successful foregoing steps.

Establish and communicate appropriate and binding time limits – and adhere to them (PCU, EUD).

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Lessons Learnt (5)

green = already implemented

Observation

LED approach requires additional elements as compared to "pure SME support". This was introduced through the "partnership requirement".

In partnership projects, established "teams" have a higher success rate.

Recommendation

Also future LED driven business support programmes need to define a specific extra value, such as promoting emerging enterprises or value chains or specific innovative approaches through partnerships.

But: Don't limit future support to established partnerships. Especially new partnerships deserve and justify externally financed support.

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Lessons Learnt (6)

green = already implemented

Observation

In partnership projects, communication / contact is in most cases exclusively limited to the (more experienced) lead partner.

In business support projects, public sector partners are less likely to lead successful and sustainable investments.

Recommendation

Although this is more efficient re project implementation, junior partners should „always“ participate in meetings, too, to facilitated know how transfer.

Insist on private sector partner (preferably the future operator of the supported business) taking the lead and risk sharing with his resources / funds.

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Lessons Learnt (6)

green = already implemented

Observation

During application and implementation of projects, beneficiaries have received support mainly re procedural / admin issues, due to time constraints of AMs and specific knowledge requirements.

Recommendation

Foresee sufficient technical support capacity (during assessment of application and during implementation) to increase success rate of projects

- Institutional (check partnerships)
- Technical (check concept)
- Administrative (procedures, eligibility of expenses, required documentation etc.)

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Lessons Learnt (7)

green = already implemented

Observation

In most cases, feedback to unsuccessful applicants for LCF or BEF projects has been limited to formal / procedural aspects, not (sufficiently) including contents-related aspects.

Already installed equipment or access to after sales service are important criteria for entrepreneurs to select a known supplier instead of competitive tendering.

Recommendation

This approach would be ok for a pure commercial project. But for a support programme, qualitative feedback should be provided to facilitate the improvement of future project planning.

Continue with flexibility to allow – if justified – for possibility of direct negotiations.

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Lessons Learnt (8)

green = already implemented

Observation

Valuation in monetary terms of beneficiaries' contribution in kind through time spent on the project is uncontrollable.

Recommendation

Either restrain from requiring own contribution in monetary terms or define better criteria (e.g.: "Cash" or supplies).

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Thank You !

