THE IMPACT OF MUNICIPAL INFRASTRUCTURE GRANT ON BASIC SERVICE DELIVERY: A CASE OF ELIAS MOTSOALEDI LOCAL MUNICIPALITY IN LIMPOPO PROVINCE

BY

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I would like to give thanks to the Lord for giving me strength when I almost lost hope. All the glory is unto Him.

To my son and daughter, Sebethela and Onalenna whom I dedicate this work to, your path is still long and there is always light at the end of a tunnel.

I also acknowledge my parents, Mr. Jacob Modise Matabane and Mrs. Mmanku Rosinah Matabane as well as my two siblings Itumeleng and Rebone for always supporting me through thick and thin and always encouraging me to persevere in everything I do.

My supervisor Dr A.A. Asha thanks for your patience and guidance throughout. You are the best.

To all my colleagues at school and at work I thank you for your support and help for I could not have succeeded on my own.
DECLARATION

I declare that THE IMPACT OF MUNICIPAL INFRASTRUCTURE GRANT ON BASIC SERVICE DELIVERY: A CASE OF ELIAS MOTSOALEDI LOCAL MUNICIPALITY IN LIMPOPO PROVINCE is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references and that this work has not been submitted before for any other degree at any other institution.

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Signature                                      Date
ABSTRACT

Municipalities support social and economic development through infrastructure investment and help to alleviate poverty by providing free basic services to the poor households. The primary funding mechanisms to support municipal service delivery to the poor is the MIG allocated to the municipalities in the form of conditional grant. The MIG programme was specifically established to assist the poor to gain access to infrastructure and can only be used for infrastructure towards basic services. This study investigates the impact of Municipal Infrastructure Grant (MIG) on basic service delivery in Elias Motsoaledi Local Municipality which is in Limpopo Province. The findings and recommendations are mainly and only applicable to this specific municipality although there may be areas of possible extrapolation.

This study employed primarily a qualitative research as a methodological approach to address the specific research questions. The interview schedule and semi-structured questionnaire were used together with the examination of existing documents. A total of 28 municipal officials and community representatives were involved in this study. Data was analysis using qualitative content analysis method and descriptive statistics.

The findings revealed that: Firstly, the finding highlights that the municipality makes all efforts to comply with the requirements of MIG. (a) The spending trend of the municipality shows effective utilization of MIG. However, records show that the municipality has a tendency of spending after three months (October) after commencement of the financial year (It should be noted that the municipal financial year starts from July to June of the next calendar year). The result also reveals that at the project level there might be some over spending tendencies. (b) It is also evident that the municipality has the capacity and the mechanisms to manage MIG implementation; nonetheless, there is a sign that there is inadequate capacity of technical administrative skills and project management skills which are essential for MIG administration. (c) Mechanisms to monitor MIG implementation are indicated by site visits, site meetings and monthly service provider meetings. (d) The municipality demonstrates
accountability in terms of the administration of MIG by submission of monthly reports, annual reports; implementation plans; cash-flow budget to the national office through provincial office; and by submitting financial statements to Treasury. (e) There is an average understanding of knowledge of MIG and of decisions about projects budgets by community representatives.

Secondly, although the finding reveals that the municipality is rendering basic services to its residents using the MIG, some officials indicated that there is a backlog in roads infrastructure and that the municipality needs more funding to address the backlog. The community representatives were recorded saying that the communities are not satisfied with the services rendered by the municipality. It was also evident that the municipality is struggling to address the backlog because of the mushrooming of new settlements and the limited MIG funds.

Finally, the finding shows that MIG programme has contributed to improving basic service delivery in Elias Motsoaledi Local Municipality. Respondents from municipal office specified that MIG is the main source of funding for delivery of basic service to its communities. The community representatives revealed that they have benefited from different types of projects delivered by the municipality in their wards such as: water, sanitation, electricity, high mast lights, roads and storm water, community halls, crèches, sports facilities, parks, low level bridges and schools. It was also stated by community representatives that the infrastructural projects implemented are not properly maintained. In addition, the finding shows that most respondents are still not well-informed about MIG. That is the reason that they have inadequate information about the projects at local level.

**Keywords:** Infrastructure; Grant; Service; Impact; Municipality
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<td>ADBI</td>
<td>Asian Development Bank Institute</td>
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<td>BOQ</td>
<td>Bill of quantities</td>
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<td>CAP</td>
<td>Community Assistance Program</td>
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<td>CDWs</td>
<td>Community Development Workers</td>
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<td>CoGHSTA</td>
<td>Cooperative Governance Human Settlement and Traditional Affairs</td>
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<td>DBSA</td>
<td>Development Bank of South Africa</td>
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<td>DFI</td>
<td>Development Finance Institution</td>
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<td>DME</td>
<td>Department of Minerals and Energy</td>
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<td>DMIs</td>
<td>Domesticated Indicators</td>
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<td>DoT</td>
<td>Department of Transport</td>
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<td>DPLG</td>
<td>Department of Provincial and Local Government</td>
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<td>DPW</td>
<td>Department of Public Works</td>
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<td>DWAF</td>
<td>Department of Water Affairs and Forestry</td>
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<td>EPWP</td>
<td>Expanded Public Works Programme</td>
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<td>FFC</td>
<td>Finance Fiscal Commission</td>
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<td>FMG</td>
<td>Financial Management Grant</td>
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<td>GCC</td>
<td>General Conditions of Contract</td>
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<td>GIS</td>
<td>Geographical Information System</td>
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<td>IDASA</td>
<td>Institute for a Democratic Alternative for South Africa</td>
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<td>IDP</td>
<td>Integrated Development Plan</td>
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<td>INEP</td>
<td>Integrated National Electrification Programme</td>
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<td>ISD</td>
<td>Institutional Social Development</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MFMA</td>
<td>Municipal Finance Management Act</td>
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<td>MIG</td>
<td>Municipal Infrastructure Grant</td>
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<td>MITT</td>
<td>Municipal Infrastructure Task Team</td>
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<td>NADB</td>
<td>North American Development Bank</td>
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<td>NDP</td>
<td>National Development Plan</td>
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<td>NSIA</td>
<td>Nigeria Sovereign Investment Authority</td>
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O&M : Operation and Maintenance
OHS : Occupational Health and Safety
PMIS : Project Management Information System
PMU : Project Management Unit
PPP : Public Private Partnerships
RSA : Republic of South Africa
SA : South Africa
SRSA : Sports Recreation South Africa
STATS SA : Statistics South Africa
UN : United Nations
US : United States
VIP : Ventilated Improved Pit
CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.1. INTRODUCTION

Basic service delivery is rendered by municipalities through different grants in South Africa. Municipalities are expected to provide access plans that relate to the needs of the communities. Municipal Infrastructure Grant (MIG) is one of the allowances that are provided by government to municipalities to render basic service delivery. MIG is the establishment of a consolidated grant mechanism, which was approved on the fifth of March 2003, after being strongly supported by local government representatives and a range of public and private agencies, including the Finance and Fiscal Commission (FFC) (Department of Provincial and Local Government (DPLG), 2004:1). A Policy Framework for introducing MIG was presented by government to provide capital finance for basic municipal infrastructure of poor households, and to a limited extent, to micro enterprises and deserving institutions (DPLG, 2004:1). The focus of this study is on the impact of MIG on basic service delivery in Elias Motsoaledi Local Municipality in the Limpopo Province. The study examines whether the introduction of MIG has impact on basic service delivery projects such as roads, electricity, community facilities and refuses removal. This chapter provides the background of the study and the statement of the problem as well as the aim and objectives. The research questions and the definition of concepts are clarified in detail. Finally, this chapter provides the structure of mini-dissertation and conclusive remarks.

1.2 BACKGROUND OF THE STUDY

Elias Motsoaledi Local Municipality (EMLM) previously known as Groblersdal Local municipality forms part of Sekhukhune District Municipality in the Limpopo Province. This municipal office is situated in Groblersdal Town and it is one of Municipal Infrastructure Grant beneficiary municipalities. The municipality has 30 wards with the
population size of 249 363 and occupies a total area of 3,713 km$^2$ within the Sekhukhune area (Elias Motsoaledi Local Municipality, 2015:1).

MIG, which is a conditional grant given to municipalities by government (National Department of Treasury) in order to address service delivery backlog was planned to be phased in over a three-year period, starting in 2003-2004. The grant is the merger of the Consolidated Municipal Infrastructure Programme, the Local Economic Development Fund (both managed by Department of Provincial and Local Government which is now called Department of Cooperative Governance and Traditional affairs), and the Water Service Capital Grant (managed by Department of Water Affairs and Forestry which is currently known as Department of Water Affairs). The Community Based Public Works Programme (managed by Public Works), the Building for Sports & Recreation Programme (managed by Sport and Recreation South Africa) and the Urban Transport Grant (managed by Department of Transport) are also part of the merger (DPLG, 2004:1). The electrification funding was to be incorporated once the framework for restructuring of the electricity distribution industry has been finalized. MIG was designed to overcome the challenges of uncoordinated and fragmented grants which were managed by the different departments mentioned above at national level (DPLG, 2004-2007:7). The target of MIG was to eradicate the backlog of basic municipal services over a 10-year period (DPLG, 2004:1).

DPLG (2004:17) states that the management of the MIG at municipal level involves planning, budgeting, financial management and operational processes. National government, through the MIG programme, assist municipalities in the development of appropriate capital programme management capacity, typically achieved through the establishment of Project Management Units (PMUs) within municipalities. PMUs are accountable to the council and management structure of the municipality in which they are established. However, they are supported and monitored by the national MIG unit. The funds for MIG are appropriated to DPLG’s budget. DPLG also maintains overall responsibility for disbursing the funds. All funds must be budgeted for by a municipality.
prior to any spending and must be audited as part of the annual audit process by the Auditor-General (DPLG, 2004:17).

