

Development Monitoring and Evaluation Systems Enhancing Local Economic Development Outcomes in South Africa

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ABSTRACT South Africa is a developmental state and despite the efforts by government, local economic development (LED) has not progressed at the desired rate to uplift the quality of life of all citizens. A desktop research method was used to collect, collate and analyse policies, reports, legislation and current literature with the aim of proposing a development monitoring and evaluation (M&E) system that could enhance the outcomes and impacts of LED program and projects. To overcome the current challenges of poor performance and the lack of an effective LED framework, the Development Monitoring and Evaluation System framework proposes a participative approach to M&E where key stakeholder perspectives are considered and the on-going financial management is introduced throughout the M&E intervention process. The study is significant to the political and administrative public officials who engage in LED and have an oversight responsibility to ensure good governance through an accountable local government.

INTRODUCTION

The new democratic government established in 1994 instituted radical transformation of the public sector but was still straddled with the challenges of poor capacity and limited financial resources to immediately rehabilitate the inequitable economic development and service delivery. Approximately twenty years after democracy, South Africa remains as one of the most unequal societies in the world, consisting of a world-class formal economy while approximately forty percent of the population is unemployed, depending on welfare grants and on the informal sector to survive. It is evident that while the local economic development initiatives were well intentioned, the implementation did not provide the desired outcomes. According to McEwan (2017), the poor success rate is due to the misalignment of the government planning policies and the local government developmental goals. The article proposes that to achieve sustainable development outcomes, all aspects of local communities, namely, economy, social, welfare, environmental, resource and political issues need to be addressed in an integrated and holistic manner.

Currently, local government is challenged by, *inter alia*, the increasing community service

delivery protests, high levels of unemployment and poverty, insufficient financial resources, urbanisation and inadequate capacity to deliver basic services to the communities. Within this context, LED is marginalised and priority is given to the delivery of basic services. This has resulted in very little evidence of successful LED interventions on the ground due to confusion of the LED strategies and poor M&E of the LED interventions. However, increasing civil unrests aligned to poor service delivery and the rampant unemployment level have driven the municipalities to refocus on LED.

Local economic development is derived from the municipalities' Integrated Development Plans (IDP) that should be jointly decided with the community and the municipal office bearers. Due to LED not being clearly defined and the contrasting strategies, namely, the pro-poor and economic growth focus, create confusion, resulting in the re-allocation of resources from one strategy to the other. Consequently, M&E of LED program and projects is weak and results in the LED practitioners not being fully capacitated. Schuetz et al. (2017) argues that successful M&E systems should have top management support, systems should be flexible for learning to occur and capacity enhancement at all levels to take place. This study is significant as it pro-

poses a systemic M&E approach be implemented where effective stakeholder participation is utilised to align and integrate LED initiatives with the vision and mission of the municipality.

Objectives of the Study

Despite the South African government's noteworthy efforts in increasing both the quantity and quality of basic service to citizens, local economic development has not achieved the desired results. The country is still plagued with high rates of unemployment, many of the previously disadvantaged communities still experience abject poverty and the income inequalities between the rich and the poor continue to widen. The article addresses the following key questions: What is the role of local government in LED? What are the key factors that constrain LED initiatives in South Africa? The article then proposes a developmental M&E system as a mechanism to enhance LED in South Africa.

METHODOLOGY

The study uses the documentary analysis method by collecting data from scholarly journals, books, internet, reports and legislation. The data was then analysed in relation to the above research questions. This method was found to be most appropriate as there is a dearth of information relating to further developments and implementation of development monitoring and evaluation systems.

Developmental Local Government in South Africa

Local Government being closest to the people, is well placed to respond to the needs, interests and expectations of the communities (Koma 2010). This ethos is also reflected in section 152(1) of the Constitution (Republic of South Africa 1996), which stipulates the objectives of local government is to provide democratic and accountable government for local communities; ensure the provision of services to communities in a sustainable manner; promote social and economic development; promote a safe and healthy environment; and encourage the involvement of communities and community organisations in the matters of local governance.

Section 152(1) encourages effective performance management of the municipality by requiring an "accountable government" through good governance required in an effective democracy. In addition, inclusion of civil society is evidenced in Section 153(a) of the Constitution which requires a municipality to structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community.