The key principles underpinning the design of the MIG are among others, that it focuses on infrastructure required for a basic level of service, targeting the poor and maximizing economic benefits. Equity in the allocation of funds must be realized. Identification, selection and approval of projects are best undertaken at municipal level. That will provide vast improvement in access to basic services at the lowest possible cost, and it will reinforce local, provincial and national development objectives. MIG funds should be provided to individual municipalities on a three-year basis, consistent with medium term budgeting practice, with minimal in-year changes as well as year to year changes based only on clearly defined conditions. (DPLG, 2004: 3).

Goldman & Reynolds (2008: 289) in the book titled “Consolidating Developmental Local Government: Lessons from the South African Experience,” mentions that the introduction of the equitable share for local government is explicitly intended to provide a mechanism for local redistribution of resources, and is immediately complemented by a set of conditional transfers for municipal infrastructure development to ensure that poor households obtain access to basic services. It is further argued that central government grant funding to local government has risen dramatically expanding resources available for redistribution at the local level but raises concerns regarding the effectiveness and accountability of municipalities in spending these resources (Goldman & Reynolds, 2008:289).

Raich and Rao cited in Goldman & Reynolds (2008:289), focused on the limited effectiveness and sustainability of direct central government expenditure on municipal infrastructure. The authors indicated that framework document for the MIG clearly indicates a concern that direct national spending had led to higher unit costs in infrastructure delivery, undermined local choice over expenditures and transferred maintenance responsibilities somewhat unfairly onto municipal budgets. However, the author further indicated that there is as yet little evidence that the growth and
decentralization of grants to local governments has been accompanied by an expansion in the developmental effectiveness of these expenditures. The transfer of resources to municipalities does not directly infer an increase in pro-poor expenditure, as it amounts to a subsidy to the service provider rather than directly to poor consumers themselves. The concern raised here is that municipalities may simply absorb these resources, through increasing the unit cost of services or reducing their efforts to collect their own revenue. Conceptually, therefore, the scope for increasing counter-balanced by arguments for increasing welfare transfers directly to poor households in order to improve the targeting of resource redistribution to its intended beneficiaries. Additionally, the increasing dependence of municipalities on grants from national government provides a growing opportunity for central government to set parameters to municipal decision-making (Raich and Rao in Goldman & Reynolds (2008:289)).

Similar grant to MIG was announced in Australia on the 4th December 2013 which was called Community Development Grants programme to support needed infrastructure that promotes stable, secure and viable local and regional economies (Australian Government, 2013:4). The Australian Government announced its intention to consider funding for identified projects that will construct and upgrade local community and sports infrastructure across Australia (Australian, 2013:4).

North American Development Bank (NADB) also created the Community Assistance Program (CAP) in February 2011 to administer infrastructure grants funded from its retained earnings. The objective of the CAP program was to support the implementation of critical environmental infrastructure projects for economically distressed communities in the U.S.-Mexico border region. CAP grants were available for public projects in all environmental sectors eligible for NADB financing. Priority was given to drinking water, wastewater, water conservation and solid waste infrastructure (NADB, 2011:1).

Furthermore, Mehiriz and Marceau mentioned that Canadian Government introduced in 2000 a grant called the Infrastructure Canada Program. The program’s objective was to improve the quality of Canadian urban and rural infrastructure and the quality of life of
its citizens. Funding allocation was spread among the provinces and territories in accordance with a formula that took into account the population and the unemployment rate. The types of infrastructure eligible for the program fall into three categories: local drinking water and waste water infrastructure, local transportation infrastructure, and projects with an economic, urban, or regional impact (Mehiriz and Marceau, 2013:1).

Different researchers have studied basic service delivery and MIG on different perspectives. Singo (2012:8) in a thesis titled “An Assessment of the Utilization of Municipal Infrastructure Grant (MIG) for Sustainable Service Delivery and Improved Quality of Life of People: A Case Study of the City of Tshwane Metropolitan Municipality, Gauteng Province, RSA” focused on utilization of MIG for sustainable service delivery and improved quality of life. The study was based on the challenges faced by South African municipalities in the context of sustainable infrastructure development and provision of service delivery. The findings revealed that municipalities faced common challenges like non-availability of government owned land, lack of funding, underspending or over-spending that impede on the progress of service delivery (Singo 2012: iv).

Ngubane (2005:2) studied “An Evaluation of Service Delivery at Endodakusuka Local Municipality” of which the specific objective of the study was to determine residents’ perception of the provision of water and refuse removal by the municipality. Water and refuse removal seemed to be core-services which were unfortunately characterized by challenges at the time of the study. The findings revealed that there were problems hampering service delivery at e’Ndondakusuka Local Municipality. The main problem was the lack of resources to provide services (Ngubane, 2005: vi).

Layman (2003:6) further studied “Intergovernmental Relations and Service Delivery in South Africa”. The study’s main objectives was to identify and analyse key features of service delivery through intergovernmental system with special reference to social services, and to assess how efficient and effective the government has been in delivering these basic services. The study found that unless municipalities get more resources and increase service delivery, the new local government system will not be
effectively implemented. Unless the new local government system is more effectively implemented, municipalities will not be able to secure more resources and significantly increase delivery (Layman, 2003:82).

Senyakoe (2011:8) in a thesis, “The Challenges of Financing Municipalities’ Water and Sanitation Infrastructure by a Development Finance Institution” focused on the partnership between Development Bank of South Africa (DBSA) and the North West provincial government to jointly eradicate the backlogs starting with the bucket system which was to be eradicated by December 2007. The results indicated that there are no capacity constraints and therefore the funding of the Development Finance Institution (DFI) is not necessarily affected. They disprove the hypothesis that the bridging finance is affected by capacity (project implementation) constraints within the beneficiary municipalities - it did not necessarily disprove it, but the literature supports the argument (Senyakoe, 2011:3).

Bikam, Rapodile & Chakwiriza (2015:10) in a journal titled “Can Fiscal Decentralization Address Water and Sanitation Infrastructure Backlogs in South Africa: The Case Study of Municipal Infrastructure Grant in Mahikeng and Thulamela Local Municipalities”, focused on how fiscal decentralization (specifically the formula used for MIG allocations) has impacted on water and sanitation backlogs and the state of water and sanitation infrastructure in the country. The findings were that the access is better in Mahikeng local municipality than in Thulamela local municipality. This could be linked to the North West Water and Sanitation intervention that has facilitated more funding in the North West Province to specifically improve water services provision. Also the wards that were sampled in Mahikeng Local Municipality were direct beneficiaries of the North West Water and Sanitation Programme. What exacerbated the poor water and sanitation situation in Thulamela local municipality are the remoteness of the areas (as they are located in tribal/traditional areas) as well as general problems of water supply due to water scarcity.
1.3 STATEMENT OF THE PROBLEM

South Africa inherited a backlog, in terms of service delivery from the apartheid government. The Local Government Municipal Systems Act of 2000 and the Constitution of the Republic of South Africa, Act 108 of 1996 mandate municipalities to provide the basic municipal services to poor households (South Africa, 2000; South Africa, 1996). According to the Local Government Municipal Systems Act 32, of 2000, basic services are municipal services that are necessary to ensure an acceptable and reasonable quality of life which, if not provided would endanger public health, safety the environment where such households live (South Africa, 2000). Additionally, Municipal Finance Management Act 56 of 2003 (MFMA) requires the accounting officer (Municipal Manager) of a municipality to establish and maintain a system of internal control over the assets, to safeguard and maintain the assets of the municipality so that provision of basic services not be interrupted (South Africa, 2003).

According to Khosa (1999) cited in Singo (2012:6) it has been established that municipalities are not delivering infrastructure service in a sustainable manner. This is exacerbated by the lack of matching capital operations and maintenance funds. These challenges are due to poor planning, implementation and monitoring systems. Whilst national and provincial governments are responsible for creating an enabling policy, financial, and institutional (support) environment for municipal infrastructure; municipalities are responsible for planning, implementing and maintaining municipal infrastructure. This is reflected in the various policies, which support the devolution of responsibility for municipal infrastructure development to the local level (Khosa, 1999:7-8 in Singo 2012:6).

The implementation of MIG was premised on municipal service delivery backlog and poor or inadequate collection of service levies and rent collection which in turn hampers the ability of the municipality to render services. Hence, the problem for this study is to assess the impact of MIG on basic service delivery in Elias Motsoaledi Local Municipality.
1.4 AIM AND OBJECTIVES OF THE STUDY

The aim is to investigate the impact of Municipal Infrastructure Grant on service delivery in the local municipality of Elias Motsoaledi. The study seeks to achieve the following objectives:

- To examine the compliance to MIG conditions by the municipality.
- To assess the level of basic service delivery rendered by the municipality.
- To assess the impact of MIG on basic service delivery.

1.5 RESEARCH QUESTIONS

The investigation undertook to respond to the following questions:

- To what extent does municipality comply with MIG conditions?
- What is the level of basic service delivery rendered by the municipality?
- What is the impact of MIG on basic service delivery?

1.6 DEFINITION OF CONCEPTS

The following concepts were defined in this investigation: Impact, Basic Service Delivery, Municipal Infrastructure Grant (MIG) and Municipality.

1.6.1 Impact

Perelman, Paradis & Barrett (1996) defined impact as to bring about, to produce, and to accomplish something or results. Furthermore, Postman (2015) defined impact as a change or result which can be positive or negative.
1.6.2 Basic service delivery

According to Le Chen, Janice Dean, Jesper Franat & Rachana Kumar (2014) service delivery is a common phrase in South Africa used to describe the distribution of basic resources citizens depend on like water, electricity, sanitation infrastructure, land and housing. The basic services that will be covered under this study are electricity, roads, and community facilities and refuse removal.

1.6.3 Municipal Infrastructure Grant (MIG)

This is a financial grant aimed at assisting the poor to gain access to infrastructure therefore can only be used for infrastructure for basic level of service. National and provincial infrastructures are excluded from MIG (DPLG, 2004: 9).

1.6.4 Municipality

A municipality is formed at the local sphere of government that is the lower level than the provincial government. It includes the political level, the officials and communities. It is that part of government that implements the programmes as initiated by the national and provincial spheres of government (South Africa, 1998).

1.7 SIGNIFICANCE OF THE STUDY

The study might help the municipality in the identification of lessons from the MIG implementation in order to improve on the processes and procedures to be followed in implementing service delivery through MIG. The study might also assist the municipality to implement the grant such that it is in line with the policy framework and also to improve essential knowledge in the Provincial government necessary to support the municipality and enable it to monitor the grant on behalf
of the National government. The infrastructure departments within the municipality and the provincial department on local government will surely benefit from the study. Moreover, this study will contribute to enhanced understanding of what the goals of establishing MIG are as well as the challenges that municipalities face using the grant to provide services.

1.8 OUTLINE OF THE DISSERTATION

In this study legislation, policies, reports, journals and relevant documents were visited and analyzed in an effort to draw conclusions on whether the introduction of MIG had impact on basic service delivery at Elias Motsoaledi local municipality. The recommendations in the study might augment existing information on MIG in local government.

Arrangements of chapters in this study were as follows:

**Chapter 1**: This chapter deals with the background of the study, statement of the problem and research questions. Aims and objectives of the study, definition of concepts as well as significance of the study are reflected in this chapter. The chapter also describes various key concepts used in the study prior elaborating on the significance and outline of the dissertation.

**Chapter 2**: The chapter tackles the literature review. Policy framework is referred to with the intention to illuminate the establishment, uses and conditions of MIG. Sources are mentioned and discussed to review the international MIG management trends. Several sources are also referred to in this chapter to discuss the eradication of service delivery backlog using MIG funds and also to highlight key challenges for service delivery.

**Chapter 3**: This chapter states and elucidated on the method, choice and rationale of the research design, study area, population, sampling and sample
size. The research was conducted in a study area of Elias Motsoaledi Local Municipality which falls in Sekhukhune District which it is one of the MIG beneficiary municipalities. A qualitative method approach was used in which semi-structured interviews were conducted using an interview schedule and reviews of documents were also done.

Chapter 4: The chapter covers the research findings and analysis thereof. The research findings are organized according to research objectives and questions: Compliance to MIG conditions by the municipality, the level of basic service delivery rendered by the municipality, the effect of MIG on basic service delivery and to propose possible solutions for utilisation of MIG towards basic service delivery. All the research questions and objectives are answered in this chapter through the semi-structured interviews. The MIG data/reports (financial records) for the financial years 2012/13, 2013/14 and 2014/15 for the supposed municipality are the documents that were analysed. Only the PMU manager, the Technical Director and the Municipal Manager were purposefully identified as the people to be interviewed as not every employee in the municipality is involved with MIG. This chapter gives an indication of what the situation is at the municipality as per the answers given during the interviews and as per the documents reviewed.

Chapter 5: The chapter presents the conclusions drawn from the research based on the literature review and the findings of the study. Out of these recommendations are made. The research gaps and unanswered questions that still exist for further exploration are also discussed in this chapter.

1.9 CONCLUSIONS

The chapter introduces and gives background of the establishment of the MIG referring to different policies and acts. It further outlines what informs the formation of MIG within the country. A comparison with grants similar to MIG is
given for benchmarking with related grants elsewhere and the outcomes of those grants were further drawn in the next chapter. Since this was not a problem based research but a program evaluation project it is investigated if MIG had realized its intended goals in the selected municipality and the research furthermore examines how the municipality views the program. The answers to the research questions gives an overview of how the municipality has benefited from the program as well as the lessons learned and also gives the improvements that can be done to make the programme more beneficial to the municipality. The next chapter provides a literature review on the impact of MIG in accelerating service delivery.
CHAPTER TWO

LITERATURE REVIEW

2.1. INTRODUCTION

A literature review is an overview of previous research on the author’s topic or on an important aspect of the author’s topic. It identifies and describes and sometimes analyses related research that has already been done and summarizes the state of knowledge about the topic (Lin and Dembo, 2008:1). Leedy and Ormrod, 2010:66 stated the purpose of literature review among other things, as offering new ideas, perspectives, and approaches that may not have occurred to the researcher and to show the researcher how others have handled methodological and design issues in studies similar to the researcher’s work.

Chapter one of this study dealt with the background and problem statement of the study. The purpose of this chapter is to reflect on government grants as a means of creating access to infrastructure and services while taking into consideration the establishment of Municipal Infrastructure Grant (MIG), its conditions and uses as well as constitutional requirement for municipalities in terms of delivering services to the communities. In so doing the study sought to answer the following questions: To what extent does the municipality comply with MIG conditions? What is the level of basic service delivery rendered by the municipality? Lastly what is the impact of MIG on basic service delivery? The answers to these questions should enhance our understanding of the intentions of establishing the MIG and the challenges that municipalities face when using the grant to provide services. The last section summarized the conclusions and discusses some policy implications.
2.2. GOVERNMENT GRANTS FOR LOCAL INFRASTRUCTURE AND SERVICE DELIVERY

Government grants are very crucial to empower municipalities as instrument for infrastructural development and service delivery in rural areas (Makgamatho, Makhura and Sebola, 2013:337). Theoretically, fiscal decentralization has been promoted as a strategy towards empowering local government (municipalities) in order to assist them in rendering services to communities at large. Fiscal decentralization refers to the percentage of total government expenditure executed by subnational governments, considering the size and character of transfers, or the level of tax autonomy of subnational government, or both (Yemek, 2005:3). Yemek further indicated that fiscal decentralization encourages public participation in decision-making, since local government and provincial governments are supposed to be closer to the communities. In South Africa, fiscal decentralization aims to provide a framework for the efficient provision of public services by aligning expenditure with regionally based priorities. It involves shifting some responsibilities for both revenue and expenditure to subnational levels of government (Yemek, 2005:3).

Intergovernmental Fiscal Relations (IGFR) system determines the way in which taxes are allocated and shared among the various levels of government, and how funds are transferred from one level to another. Intergovernmental relations, both vertical (between levels of government) and horizontal (within levels) are important for the efficient and effective delivery of public services (Yemek, 2005:4). The South African Constitution of 1996 provides that the Finance and Fiscal Commission (FFC) should advise parliament and subnational government on a variety of issues in intergovernmental fiscal relations which includes taxing powers, the allocation of revenue between the tiers of government, the grant system and borrowing powers (South Africa, 1996).

However according to Elhiraika (2007:4), fiscal decentralization has its own limitations, which include: Failure to adequately address the question of how to manage
intergovernmental fiscal relations in order to meet the growing needs for public services at the local level while preserving fiscal discipline nationally and sub-nationally. This requires institutional clarity and transparency to avoid coordination failures that lead to inefficient spending by local governments manifested in deficit bias and higher borrowing costs that can aggravate macroeconomic imbalances and instability. Elhiraika (2007:9) also mentioned that one of the limitations of fiscal decentralization is an assignment of expenditure and financing responsibilities to sub-national governments which can adversely affect service delivery in different ways. Fiscal decentralization is effective only when it enhances service delivery (Elhiraika, 2007:9).

The fiscal system takes into account the fiscal capacity and functions assigned to each domain. Provinces and municipalities are funded from own revenues, equitable share allocations, and conditional and unconditional grants. The grant system must be simple and comprehensive and not compensate provinces and municipalities that fail to collect own revenues (South Africa, 1997:29).

2.3 SOUTH AFRICAN MUNICIPAL INFRASTRUCTURE GRANT TO IMPROVE ACCESS TO INFRASTRUCTURE FOR BASIC SERVICES

According to the South African Intergovernmental Fiscal Relations Act 97 of 1997, the direct conditional grants are funds that municipalities may only spend on particular purposes as set out in the conditional grant frameworks. Collectively, these grants are worth almost as much as equitable share funds. Conditional grant funds is capital financing and capacity building grant for funding infrastructure used in the provision of basic services to the poor households (Institute for a Democratic Alternative South Africa (IDASA), 2004 cited in Makgamatho et al., 2013:343). The biggest conditional grant is the Municipal Infrastructure Grant (MIG), which provides funding for municipal infrastructure, principally for extending access to water and sanitation to poor households. Other grants fund electrification, public transport infrastructure, local economic development projects and capacity building programmes in municipalities (Intergovernmental Fiscal Relations Act 97, 1997: 44).
After the 1994, the South African government realized that the democratization of South Africa is not complete through political freedom, but social and economic factors poses challenges in all three spheres of government. The local government as the government which is closest to the people encountered massive backlogs in terms of service delivery in terms of provision of basic service and acceleration of economic growth. To fulfil government’s constitutional obligation of providing services, municipalities are mandated to provide access to basic municipal services (Singo, 2012:4). Municipalities support socio-economic development through infrastructure investment and help to alleviate poverty by providing free basic services to the poor. The primary funding mechanism to support municipal service delivery to the poor is the local government equitable share. This allocation supplements municipal spending to achieve universal access to basic services. Conditional grants supplement various programmes partly funded by municipalities, such as regional bulk and municipal network infrastructure for electricity, water and sanitation (Makgamatho et al., 2013:344).