According to the White Paper on Local Government (Republic of South Africa 1998), developmental local government is defined as a local municipality that is committed to working with citizens and groups within the community to find ways to meet their social, economic and material needs and improve the quality of their lives. According to the United States Council for Urban Economic Development (National Framework for Local Economic Development 2006), the three key roles of local municipalities in LED are to provide leadership and direction in policy making; to administer policy, programme and projects; and to be the main initiator of economic development program through public spending, regulatory powers and small business development. To give effect to the above principles, Reddy (2006) identifies four characteristics of a developmental local government as the exercising of municipal powers and functions to maximise social development and economic impact; to co-ordinate and integrate both public and private investment within the municipal area; democratising development; and building social capital by empowering communities. Despite clearly set visions for developmental local municipalities, many municipalities in South Africa are unable to fulfil their developmental mandates due to their unique institutional, social and economic circumstances (Goldman et al. 2014).

The Local Government Turnaround Strategy Report (Department of Local Government and Traditional Affairs 2009) stated that the country faces a great development risk if local government fails and the national government responded by developing turnaround strategies for the poorly performing municipalities as it acknowledged that there are trends and signs undermining the success of the municipalities. Flowing from the interventions of the turnaround strategy, the root causes for poor municipal perfor-

mance were further identified as systemic factors; political factors; weaknesses in the accountability systems; capacity and skills constraints and weak inter-governmental support and oversight (Department of Co-operative Governance and Traditional Affairs 2009). Moshikaro and Penceliah (2016) also state that the key factors leading to poor performance of local municipalities in South Africa include lack of institutional capacity in municipalities, public participation, performance M&E systems, poor communication, leadership and governance and political and administrative tensions. Many municipalities are still faced with unskilled and inexperienced staff; political interference; misaligned organisational structure; poor financial management; and poor performance culture. In addition, citizens demand more and better quality basic services and show their dissatisfaction as evidenced by the increasing number of civil protests across the country. Maserumule (2016) explains that the increasing number of violent incidents of civil disobedience that have long characterised the evolution of the post-apartheid state is a manifestation of leadership inadequacies at various levels of government and society.

Against the above background, it is evident that local municipalities are complex institutions that operate in a dynamic and rapidly changing environment and need to adapt to deliver their developmental mandates. At the same time, they have to manage the following three paradoxes, namely, driving economic development while at the same time alleviating poverty, they have to be democratic and at the same time be efficient in service delivery and the balancing of social sustainability with environmental sustainability (Parnell 2002). This means that the municipalities need effective leadership, human and capital resources and effective performance M&E systems that would aid in creating strategic political and business alliances with local agents and communities to meet their developmental obligations.

Conceptualising Local Economic Development

The many definitions of LED have created confusion amongst LED practitioners. The key issues addressed by various authors include it being a process of maintaining and stimulating business activity or employment (Blakely 1994);

undertaking the constitutional mandate to promote economic and social development (Scheepers and Monchusi 2002); finding solutions and alternatives to improve and strengthen local competitiveness (ILO 2006); creating a participating process of the communities and key stakeholders to stimulate local economic activities to improve the quality of life (Swinburn et al. 2006); and the ability of a specific area to generate increasing income and improve local quality of life (Meyer-Stamer 2008). In the South African context LED entails forming robust and inclusive local economies that focused on local opportunities and needs to stimulate economic growth and alleviate the persistent high income inequalities and unemployment rate (National Framework for Local Economic Development 2006).

This resulted in the most popular approaches to LED in South Africa being the pro-poor focus encouraged by the Department of Co-operative Governance and Traditional Affairs and a pro-growth strategy advocated by the Department of Trade and Industry (Nothnagel 2011). Nothnagel (2011) citing Tomlinson (2003) comments that the two approaches to LED create confusion as to the country's priorities and could move resource allocation away from pro-poor LED initiatives. In an attempt to develop local economies, the National Framework for Local Economic Development (Department of Provincial and Local Government 2006), in conjunction with both the Public Sector Leadership and Governance and Sustainable Community Investment Program policies, adopted the strategies to improve good governance, service delivery, public and market confidence in municipalities; spatial development planning and exploitation of the comparative advantage and competitiveness of district municipalities and metros; enterprise support and business infrastructure development; and sustainable community investment program. This approach has been supported by Sefala (2009) who also articulated that political leadership, economic policies that encourage economic development, assessment of the economic potential of their resources, promotion of the local region and the creation of an environment that attracts investments would stimulate the local economy. The first step in this direction would be for the national and provincial government to create the conditions for local economic development by undertaking the role of facilitator, networker, monitor and impact evaluator.