Therefore, MIG was established and approved on the fifth of March 2003 after it was strongly supported by local government representatives and a range of public and private agencies, including the Financial Fiscal Commission. Cabinet approved the basic principles relating to the new grant, the details of the grant, and the strategy for implementation. These are all the subject of the draft policy statement, which has been developed collaboratively by the Municipal Infrastructure Task Team (MITT) (DPLG, 2004:1). MIG is a consolidated grant mechanism that replaced capital grants for municipal infrastructure (Bikam, Rapodile & Chakwiriza, 2015: 10).

DPLG (2004: 9) indicate that MIG is aimed at assisting the poor to gain access to infrastructure and can only be used for infrastructure of basic level of service. The MIG is designed to eradicate the challenges caused by the infrastructure grants which were managed by different departments in the past. Those were uncoordinated and fragmented in the past. The MIG funds may be used to upgrade and build new infrastructure up to a basic level of service as well as to rehabilitate existing infrastructure, as long as the infrastructure is for services for the poor. The aim of the
MIG programme is to provide all South Africans with at least basic level of service (DPLG, 2004:9). The MIG is based on a demand driven approach where all infrastructure grants are integrated into one and, infrastructure planning is done by municipalities. They play a central role in coordinating development activity and the delivery of municipal infrastructure in their jurisdictions. Funding allocations are linked to Integrated Development Plans (IDPs), and communities participate in identifying projects. In that way then capital grant allocations are predictable, service delivery is decentralized to municipalities and programme co-ordination takes place through one national structure, called the MIG Unit (DPLG, 2004:9).

Municipalities can establish Project Management Units (PMUs) for the management of MIG projects. If a municipality has other personnel that can fulfill the project management functions, they can demonstrate to the MIG management unit that they have the capacity to manage the MIG without a PMU which will now become unnecessary to establish. What is important is that the municipality is able to address MIG challenges, as well as effectively and efficiently manage it and be accountable for their MIG programme (DPLG, 2004: 26).

According to Pretorius & Schurink, (2007:26) PMU is responsible for the administration and financial management of Municipal Infrastructure Grant (MIG) funds within the municipal and national accounting system for infrastructure projects of the municipality. The PMU will also be responsible for the co-ordination of project based capacity-building and developmental initiatives. The capacity-building components of MIG are only concerned with projects and the arrangements relating to effective municipal infrastructure. It is further the responsibility of the PMU to ensure that a municipality has the resources to fulfil the operations and maintenance obligations for all capital projects (Pretorius & Schurink, 2007:26).

Regarding capital grants, Smoke, 2000 argues that while it may be presumed that government capital grants target priority sectors (including job creation, water, housing, roads, electricity and transport), the grant system has a number of shortcomings. Firstly,
there is a great variety of programs and conditions for disbursement of funds as well as reporting. Secondly, the mechanisms for allocating grants are highly fragmented and centralized. Thirdly, the wide range of grants creates important planning and budgeting problems at national as well as sub-national government levels. Finally, concerns are often voiced regarding the equity in the distribution of grants (Smoke, 2000).

To sum up, the MIG serves as the key tool through which national resources are distributed to local government for specific purpose of incorporating national priorities in municipal budgets (Girishnakar et al., 2006 cited in Makgamatho et al., 2013:12). The municipalities are allocated funding through unconditional and conditional grants. Most of the rural municipalities are more dependent on grant including MIG (Makgamatho et al., 2013:337).

2.4 INTERNATIONAL EXPERIENCE ON GOVERNMENT FUNDING FOR LOCAL INFRASTRUCTURE AND SERVICE DELIVERY

2.4.1 Australian Community Development Grants Programme

On the fourth of December 2013, the establishment of the Australian Community Development Grants programme to support needed infrastructure that promotes stable, secure and viable local and regional economies was announced (Australian Government, 2013:4). The Australian Government announced its intention to consider funding for identified projects that will construct and upgrade local community and sports infrastructure across Australia (Australian Government, 2013:4). Funding commenced in the 2013-2014 financial year and will cease on 30 June 2017 (Australian Government 2013:4).

The Community Development Grants Programme is not a competitive grants programme. Only projects identified by the Australian Government will be considered for funding under the Community Development Grants Programme (Australian Government
Funding will not be provided for ongoing operational and maintenance costs or for existing staff member salaries of the funding proponent organization (Australian Government, 2013:5).

2.4.2 North American Development Bank: Community Assistance Program (CAP)

In February 2011, North American Development Bank (NADB) created the Community Assistance Program (CAP) to administer infrastructure grants funded from its retained earnings (NADB, 2012:1). The objective of the CAP program is to support the implementation of critical environmental infrastructure projects for economically distressed communities in the U.S.-Mexico border region. Priority is given to drinking water, wastewater, water conservation and solid waste infrastructure. The funding, construction and operation of a proposed project must be completely independent and not depend on any other pending investment (NADB, 2012:1). NADB (2012) further indicated that grants may be used for project construction and related costs, project management and supervision, as well as other project components, such as equipment.

2.4.3 Canada-Quebec Infrastructure Works 2000 Program

In 2000, the federal government created the Infrastructure Canada Program with a budget of $2.65 billion. The program’s objective was to improve the quality of Canadian urban and rural infrastructure and the quality of life of its citizens. Funding allocation was spread among the provinces and territories in accordance with a formula that took into account the population and the unemployment rate (Mehiriz & Marceau, 2013:76). Eligible projects were to be completed before March 31, 2006 (Mehiriz and Marceau, 2013:78).

The types of infrastructure eligible for the program were categorized as follows: local drinking water and the wastewater infrastructure, local transportation infrastructure, and projects with an economic, urban or regional impact.
2.5 AFRICAN EXPERIENCE ON GOVERNMENT FUNDING FOR LOCAL INFRASTRUCTURE AND SERVICE DELIVERY

2.5.1 African Development Bank group (AfDB) Zim fund

The Zimbabwe multi-donor trust fund (Zim fund) was established on the 31 May 2010. The purpose of the Zim fund is to contribute to early recovery and development efforts in Zimbabwe by mobilizing donor resources and promoting donor co-ordination in Zimbabwe, so as to channel financial assistance to such efforts (Zimbabwe 2015:7). The trust fund was established specifically to fund the technical assistance to basic infrastructure investments (rehabilitation and or/ construction works) focusing on water supply, sanitation and energy (Zimbabwe 2015:7).

2.5.2 Nigeria Sovereign Investment Authority (NSIA)

NSIA is established by the NSIA Act which also specifies its powers, legal characteristics, and policy objectives. One of NSIA’S objectives is to enhance the development of the Nigerian infrastructure sector (Nigeria 2011:1). The Nigeria Infrastructure Fund is one of the NSIA’S three funds. Nigeria infrastructure fund seeks to make a positive financial return on its investment in the infrastructure sector in Nigeria. It also aims to attract and support foreign investment and enable growth (Nigeria 2011:1). The fund will invest in infrastructure projects in sectors which have the potential to contribute to the growth and diversification of the Nigerian economy, create jobs within Nigeria and where possible attract enhanced foreign investment including; but not limited to power generation, distribution and transmission, health care, residential , commercial and industrial real estate assets, technology and communications infrastructure, aviation assets , agriculture, dams, water and sewage treatment and delivery, roads, port, and rail as well as other sectors that will enable the development of private investments in infrastructure in Nigeria (Nigeria 2011:4).
The above intentions and procedures are not different from those of South African MIG and they emphasize the importance of having the policies and procedures in guiding the use of MIG. This will enhance the achievement of the intended goals and objectives of South African government. That is the reason why the South African government initiated the MIG policy Framework. This also shows that the MIG is not a new thing that has not being tested elsewhere. The difference between South African MIG and other countries’ grants is that MIG can only be used for basic level of service. This means that it concentrates more on developing rural areas rather than urban areas. Furthermore, though contents and conditions are different but they are all channelled towards infrastructure development.

2.6 COMPLIANCE TO MIG CONDITIONS BY MUNICIPALITIES IN SOUTH AFRICA

In South African context, intergovernmental transfer includes both conditional and unconditional grants. MIG is a conditional grant. MIG aims to enhance access to infrastructure for basic service provision, roads and social infrastructure for poor households. Access to infrastructure includes water, sanitation, electricity, roads, solid waste removal and street lighting, sport, social and micro-enterprise facilities. Municipalities have policy mandate to effectively implement infrastructural development and service delivery through efficient management of grants transferred from the national government. Municipalities must therefore conform to the conditions laid down by the Municipal Infrastructure Task Team (MITT) which is administered by Department of Provincial and Local Government (DPLG) through the MIG Unit. There are three types of conditions that apply to MIG which are Division of Revenue Act conditions, cross-cutting conditions and sector conditions. The Division of Revenue Act specifies conditions that apply to the transfer, administration, and management of MIG funds. Cross-cutting conditions relate to the overall performance of the municipality and apply to all sector projects within the MIG programme. The MITT may amend these conditions from time to time. Each sector department (DWAF, DME, DoT, SRSA and DPW) may establish further conditions that are specific to their sectors. Such conditions will be
included with the discretion of the MITT. The purpose of the conditions is to ensure that municipalities address the objectives outlined in the MIG policy (DPLG, 2004:16).

It is further stated in DPLG (2004) that a municipality must also submit its financial statements to the Auditor-General on time; demonstrates that it has the capacity to manage the infrastructure investment programme; prepare and submit all monthly reports on how it has used the grant in a prescribed format by a specified time; allocate MIG funds in the municipal budget; prepare a project business plan for each project; (which conforms with the requirements of the MIG programme) and register projects on the national MIG database as part of financial, capacity and reporting conditions of MIG (DPLG, 2004:18). All MIG projects must be identified in the municipality’s Integrated Development Plan (IDP). The purpose of IDP is to reduce poverty and achieve sustainable development. This first step in the IDP planning process must identify the basic infrastructure needs and priorities those that MIG funds can address (DPLG, 2004:33). Further conditions may be established for individual sectors towards ensuring sustainability of projects (DPLG, 2004:18).

Dunker, Wilkinson, Du Toit, Koen & Elphinstone, 2007 in a report of Department of Water Affairs and Forestry titled “Spot Check Assessments of MIG Water and Sanitation Projects 2006/07” aimed to determine to what extent MIG funded water supply and sanitation projects, as an example of the services provided by the water sector, meet the required norms and standards as well as other legislation pertaining to water and sanitation provision. The report not only provides baseline information (which is essential in measuring progress in future) but it also assist in developing credible and reliable methodologies and assessment tools for monitoring purposes. (Dunker, Wilkinson, Du Toit, Koen & Elphinstone, 2007:10). Dunker et.al (2007:11) defined a spot check assessment as an inspection or investigation that is carried out at random that is limited to a representative sample and is not the total population of projects. Spot checks form part of the monitoring process in that they verify data and information (on project/programme interventions) that were obtained through other monitoring
processes (Dunker et.al, 2007:11). The aim of spot checks is to assist in validating and verifying existing programme/project data and information in order to promote lesson-learning; and assist in the identification of challenges and problem areas; so as to provide timeous solutions and corrective measures and/ or interventions (Dunker et.al, 2007:12).

Dunker et.al (2007: 19) revealed that the average compliance score was in the region of 80% for all projects. Given that ideally 100% compliance with policy requirements, standards and norms should be attained, this result should be looked at very closely. Both water and sanitation bulk projects showed, on average significantly higher compliance scores than household water and sanitation projects (Dunker et.al, 2007: 19). Results have shown that no significant differences exist in the compliance levels of projects in terms of: province, settlement type, location or budget size. Only one significant difference was observed when all projects are grouped together. Projects in formal areas were slightly more compliant than those in informal areas (Dunker et.al, 2007: 19).

2.7 BASIC SERVICE DELIVERY IN SOUTH AFRICA

The Constitution of the Republic of South Africa, 1996 requires that municipalities provide services in a sustainable manner, and that municipal administrations provide services: impartially, fairly, equitably and without bias. The Municipal Systems Act, 2000 also places a duty on municipalities to give effect to the provisions of the Constitution by giving effect to the basic needs of the community, promoting the development of the local community, and ensuring that all members of the local community have access at least, to the minimum level of basic municipal services. In the constitutional context, a service must be considered against the needs of a community, with no one being excluded, and the service performance must be effective (doing the right thing) and efficient (doing it on time and at the minimum cost) (Craythorne, 2002:37).
As one of its intended purposes MIG was meant to eradicate service delivery backlogs in the country. Van Der Waldt, (2014:845) states that in South Africa there are significant infrastructure service delivery backlogs to deal with. This situation is due to historical, socio-political realities and current demographic trends, including the processes of rapid urbanization and rising poverty levels. This is true particularly for low-capacity local and district municipalities that are situated in rural areas (Van Der Waldt, 2014:845).

STATS SA, (2015: xiii) states that South Africa has taken a strategic and programmatic approach in service delivery to provide all its people with access to these services and to address environmentally sustainability prior and post the adoption of the United Nations (UN) Millennium Development Goals (MDGs) in 2000 (STATS SA, 2015: xiii). Strategic interventions include setting domesticated on improving access to basic services, which include: water, sanitation, electricity and housing. The national domesticated target for water and sanitation access was to address and resolve all backlogs and achieve 100% coverage for all South Africans, by 2014 (STATS SA, 2015: xiii). Although 100% of access to water and sanitation was not reached by 2014 due to water resource, infrastructure and sustainability challenges, the South African government’s efforts to increase service delivery are an indication of government’s commitment to its national development priorities set prior to the adoption of MDG targets (STATS SA, 2015: xiii). Department of Energy (DoE), 2012 cited in STATS SA, 2015: xiii indicated that other initiatives include the adoption of the Integrated National Electrification Programme (INEP) adopted in 1994, which facilitated electricity access to 5.4 million households with 85% of all households in South Africa having access to electricity by 2012. This led to the government’s initiative of striving to increase the electricity target from 89% in 2009 to 92% in 2014 as part of its (Domesticated Indicators) DMIs while keeping in mind target for universal access by 2025 in line with the National Development Plan (NDP) 2030 (STATS SA,2015:xiii).

According to STATS SA, (2015: xi) by 2005, over 89% of the South African population had access to an improved water facility, and in 2011, over 91% had access which
exceeds the Millennium Development Goal (MDG) 2015 target of 88.3%. The achievement of this goal is due to South African government’s commitment in setting a higher target than the MDG’s target (100% coverage) and the establishment of focused and dedicated delivery programmes (STATS SA, 2015: xi). Since 2007 South Africa prioritized on the need to focus on the principle of reliable and sustainable water supply (STATS SA, 2015: xi). Achievement of the water access target is in line with the global progress, where this target was achieved in 2010.

STATS SA, (2015: xi) goes on to say; by 2012 over 75% of the South African population had access to improved sanitation facilities exceeding the 2015 target of 74.7%. This is a significant achievement, compared to other developing countries where sanitation is not only an African challenge but a global issue with more than 2.5 billion people not having access to improved sanitation by 2012, with Africa carrying part of the burden (STATS SA, 2015: xi).

It is further stated in STATS SA, (2015: xii) that South Africa made significant progress towards the target of improving access to basic services to those people living in informal settlements. Two thirds of the residences in informal settlements are to be found in large metropolitan municipalities, which are in a better position the socio-economic conditions of the urban poor. The dividends of this approach with regard to access to basic services resulted in a total of 447 480 households living in informal settlements having access to improved basic services by 2014, but tenure security still remains an issue, aggravated by rural-urban migration to big metropolitan cities (STATS SA, 2015: xii).

According to STATS SA, (2015: xx), in line with the National Development Plan (NDP), the electricity target is to reach universal access by 2025 in which 90% households will have access from grid technologies and 10% from non-grid technologies. Using the GHS data for 2002 to 2013 there has been an increase in access to electricity from 77.1% to 84.5% (STATS SA, 2015: xx). This gives an indication that the 90% grid technologies target by 2025 is feasible. However, disparities in provincial access need
to be considered in future planning, with attention paid to infrastructure maintenance. Targets for access to improved service delivery (e.g. electricity) need to take into account planning for bulk infrastructure and to factor in the continuous maintenance of infrastructure where it is already in place (STATS SA, 2015: xx).

It is critical to make provision for new infrastructure only in those areas where it is needed, while maintaining the rest to ensure that access is based on availability of facilities and on the delivery of the service itself. Growing urbanization presents challenges for access to electricity and other services in urban areas. Most of the informal settlement areas in the country have not been proclaimed, since there is no assurance that these settlement will not be moved/relocated to other areas. In rural areas, the main challenges include: lack of infrastructure, topography, scattered settlements and households (STATS SA, 2015: xx).

In post-apartheid South Africa, access to effective public services is no longer seen as an advantage enjoyed by only a privileged few in the community, but as a legitimate right of all residents, particularly those who were previously disadvantaged. This stance emphasizes “service to the people” as parameter for local government transformation (Pretorius. et. al., 2007:19). Thus one of the most important indicators in assessing the transformation of local government is the experiences and perceptions people have of service delivery in their day-to-day lives, more specifically whether they perceive an improvement in the services delivered to them. The implication of this is for local government to transform words into deeds and thus to prioritize and satisfy the needs of the communities they service (Pretorius. et.al., 2007:19).

Municipalities face constitutional, institutional and also financial challenges in providing infrastructure in the built environment (Singo, 2012:6). These challenges affect the rolling out of infrastructure and municipal services. It has been established that municipalities are not delivering infrastructure service in a sustainable manner. This is exacerbated by the lack of matching capital operations and maintenance funds. Most of
the challenges mentioned above are due to planning, implementation and monitoring systems failure (Singo, 2012: 6).

Tshirado, (2004:2) indicated that with the inception of the new political dispensation in 1994, people had high expectations that the government would provide quality services comparable to those provided by the former homeland government. However, this was not the case since the level of service delivery has gradually deteriorated. The local government concerned seemed unable to maintain the quality of services that had been provided by the former government. For example, the tarred streets have deteriorated while a large number of the street lights do not work. The levels of payment for services have also declined (Tshirado, 2004: 2). The above statements are supported by Pretorious. et.al, 2007:19, indicating that from local newspapers as well as news bulletins appearing on national television it is clear that demands made by South African communities for service delivery from municipalities have escalated. Local government has been in the news, sometimes for days on end particularly, in areas where communities have made forceful requests for improved services. Complaints and demands have not only been made for services such as water and electricity, but residents have also claimed houses from local government. More recently, residents have embarked on mass action to underline their demands (Pretorious. et.al, 2007:19).

Ahead of tabling his budget in parliament during the year 2010 the then Minister of Co-operative Governance and Traditional Affairs, Minister Sicelo Shiceka said that backlogs in delivery of basic services amounted to half a trillion rands far outstripping his R42 billion budget (Davis, 2010:1). He further mentioned that discussions were under way about establishing a special purpose vehicle to manage Municipal Infrastructure Grant on roads, water and other areas. This would ensure that even the poorest municipalities were able to provide good quality services. It would also allow for savings through economies of scale, curb corruption and ensure that grant funding was spent on what was intended for (Davis, 2010:1).
In 2012, OR Tambo District Municipality admitted that it is battling to overcome water backlogs in its five local municipalities with funding not enough to overcome problems. The municipality gets the bulk of their infrastructure allocations through grant funding of which is not enough, as a result the OR Tambo local municipalities are still faced with huge water backlogs, said municipal manager Tshaka Hlazo (Ntshobane, 2012:1).