Monitoring and Evaluating Local Economic Development

Governments throughout the world have recognised the increased importance of M&E systems to monitor performance or have been forced by circumstances to implement an M&E system. In this regard, Kusek and Rist (2004) add that as the needs for accountability and demonstrable results have grown, the applications of results-based M&E have also included project, programme and policy; local, provincial and national levels of government; knowledge capital; and transparency and accountability. To highlight the importance of M&E, in his budget speech, the Minister of Performance, Monitoring and Evaluation (2009) reported that the state can only be successful if there is an efficient M&E system to monitor the quality and standard of the services provided to the people. In a parallel vein, the United Nations Development Programme (UNDP) (2009) states that without effective planning, monitoring and evaluation, it would be impossible to confirm if outcomes and impacts are achieved; whether progress and success can be claimed; and how future efforts might be improved. Mackay (2007) adds that M&E is used to support policy development, management of activities, enhancing transparency and supporting accountability relationships. According to the PSC (2008), the purposes of M&E systems are management decision making, organisational learning, accountability, soliciting support for program, supporting advocacy and promoting transparency. According to Nel (2005), M&E is poorly developed and cost and time considerations are advanced as explanations for this scenario. However, Gibbs and Goldman (2006) comment that M&E is poorly understood and tools for evaluating LED inadequate in their development and poorly implemented evidenced by the lack of monitoring of outcomes, poor data collection and inadequate evaluation capacity of staff. Further, there is a misunderstanding by LED practitioners that M&E is relevant only to LED projects rather than to the policies and program.

The evolving LED policies in South Africa are closely aligned to the notion of developmental local government that integrates the shared values of society and both formal and informal institutions. According to Gibbs and Goldman (2006) local municipalities face addi-

tional challenges with monitoring and evaluating LED initiatives, since LED is evolving and currently its impacts are not correctly monitored and recorded; dissatisfaction with Census data, and it also does not accurately reflect the localised LED impacts; data collection is seldom undertaken by municipalities, except in the metros, adversely affecting the setting of realistic targets and making accurate evaluation findings; staff lack evaluation capacity and focus on policies and implementation rather than assessments; there are inconsistencies with regards to the LED scope, definition and strategies; knowledge management program are disconnected from the M&E processes; and reluctance to accurately report on LED initiatives where the targets have not been achieved. Therefore, to enhance the LED roles of the municipalities and overcome the above LED challenges, an M&E system has to be planned, implemented and managed. Both the LED and M&E initiatives can be implemented and managed at the policy, programme, project or institutional levels (Nothnagel 2011).

RESULTS AND DISCUSSION

Development Monitoring and Evaluation Systems (DMES) focuses on the positive outcomes and impacts of development policies, program and projects to sustainability, building social attitudes, protecting human rights, empowerment of the participants and equitable distribution of benefits to narrow the socio-economic inequalities in communities. However, McEwan et al. (2017) adds that community development initiatives are not very successful due to the problematic ways communities are defined, lack of alignment and integration of the policies and procedures, the absence of participatory and empowerment processes and conservative development visions. In addition, DMES encompasses a larger spectrum of functions than the conventional M&E systems since it also incorporates financial audits, whereas in the conventional M&E system financial audits are separated from the M&E system Khan (2006). It is evident from the Auditor-General's Report (2015) that local municipalities have weak financial systems with wasteful expenditure and corruption remaining challenges.

Management for Development Results (MfDR) is a results-based management system

that specifies expected results, develops targets and indicators and uses collected data to improve decision making for the development outcomes and results. According to Leonard and Bayley (2008), the successful implementation of MfDR requires strong support from political and administrative leadership; staff with necessary skills receiving training; a goal achievement organisational culture; supportive management styles and incentives; adequate operational resources and capacity; relevant management for change processes; and appropriate business systems and processes. Schuetz et al. (2017) add that in addition to top management support, the systems should be flexible to allow for creativity in designing the processes and for learning to occur. The successful implementation of MfDR is heavily dependent on capacity building, especially evaluation capacity development. According to Norman (2017), the success of the poverty alleviation programme in Ghana would have been more widely accepted if baseline data and appropriate indicators were developed and the communities were capacitated in terms of the requirements of the programme.