On the other hand Bojanala Platinum District municipality in North West Province confirmed in 2012 that 14 projects were funded to address the water backlog in the district. It was further indicated that a total of 41543 households have benefitted from water related projects amounting to R384m during the last three financial years and 15639 jobs have been created in the district since 2009 through infrastructure programme and other local economic initiatives. Seven trucks have been purchased to assist with the problem of water shortage, outbreak and disaster relief (Rantlha, 2012:1).

2.8 THE IMPACT OF MIG ON BASIC SERVICE DELIVERY

Municipalities in South Africa have a broad mandate to ensure that the communities have access to basic service delivery which includes clean water, electricity, and adequate sanitation and refuse disposal. The provision of services is affected by several factors, such as the availability of resources, the management of these resources, the capacity of the municipality to plan, manage and implement the guiding policies (Centre for Municipal Research & Advice, 2010:38). According to Adnan, Fauzi, Rahmad & Supardi, (2012:1514) proper and timely maintenance and rehabilitation of facilities is essential for safe operations and the overall economics. Decisions as to what, where, when, and how maintenance and rehabilitation should be performed need to be made. These decisions must consider condition, but budget constraints and other tangible and intangible issues also affect the decision-making process (Adnan et al, 2012:1514).

The presentation of Limpopo Co-operative Governance and Traditional Affairs (CoGHSTA), states that as at end of June 2015, R1.994 billion out of R2.748 billion was

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spent which accounts to 73% and R753.941 million remained unspent. 6 municipalities have spent 100% and 6 municipalities have spent ≥ 90% and < 100% in the 2014/15 financial year. In January 2015 R539.909 million was taken away from poor spending municipalities of which R224.257 million was re-allocated to municipalities in the province (CoGHSTA, 2015:5).

Limpopo CoGHSTA, further mentions that a total of 367 projects were implemented during the financial year with the 2014/2015 MIG allocation. At the end of financial year, these projects were at various stages of implementation. 62 were at tender and evaluation (planning for 2015/2016), 219 were at various stages (%) of construction and 86 have been completed (Limpopo CoGHSTA, 2015:14).

The study carried out by Adnan et.al, (2012) revealed that Malaysian local authorities practiced corrective and emergency type of maintenance rather than preventive of planning maintenance. These factors were due to insufficient budget to carry out the maintenance work by local authorities. The local authorities cannot work out what they have planned earlier due to the budget constraints and also due to a lot of emergency maintenance events received as reported by the public, which the department need to made adjustment on, they planned and they cannot stick to what they have planned earlier (Adnan et.al, 2012:1517).

Van Der Mescht and Van Jaarsveld, (2012) in a paper titled “Addressing Operations and Maintenance Challenges in Smaller Municipalities” used a local municipality in the Eastern Cape as a case study. Van Der Mescht et.al, (2012: 3) mentioned that the equitable share grant is paid by the provincial government to subsidize free basic services to poor households and is a recognised source of revenue for local authorities who need to cover their costs in the provision of such services. By default a portion of this income is committed to O&M through the payment of salaries and the purchase of water purification chemicals, etc (Van Der Mescht et.al, 2012: 3).
Van Der Mescht *et al.*, (2012: 3) further mentioned that MIG was allocated for the provision of new and for the upgrade and/or rehabilitation of existing services infrastructure. Current policy dictates that MIG funds may not be used for Operation and Maintenance (O&M). The housing grant was for the funding of a new housing development and none of it was used for O&M. Most municipalities are unable to fund capital projects from its own revenues because of its limited income base. They are therefore totally dependent on MIG funding for the construction of new facilities (community halls, sport fields, etc.) and new services infrastructure (roads, water, sewerage, storm-water, etc.). This is the norm in most rural municipalities and the concept of the MIG programme is not disputed (Van Der Mescht *et al.*, 2012: 3).

It was further mentioned in Van Der Mescht *et al.*, (2012: 3), that the question that needs to be asked is whether municipalities are prepared to adjust their operating budgets upwards to allow for the maintenance of new (additional) MIG-funded infrastructure assets. With insufficient funding available for O&M and an increasing asset base, maintenance backlogs will eventually reach a level where assets will need to be replaced long before they have reached the end of their design life. Considering the importance of O&M, Van Der Mescht *et al.*, (2012: 3) recommended that the current policy of allocating grant funding for capital projects only, is reviewed as a matter of urgency.

According to National Development Plan 296-7 cited in STATS SA (2014:40) South Africa has set itself the goals of eradicating poverty, reducing inequality, growing the economy by an average of 5,4% and cutting the unemployment rate to 6% by 2030. Education, training and innovation are critical to the attainment of these goals (STATS SA, 2014:40). The official unemployment rate for South Africa increased from 22% in 1994 to 25% 2014 of which youth accounts for 36.1% and adults accounts for 15.6% (STATS SA, 2014:28). This indicate that unemployment rate for youth is higher than for adults (STATS SA, 2014:36).
STATS SA, (2014:41) further goes on to indicate that South Africa faces a low economic growth, middle income trap, characterised by: weak competition, high unemployment, low savings and poor skills profile. As per STATS SA, (2014:4) South Africa is showing slow economic conditions in global economy, but domestic factors as well.

2.9 STRATEGIES TO IMPROVE ON MIG MANAGEMENT

Van Der Waldt (2014: 859) in the journal titled “Infrastructure project challenges: The case of Dr Kenneth Kaunda District Municipality” suggested the strategies of successful delivery of infrastructure projects as follows:

- The implementation of Service Delivery Forums to identify and prioritize infrastructure needs;
- The alignment of MIG with the Financial Management Grant (FMG), and the Municipal Systems Improvement Grant.

Van Der Waldt, (2014:859) further suggested the implementation of a Project Register in the Office of the Premier for prioritization purpose, document and track the progress of sectoral and municipal projects in the province; as well as proper infrastructure project oversight by the Audit and Risk Committee and the Municipal Public Accounts Committee as the strategies of successful delivery of infrastructure projects. The use of a Project Management Information System (PMIS) and scientific data collection of infrastructure projects through Geographical Information System (GIS) technology, such as GISTEXT (Land Information Web based application), City Map (Intranet Map Services), and ArcGIS Server (GIS web applications) was also suggested (Van Der Waldt, 2014:859).

Layman, (2003:49) in the study “Intergovernmental relations and service delivery” recommended that an agency be established at national level made up of various departments, provinces, private sector etc. The purpose of this agency should be to manage special funding for major investment, infrastructure, economic and
development projects. This could also be replicated at local government level. Regulatory frameworks could be worked out in order to govern the agency (Layman, 2003:49).

Layman, (2003:79) further recommended that there has to be more integrated government. For significant improvements in service delivery and development, there has to be more co-operation and co-ordination across the three spheres of government. The need for more integrated government is one of the most salient messages to emerge from Layman, 2003 study.

The article by Modipane and Sebola, (2012:405) maintains that municipalities in SA do not have clear direction on how they should proceed in terms of the provision of basic services, because there are no clear guidelines from national level. The article also argues for the establishment of national strategic planning for basic service infrastructure, and that this plan will force the municipalities to plan and align their budgets with the national set development plan (Modipane et.al, 2012:405).

Modipane et.al, (2012:405) stresses the importance of the transformation of planning and budgeting in the MIG programme and offers some interesting and compelling evidence that transformation of planning and budgeting will significantly improve basic service delivery in South Africa. But this will have serious policy implications and the success of this approach will require strong support and buy-in from government officials, especially from municipal officials (Modipane et.al, 2012:405). The benefits of this approach are that the National MIG unit will be empowered to take full control in terms of influencing how the municipalities plan and budget their basic infrastructure service. This approach will give the National MIG unit more power to hold the municipalities accountable for their commitment for basic service delivery (Modipane et.al, 2012:405).
2.10 CONCLUSIONS

It has been established through various sources that MIG plays a vital role in reducing service delivery backlogs especially in rural areas. It has also been acknowledged that O&M of infrastructure poses a challenge as municipalities focus only on eradicating backlog through MIG and other grants but lack planning on maintenance of those infrastructures. The policy and guideline of MIG clearly outline the intention and procedures to be followed. The municipalities together with government must enforce those policies so that the compliance and achievement of the intended results be realised. In the next chapter, the research design and methodology including data collection procedures, data analysis and interpretation are described in detail.
CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The previous chapter focused on review of literature pertaining to the effect of MIG on service delivery. This chapter highlights and clarifies the research design and methodologies employed in the study. It provides a detailed outline and justification for the followed processes which are influential of the research outcomes.

The chapter is structured as follows: the first section 3.2 discusses the research design which is followed by discussion of the research approach (3.3) and study area (3.4). The study population is discussed in section 3.5 which is then followed by section 3.6 that outlines the sampling. Section 3.7 reflects on the data collection processes as well as the methods that were followed in the analysis of data which are discussed in section 3.8. Ethical considerations for the study are discussed in section 3.9. Lastly, section 3.10 provides concluding remarks regarding the methods and methodologies utilised throughout this study.