Proposed Development Monitoring and Evaluation System Framework

Effective LED should be informed by relevant evidence-based policies that provide a singular conceptualisation of the phenomenon, backed by committed leadership providing the required resources and performance management systems to attain good corporate and co-operative governance. According to Ackron and Auricombe (2016), the constraints to implementing LED in South Africa include a lack of a common understanding of the role and processes of LED; inability of many municipalities to align the LED strategies within the IDP processes and a lack of planning resources and capacity. A persistent challenge in institutionalising M&E within the local sphere of government is the disconnect between the IDP and the Provincial Growth and Development Strategy (PGDS), resulting in the duplication of reporting information, lack of understanding of municipal processes and systems and poor quality and validity of data used for M&E (The Role of Premiers' Offices in Government Wide Monitoring and Evaluation: A Good Practice Guide 2008). In the study to evaluate the effectiveness of reducing poverty in

Ghana, Norman (2017) found that a focus on the developmental goal, well-designed M&E system and committed leadership could have resulted in more successful outcomes.

To overcome the current fragmented strategic planning process and the poor performance of economic development and service delivery, the Cabinet agreed to Twelve Outcomes (Republic of South Africa 2010) that are aligned to the national policy priorities for social and economic development. Each of the twelve outcomes is linked to measurable outputs and key activities that the Minister has to agree to and ensure their achievement. Of particular interest for this study is Outcome Nine that relates to achieving a responsive, accountable, effective and efficient local government system with the co-operation of all the ministries. In particular, the single window of co-ordination requires that each of the three spheres of government support each other to improve co-operative governance and a more amenable environment to undertake the necessary oversight roles by the provincial and national governments (Republic of South Africa 2010).

South Africa has adopted a country-wide M&E system to manage its developmental mandates that is yet to be fully effective and integrated with the provincial and local municipal-wide M&E systems. According to Kusek and Rist (2001) the challenges that a developing country is likely to experience when planning and implementing an M&E system are the lack of agreement on national or sector-wide outcomes due to a lack of political will, a weak central planning agency or a lack of capacity in planning and analysis; lack of accurate and reliable information due to the lack of the skills base in the government agencies; and government departments working independently and not having a strong administrative culture, resulting in poorly administered financial systems. Mackay (1999) confirms that the barriers to institutionalising M&E systems in developing countries are, *inter alia*, lack of demand and ownership; lack of a modern culture of fact-based accountability, lack of evaluation and financial management skills, lack of feedback mechanisms into decision-making processes. Mackay (2007) asserts that M&E systems support sound governance by supporting evidence based policy decisions in allocating resources to a project or programme; assisting government in policy devel-

opment and analysis; helping government to manage activities at sector, programme and project levels; and enhancing transparency and support accountability relationships.

It is clear from the above that an effective development M&E system has to adopt a systemic approach as councillors, provincial and national governments; and communities are the main stakeholders that create the demand for M&E systems in municipalities through the IDP (Govender 2011). In view of the above, Gibbs and Goldman (2006) propose that the use of M&E in LED be reviewed to make it more effective as a learning tool and for building commitment for the stakeholders rather than promoting “malicious compliance”.

Identify and Choose the LED Strategy Appropriate to Achieve the Developmental Objectives

The South African government’s vision for the local economies is to be robust and inclusive local economies exploiting local opportunities, addressing local needs and contributing to national development objectives has not been successful. Apart from the systemic problems local municipalities face, social exclusivity and the dependence of the people on government support has not aided LED. Viewed against the above, most LED initiatives would only achieve partial success in some of the program.

In addition, Nel (2005) asserts that while LED has been given greater priority, programme and project delivery is currently fragmented due to the confusion whether to support the pro-poor or a pro-market focus, a legacy to support unsustainable, low skilled community projects, limited private sector involvement, local municipalities do not have the required skills, capacities and resources to undertake its LED mandates and LED is perceived as marginal to basic service delivery mandates of local government. The result is that while municipalities attempt to monitor their LED outputs and outcomes, there is insufficient indicators that could be used as benchmarks to manage its performance due to the focus on the symptoms rather than the causes of poverty Norman (2017).

Commit to a Participatory Stakeholder Engagement Process

According to Madumo (2015), for the municipalities to achieve their developmental ob-

jectives, it is critical for them to receive support and co-operation from the communities they serve. Brett (2003) explains that community engagement should be an educational and empowering process in which people, in partnership with each other and those able to assist them, identify problems and needs, mobilise resources, and assume responsibility themselves to plan, manage, control and assess the individual and collective actions that they themselves decide upon. Therefore, the demand for community participation is important for personal and social emancipation, and successful community participation occurs when the set outputs, outcomes and impacts are achieved.

Many communities are still experiencing poverty, unemployment and marginalisation and have lost hope of improving their well-being, which either results in poor participation in LED program or participation in civil protests to indicate their dissatisfaction with the current state of social and economic development in their area (Chikulo 2013). LED should not only improve the quality of life of the citizens but also empower them to ensure the sustainability of the LED initiative.

In order to increase the success rate of LED interventions, local municipalities need to capacitate and empower the communities to engage in the economic growth and /or the pro-poor development interventions. For example, the economic growth approach would require strategic alliances with businesses and investors while the pro-poor approach might focus on sustainable agriculture or social entrepreneurship. In the above examples the focus of local government for LED differs when providing leadership and direction in policy-making and processes that maximise economic value for land use and community engagement; to administer policies, program and projects to enable growth and development; and to be the key initiator for economic development program in its region (Ackron and Auricombe 2016 citing Department of Provincial and Local Government 2006).

According to Leonard and Bayley (2008), preconditions for evaluation capacity development are commitment within government to accountability, management decisions not being made on political grounds, sufficient incentive program for public servants to act in the interest of the public and stability in staffing to provide

better services to the public. At the same time, official and media reports indicate an increasing trend in unethical behaviour and mismanagement in local municipalities (Van der Waldt 2015).

Moshikaro and Pencelliah (2016) propose that for a local municipality to be effective and efficient it needs to enhance its leadership, governance, accountability, comply with the code of conduct, improve community participation and take action against any deviation. In an attempt to address the above issues, Ijeoma and Sambumbu (2015) argue that public accountability could improve through regular evaluations and the government could then make the necessary decisions where the results are either positive or negative and improve the overall management of LED. Kusek and Rist (2004) suggest that six critical components of sustaining an M&E system are demand for the system, clear roles and responsibilities, trustworthy and credible information, accountability, capacity and provision of incentives.

Simister (2009) provides the following suggestions for a successful M&E system, namely, senior management commitment and political will is required; the system should be sustainable and not create unrealistic expectations; manage resistance to change; and design the system fully before capacitating the participants. The approach that “one size fits all” would not produce the maximum institutional value from the M&E system. A balance must be achieved between the imposition of M&E policies, procedures and practices and allowing for local level decision making in response to their own circumstances. At the local level there are a lack of LED networks due to the strained relationships between the private businesses and the local authority; lack of political commitment; and lack of capacity of the LED officers to develop inclusive relationships with key stakeholders (Ackron and Auricombe (2016), Akron and Auricombe (2015).

In view of the above, developmental local government should be committed to working with communities and key stakeholders to find sustainable ways to meet their social, economic and material needs to improve their quality of lives (Republic of South Africa 1998). More importantly, developmental local government should implement a performance M&E system that ensures good governance, effective engagement of the communities and the stakeholders, facili-

tates investment opportunities within its area and capacity development.

Utilise the Systemic Performance Analysis Model (SPAM) to developing Targets

According to Turianskyi (2016), South Africa is one of the top ten African states that have shown the most governance regression in the past decade, where governance is defined as the provision of political, social and economic public goods and services that every citizen has the right to expect from the state and that the state has the responsibility to deliver. Gibbs and Goldman (2006) warn that the current M&E system in South Africa is highly technocratic since it focuses on upward accountability of senior managers and less on participation and learning. Therefore, the article proposes that a systems approach to M&E should be utilised at the strategic, tactical and operational level in municipalities where all levels of staff are capacitated and integrated within the M&E system. The SPAM (Govender 2011) integrates the systems approach, theory of change and logical framework to ensure knowledge is transferred among the different components. The model aids in monitoring and evaluating the effects of changing environment and conditionalities on the inputs, activities, outputs, outcomes and impacts, thus introducing greater flexibility to effectively manage the policy, programme or project. Regular conversations should occur with key stakeholders to obtain consensus on the inputs, activities, outputs, outcomes and impacts. Indicators need to be developed and targets agreed upon. Budgetary processes and controls need to be introduced across the entire process, starting from planning and ending with the impacts.