3.2 RESEARCH DESIGN

This study used qualitative case study research design. The study focused on understanding the perception of municipal officials and community representatives on the impact of MIG to basic service delivery. The study also focused on compliance to MIG conditions by the municipality and the level of basic service delivery rendered by the municipality. For that purpose, Elias Motsoaledi Local Municipality was selected as a case study. Data was collected using qualitative techniques such as face to face interviews, administering semi-structured questionnaires as well as examining existing documents.
A qualitative approach is a method in which the inquirer often makes knowledge claims based primarily on constructivist perspectives (i.e., the multiple meanings of individual experiences, meanings are socially and historically constructed with an intent of developing a theory or pattern) or advocacy/participatory perspectives (i.e., political, issue-oriented, collaborative, or change oriented) or both (Creswell, 2003: 18). It also uses strategies of inquiry such as narratives, phenomenologies, ethnographies, grounded theory studies, or case studies. The researcher collected open-ended, emerging data with the primary intent of developing themes from the data (Creswell, 2003: 18).

According to Creswell, (2003:18) quantitative approach is one in which the investigator primarily uses post-positivist claims for developing knowledge (i.e., cause and effect thinking; reduction to specific variables; hypotheses and questions; use of measurement and observation and the test of theories), employs strategies of enquiry such as experiments and surveys, and collects data on predetermined instruments that yield statistical data.

3.3 STUDY AREA

The study was undertaken in Elias Motsoaledi Local Municipality in Limpopo Province. The municipality offices are in Groblersdal Town and it is one of the Municipal Infrastructure Grant (MIG) beneficiary municipalities within Sekhukhune District. The study concentrated on the basic service delivery with special attention to Municipal Infrastructure Grant. In 2015 Elias Motsoaledi Local Municipality’s population size was 249 363 with 115503 males and 133 860 females. The population of black Africans is 97.9%, with the other population groups making up the remaining 2.1%. The population within the municipality shows a growth of 12, 5% (249 363) compared to the 2001(221647) population figures which could be attributed to natural growth and job opportunities and the overall growth in economic activities in the municipal area. The municipal Council consists of 60 Councillors (53 part-time and 7 full-time) with a total
number of 30 wards (Elias Motsoaledi Local Municipality, 2015). Out of the 30 wards the study will concentrate on 5 wards only.

Figure 3.1-Locality of Elias Motsoaledi Local Municipality within Sekhukhune District
Source: South African Local Government website, 2015

3.4 POPULATION

The entire set of objects or people which is the focus of the research and about which the researcher wants to determine some characteristics is called the population (Bless et.al, 2006: 98). Leedy et.al, (2010) also described a population as the full set of cases from which a sample is drawn and is also a group of potential participants to whom one want to generalize the results of the study. This aspect of generalisation is extremely important. It is only when the results can be generalised from a sample to a population that the results of the research have meaning beyond the limited setting in which they were originally obtained. In order for the results to be generalisable, the sample must therefore be representative (Leedy et.al, 2010: 204). For the purpose of this study the target population includes 80 people such as 15 municipal managers and officials as well as 65 community representatives.
3.5 SAMPLING

Leedy, *et al.*, (2010:146) refers to sampling as the process of selecting a sample. A sample is referred to as the particular entities where data is drawn (Leedy *et al.*, 2010:146).

3.5.1 SAMPLING METHODS

There are methods of sampling namely probability sampling methods and non-probability sampling methods. According to Welman *et al.*, (2005: 56) in the case of probability sampling method the probability that any element or member of the population will be included can be determined. Probability sampling methods include random sampling, systematic sampling and cluster sampling (Welman *et al.*, 2005: 59).

The selection of each element from a population is random when the chance, likelihood or probability of being chosen for the sample, can be calculated for each element of the population (Bless *et al.*, 2006: 101). Bless *et al.*; (2006:102) further indicated that systematic sampling is based on the selection of elements at equal intervals, starting with a randomly selected element on the population list. In the case of cluster sampling, Welman *et al.*, (2005:65) indicated that pre-existing; heterogeneous groups called clusters are drawn. All the members of the selected clusters, or a random sample drawn from these clusters, constitute the eventual sample (Welman *et al.*, 2005: 65).

Non-probability sampling refers to the case where the probability of including each element of the population in a sample is unknown. It is not possible to determine the likelihood of the inclusion of all representative elements of the population into the sample (Bless *et al.*, 2006: 100). Non-probability sampling includes quota sampling, purposive sampling, snowball sampling, self-selection sampling and convenience sampling.
In quota sampling an effort to have the same proportions of units of analysis in important strata such as gender, age and so on as are in the population is made (Welman *et al.*, 2005: 68). In purposive sampling, people or other units are chosen, as the name implies for a particular purpose (Leedy *et al.*, 2010:212). Snowball sampling includes approaching a few individuals from the relevant population who act as informants and identify other members from the same population for inclusion in the sample (Welman *et al.*, 2005: 69). Self-selection sampling occurs when an individual is allowed to identify their desire to take part in the research (Welman *et al.*, 2005: 69). Lastly Welman *et al.*, 2005:69, refers to convenience sampling as the haphazard selection of cases that are easiest to obtain for a sample, such as the person interviewed at the shopping center for a television programme. The study used non-probability sampling method. A purposive sampling method was used as not everybody in the municipality works with MIG and infrastructure. Out of 30 wards only 5 wards were purposively identified because of their accessibility. The wards identified were ward 5,10,18,21 and 26. Community representatives were selected because of their knowledge to projects and because they have close contact with the municipality.

### 3.5.2 SAMPLE SIZE

In purposive sampling the strategy is to select units that are judged to fit the specific criterion of usefulness in the research out of a population under investigation (Bless *et al.*, 2006:106). As a result, the researcher purposefully considered the following participants in the research from Elias Motsoaledi Local Municipality as per the table below.
<table>
<thead>
<tr>
<th>Participants</th>
<th>Target Population</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Municipal officials including top management</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>2. Ward Councilors</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>3. Ward Committee members</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>4. Community Development Workers (CDWs)</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>80</td>
<td>28</td>
</tr>
</tbody>
</table>

Table 3.1: Indication of target population and sample size

Municipal officials that were used as the sample of the study are:

- The PMU manager responsible specifically for managing MIG funds and infrastructure projects attached to those funds.
- The Technical director whom all the infrastructure issues including MIG funded projects are his/her responsibility and the PMU manager reports to him/her.
- The three Technicians who ensure administration and implementation of infrastructure projects as well as the Administration officer.

The Municipal Manager and the Member of Executive Council for infrastructure were selected as part of top management. Additionally 5 ward councilors, 10 ward committee members and 5 CDWs were selected as the sample of the study.

Purposive sampling was used to select the key informants who have adequate knowledge about MIG and or service delivery in the municipality. The following criteria were used to select the participants from different categories:

8 out of 15 municipal officials were selected because they are directly involved in the management and administration of MIG. 5 Wards were involved in the study, therefore 1 councilor per each ward was selected and 2 Ward committee members in each ward who are the key informants in service delivery. 1 long serving CDW was selected in
each ward. The research was a qualitative study. The purpose was not to generalise but to get more information about the phenomena.

3.6 DATA COLLECTION

According to Abawi (2013:1) data collection allows us to collect information that we want to collect about our study objects. Mouton, 1998 cited in Nong (2016:56) states that data collection produces new information or data about the world that requires further processing.

3.6.1 PRIMARY DATA

When researchers collect their own data for the purpose of a particular study, the data is called primary data (Bless et al., 2006:111). Wellman et al. (2005:149) also stress the definition of data collection by saying that it is the original data collected by the researcher for the purpose of his or her own study at hand. Depending on research type, methods of data collection include: documents review, observation, questioning, measuring, or a combination of different methods (Abawi, 2013:1). For the purpose of this study interviews, semi-structured questionnaires and examination of existing documents were used as data collection instruments.

3.6.1.1 INTERVIEWS

Interviews are a systematic way of talking and listening to people and are another way to collect data from individuals through conversations. The researcher or the interviewer often uses open questions (Kajornboom, 2005:2). Annum, 2016: 2 indicated that interviews become necessary when researchers feel the need to meet face to face with individuals to interact and generate ideas in a discourse that borders on mutual interest. It is an interaction in which oral questions are posed by the interviewer to elicit oral response from the interviewee (Annum, 2016: 2). Face to face interviews were conducted with the ward councilors, ward committee members and community
development workers using an interview schedule. The interview schedule consisted of open ended questions. Notes were taken during interviews and a recorder was used to preserve the data collected.

3.6.1.2 SEMI-STRUCTURED QUESTIONNAIRES

A questionnaire is a data collection instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Abawi, 2013:1). Annum, 2016:1 defined a questionnaire as the systematically prepared form or document with a set of question deliberately designed to elicit responses from respondents or informants for the purpose of collecting data or information. A semi-structured questionnaire with closed and open questions was used to collect data from the municipal manager as part of top management and municipal officials.

3.6.2 SECONDARY DATA

Secondary data are information collected by individuals or agencies and institutions other than the researcher him or herself (Welman et.al, 2005: 149). Bless et.al, 2006:112 further indicated that researchers must use data collected by other investigators in connection with other research problems, or as part of the usual gathering of social data as in the case of population census. Such data constitute secondary data (Bless et.al, 2006:112). MIG monthly reports which constitute municipal annual reports were used as secondary data.

3.6.2.1 EXAMINING EXISTING DOCUMENTS

According to Bailey (1994) in Monageng (2006: 221) the use of documentary methods refers to analysis of documents that contain information about the phenomenon we wish to study. Document analysis is a systematic procedure for reviewing or evaluating documents both printed and electronic (computer-based and Internet-transmitted) material (Bowen, 2009). Monageng (2006:223) indicated that documents can be public,
private or personal documents. The list of public document sources include government publications such as: Acts of Parliament, policy statements, census reports, statistical bulletins, reports of commissions of inquiry, ministerial or departmental annual reports, consultancy reports, among others (Monageng, 2006:223).