The lack of incentives to implement an M&E system could be the key factor for not implementing an M&E system, although, a majority of the municipalities are currently in a position to plan and implement an M&E system. The main challenges faced by the municipalities in implementing an M&E system are the lack of M&E specialists; statistical skills; and evaluation capacity development (Govender 2011). The national and provincial governments, through their oversight roles, could support and capacitate the municipalities to overcome these challenges. In conducting their oversight roles in managing the performance of the municipalities, both

the national and provincial government interventions were ineffective, although the provincial government performed better than the national government in this regard. Ackron and Auricombe (2016) argue that while local government can play a significant role in alleviating poverty, their ability to do so depends on their mandates, skills and resources.

While the government's efforts to make services available to the masses is noteworthy, basic services, unemployment, economic growth and income inequality targets have not been fully achieved (Chikulo 2013). The achievement of targets has also been constrained by corruption, mismanagement and maladministration in local municipalities (Madumo 2015). Therefore, realistic and relevant Key Performance Areas emanating from the national and provincial programme of action and IDP should be utilised to develop the LED objectives, out of which indicators are derived. The indicators need to be simple, measurable, achievable and relevant to then enable the collection and analysis of the baseline data required to set achievable targets that take cognisance of the available resources and the current context in which participants should be held responsible and accountable for the successful completion of the tasks.

Develop and Implement a Financial Information Management System that is Linked to the Programme/Project Life Cycle

Institutionalisation of a sustainable M&E system requires that it is an integral part of the organisation's functions as a management activity, it is a specialist support function and the oversight function be hierarchical. An institutionalised M&E also operates as a function of every manager and as an oversight function by one institutional element over other organisational units (Ackron 2008). According to Madumo (2015), the challenge of financial sustainability is also attributed to the situation where the municipalities fail to institute proper mechanisms to ensure they collect revenues due for services and products supplied. This could be partly attributed to the traditional M&E system focused on the outputs and is designed to address compliance – the “did they do it” question. It focuses on inputs, activities and outputs and links it to a specific unit of responsibility. In the case of a human settlement development programme

with an allocated budget, the traditional M&E system would focus on the under or over expenditure by the responsible department. It would not consider the reasons for the under or over expenditure, the value of the human settlement development to the beneficiaries or the relevance of the development. It does not provide an understanding as to the different stakeholders' perspectives and the causes for the success or failure of the project, programme or policy. Due to its lack of focus on the outcomes and impacts, it gained limited success and was overtaken by the results-based evaluation system.

An important driver for programme performance in South Africa are the strong interventions of the Auditor General, with the main focus on financial audit and thereafter the performance against initially set targets (Goldman et al. 2014). The Municipal Finance Management Act that was implemented to regulate financial management in local municipalities and sought to ensure all revenues, expenditures, assets and liabilities are effectively and efficiently managed did not achieve the desired results. Many local municipalities in South Africa are known notoriously for poor financial management and local municipalities are becoming the key sources for corruption (Maserumule 2016). This is evidenced by the Auditor General (2015) reporting a 3,643 billion rand irregular expenditure by the municipalities resulting from inadequate consequences for poor performance and a lack of decisive leadership intervention to resolve the previous year's deviations.

Therefore, financial management and controls are included as an integral component of the development M&E system. Policies and procedures, as established at the beginning of the intervention, need to be complied with and a financial report has to be regularly presented for discussion at the participant deliberations.

Monitoring and Evaluation systems improve corporate governance through aiding better service delivery; achievement of strategic goals; decision making; financial management; and accountability. The effects of M&E on financial capacity development are the placement of competent staff; training and motivation of staff; better resource allocation; and participation of all the stakeholders. While there are no incentives for municipalities to achieve excellence (Govender 2011), a systemic M&E system should be used as an alternate performance mea-

surement tool to the Balanced Scorecard to pursue excellence in municipalities (Govender 2011).

Feedback through Regular M&E and Ownership

Monitoring and evaluation are critical management functions for ensuring that the policy, programme and project objectives are fully achieved and that the development remains on course (Mwangu and Iravo 2015). Summative and formative feedback through monitoring and/or evaluation is essential for assessing the short-, medium and long-term success of the LED initiative. From the local government perspective, feedback could be provided in the allocative (resources and processes and service delivery outputs), distributive (equity and social security services), regulatory (compliance with the laws, protection and justice) and stabilisation (fiscal, monetary and economic policies) roles (Van der Waldt 2015). Feedback could be provided as per agreement prior to the implementation of the intervention that is aligned to the SPAM components, namely, inputs, activities, outputs, outcomes and impacts. The feedback ensures that the intervention accommodates the relevant changes in both the internal and external environments. In their study to monitor the AIDS response, Ghys et al. (2017) state that the role of civil society in providing and receiving feedback is critical to ensure the success of the intervention.

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

According to National Treasury (2007) monitoring reports on actual performance against what was planned by collecting, analysing and reporting data of all projects, program and policies support effective management. Comparison between actual performance and the planned performance provides an opportunity to undertake timeous interventions (PSC 2008). Conceptually, evaluation is the systematic or critical assessment of the merit, worth or value of ad-

ministration, output and outcome of government interventions that is intended to add value to the relevant beneficiaries (PSC 2008). Evaluation also incorporates a knowledge dimension, a value dimension, a utilisation dimension and an evaluand. It is critical to ensure all actors agree to these four dimensions prior to the commencement of the evaluation so that consensus could be reached with regard to the purpose of the evaluation. The purpose of the evaluation would determine the type of evaluation to be selected. The type of evaluation should consider the feasibility and the information requirements of the decision makers regarding the intervention (Kettner et al. 2008).

Meyer (2014) citing Rodrigues-Pose (2001), describes the advantages of LED over traditional economic policies in that the former empowers and ensures local participation, local residents play an active part in planning their own economic future, it is locality based and focuses on local comparative advantage that improves sustainability and ownership of the project. According to the National Framework for Local Economic Development in South Africa (2011) there is a growing recognition that patterns of local economic development need to be socially inclusive if they are to be sustainable. Upon completion of the LED initiative, the nominated participants therefore need to accept responsibility and/or ownership of the outputs and ensure the outcomes and impacts are recorded and referred to the relevant stakeholders.

During the consultations, the differing perspectives and priorities of participants need to be heard to ensure the LED initiative is not dominated by the participants yielding the most power. They need to collectively determine the needs in terms of the integrated development strategic plan for the area and the local municipality, and select the most appropriate LED intervention for the area/region. The scope of the LED initiative should be clarified in terms of whether it is a project, programme or a policy development issue to manage the expectations of the community and other stakeholders. Finally, the capacities of the participants need to be assessed to identify skills gaps and develop relevant skills and competencies to empower the community.

Challenges have also been experienced in the integration of the traditional authority mechanisms with the ward committees and council-

lors, due to the different value systems. Evidently, municipalities have not adequately addressed the uneven relations of power within the social and economic networks by not questioning who benefits from economic development, and whose interests dominate within partnerships and networks (Department of Provincial and Local Government 2006). Further, community participation occurs over a continuum and needs to be operationalised through institutional arrangements that maximise the accountability of agencies to the users. However, the scale and hierarchical nature of local municipal systems often leads to the weak participation approaches of informing and consulting being used rather than high participation program that incur high transaction costs, raise high expectations and allow local elites to capture development resources. Currently, public participation in LED appears to be limited to information provision, discussion and seeking endorsement (Nel 2005).

CONCLUSION

Development M&E systems report on positive outcomes and impact of the developmental interventions and also include financial measurements integrated into the system. While communities demand better services and quality of life, municipalities are constrained by limited funds, competing developmental goals, corruption, maladministration and a poor performance culture. A systemic development monitoring and evaluation system should be sustainable and effective if a participatory monitoring and evaluation approach is utilised to ensure the perspectives of all stakeholders are considered. The current LED initiatives are governed by a lack of a common understanding of the aims of LED, committed and accountable leadership, misaligned monitoring and evaluation systems, lack of financial accountability and limited community engagement and capacity building.

RECOMMENDATIONS

The current policies and strategies for LED in South Africa need to be integrated and aligned amongst the three spheres of government. Communities need to be capacitated and included in the LED processes to increase the sustainability of the interventions. The article also recommends effective leadership that promotes good

co-operative and corporate governance that holds public officials accountable for their performances. The financial management system and the M&E system should be integrated so that the outcomes can be measured against set targets.

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