The researcher used the annual reports for the past three financial years i.e. 2012-2013, 2013-2014 and 2014-2015 to analyse the spending trend of MIG funds of the municipality and to verify the number and types or nature of infrastructure provided to communities. These reports were accessible from the municipality. The data collected was able to address the research questions.

### 3.7 DATA ANALYSIS

The process of data analysis involves making sense out of text and image data (Creswell, 2003:190). According to Welman et.al (2005:241) qualitative data analysis often involves analysing interviews and doing content analysis. An analysis of an interview is done by identifying important themes in the interview, coding the data and then creating frequency distributions for these themes (Welman et.al, 2005: 241). In this study the data analysis techniques used includes mostly the qualitative content analysis method as well as descriptive statistics (frequency and percentages) to analyse some quantitative data.

The analysis of qualitative data was done through content analysis. Content analysis can be described as a quantitative analysis of qualitative data. The basic technique involves counting the frequencies and sequencing of particular words, phrases or concepts in order to identify key words or themes (Welman et.al, 2005: 221). The qualitative data that was analysed through content analysis are the data from the interviews with the municipal officials including top management and also data obtained through the semi-structured questionnaires which were open ended questions.
3.8 VALIDITY AND RELIABILITY

According to Golafshani (2003:603) the qualitative researcher views knowledge as socially constructed and may change depending on the circumstances, hence validity and reliability are conceptualised as trustworthiness, rigour and quality in qualitative research. The use of triangulation is important to ensure the quality of qualitative data. Triangulation is defined to be quality ensuring procedure where researcher search for convergence among multiple and different sources of information to form themes or categories in the study (Creswell & Miller 2000:126). Therefore, the following procedures were applied by the researcher to ensure the quality of data: a) In this study the researcher used different data sources such as municipal senior managers and officials, ward councillors, ward committees and community development workers from five different wards to ensure trustworthiness of data by employing interview schedule and semi-structured questionnaire with selected participants of the study. b) Furthermore, the researcher employed different data collection instruments such as interview schedule, semi-structured questionnaire and examination of existing documents to ensure the quality of data. C) The researcher employed a pilot study with three participants in order to check the quality of data collection instruments. This was done to make amendments in the questionnaires where necessary.

3.9 ETHICAL CONSIDERATIONS

Bless et.al (2006:140) defined ethical considerations or the study of research ethics helps to prevent research abuses and assists investigators in understanding their responsibilities as ethical scholars. Research ethics places an emphasis on the humane and sensitive treatment of research participants who may be placed at varying degrees of risk by research procedures (Bless et.al, 2006:140). The goal of research ethics is to minimise the risk to participants (Bless et.al, 2006:141). Ethical issues considered for this study are the informed consent, confidentiality and anonymity.
3.9.1 CONSENT FORM

According to Welman et.al (2005:201) the researcher should obtain the necessary permission from the respondents after they were thoroughly and truthfully informed about the purpose of the interview and the investigation. One common practice is to present an informed consent form that describes the nature of the research project, as well as the nature of one’s participation in it (Leedy et.al, 2010:102). The consent form was presented to all the participants and signatures requested as an indication that they indeed understand what has been explained to them as stated by Bless et.al (2005:143). The consent form addressed among others, issues of confidentiality, anonymity, voluntary participation, an offer to provide detailed information about the study as outlined by Leedy et.al (2010:102).

3.9.2 CONFIDENTIALITY

Confidentiality is an ethical requirement in most research. Information provided by participants, particularly sensitive and personal information, should be protected and made unavailable to anyone other than the researchers. Thus, data collected should at all times be kept under secure conditions (Bless et.al, 2005:143). The confidentiality of information and data provided by the participants was guaranteed in the informed consent form that they have signed before the investigation was carried out.

3.9.3 ANONYMITY

The principle of anonymity is linked with confidentiality. A participant’s data must not be associated immediately and obviously with his or her name or any other identifier (Bless et.al, 2005:143). The issue of anonymity was also addressed in the informed consent form that the participants signed before carrying out the investigation. Each participant’s data was assigned a number to ensure that the data remain anonymous as explained by Bless et.al (2005:143)
3.10 CONCLUSIONS

The chapter gave background on the research design and methodologies that were employed in the study. The study area which was Elias Motsoaledi Local Municipality was also discussed together with the population. The sampling methods and sample size were also outlined. Municipal officials were used as the sample of the study. Additionally community representatives were also added as sample of the study. Interviews, semi-structured questionnaires and existing documents were discussed as data collection instruments. Data analysis methods were briefly discussed in this chapter together with ethical considerations for the study. In the next chapter data analysis and presentation of findings are dealt with.
CHAPTER FOUR
DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 INTRODUCTION

Chapter three of this study dealt with the research design and methodology including techniques of data collection and analysis. This study adopted primarily a qualitative research design, interview schedule and semi-structured questionnaire to gather data from the respondents. Some quantitative data was collected from examining existing documents to augment data collected through interviews and semi-structured questionnaires.

This chapter discusses the outcomes of the data collected from 28 respondents. During the data collection process face-to-face interviews were conducted with 20 community representatives such as the ward councilors, Community Development Workers and the Ward Committee members. Semi-structured questionnaires were also administered to collect data from the 8 Municipal officials’ namely Municipal manager as part of top management, Technical Director, the PMU manager and the three technicians as highlighted in chapter three of the study. Examining of existing documents was also part of data collection process. The data analysis techniques used includes mostly the qualitative content analysis method as well as descriptive statistics (frequency and percentages) to analyse some quantitative data.

The chapter is structured to present research findings in different clusters according to the first three research objectives in the following manner (i) Examining the compliance to MIG conditions by the municipality, (ii) Assessing the level of basic service delivery rendered by the municipality, (iii) Assessing the impact brought by MIG on basic service delivery.
4.2. PRESENTATION OF FINDINGS AND ANALYSIS

This section discusses the findings from the face-to-face interviews with the community representatives, semi-structured questionnaires administered on the municipal officials, and the examination of existing documents related to the objectives of this study. Section 4.2.1 presents findings from municipal officials while section 4.2.2 presents findings from various community representatives. Furthermore, section 4.2.3 presents findings from examining existing documents and finally, section 4.2.4 provides the synthesis of key findings based on the purposes of this study.

A total of 28 participants were involved in this study. Twenty participants were interviewed, which are the 5 ward councilors, 10 ward committee members and 5 community development workers (CDWs). Semi-structured questionnaires were distributed to 8 officials (including PMU manager) who are responsible for managing MIG funded projects the Technical Director whom all infrastructure issues and projects including MIG funded projects are his/her responsibility. The PMU manager has the responsibility to report to the Technical Director. The Municipal Manager and the Member of Executive Council representing infrastructure, were given the questionnaires to respond to as they are the top management, and also the three technicians as well as an PMU administration officer, who ensures administration and implementation of infrastructure projects.

As indicated in chapter 3, this study adopted primarily a qualitative research design, interview schedule and semi-structured questionnaire to gather data from the respondents. Some quantitative data was collected from examining existing documents to compliment the qualitative data. The data analysis techniques used includes mostly the qualitative content analysis method as well as descriptive statistics (frequency and percentages) to analyse some quantitative data.
4.2.1 PRESENTATION OF FINDINGS FROM MUNICIPAL OFFICIALS

4.2.1.1 Demographic Profile

**Question 1. Gender**

Municipal officials were asked to provide their gender status to determine the representation of women in decision making related to MIG. Table 1 shows the gender of respondents.

<table>
<thead>
<tr>
<th>Question 1. Gender</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Male</td>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td>02. Female</td>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>

The above table indicates that 50% of males and 50% of females responded to the questionnaires. This shows that women are well-represented in the municipal decision making processes that involves strategies and implementation of financing infrastructural projects and service delivery to the poor people.

**Question 2. Age group**

Municipal officials were asked to provide their age to determine the dominant age group within municipal posts related to MIG. Table 2 shows the age distribution of respondents.

<table>
<thead>
<tr>
<th>Question 2. Age group</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. 20-29</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>02. 30-39</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>03. 40-49</td>
<td>3</td>
<td>37.5</td>
</tr>
<tr>
<td>04. 50 and above</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>
From those who responded to the questionnaires the majority 37.5 % were of the age group 40-49, 25% were of the age group 20-29, 25% were of the age group 30-39, and 12.5% were of the age group 50 and above. The majority of the respondents were from the age group 40-49 meaning that most of the officers who make decisions related to MIG are at the younger age which provides possibilities to introduce innovative ideas and techniques to improve decisions regarding infrastructure and service delivery.

**Question 3.**

What position do you hold in the municipality?

Municipal officials were asked to provide their position to determine the units that they are representing in relation to MIG. Table 3 shows the designation of respondents.

<table>
<thead>
<tr>
<th>Question 3.</th>
<th>What position do you hold in the municipality?</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Project Manager</td>
<td>3</td>
<td>37.5</td>
<td></td>
</tr>
<tr>
<td>02. Chief Financial Officer</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>03. Head of Department (Director)</td>
<td>1</td>
<td>12.5</td>
<td></td>
</tr>
<tr>
<td>04. Others,</td>
<td>4</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

The above table indicates that 50% of the respondents were recorded as other who holds different positions (e.g Municipal Manager, MMC for infrastructure, Administration officer) 37.5% of the respondents were from the category of project managers, and 12.5% were from a category of a Director. Majority of the respondents were recorded as other who holds different positions (e.g Municipal Manager, MMC for infrastructure, Administration officer).

Municipal officials were asked to provide their level of education to determine the qualifications of municipal officials related to MIG. Table 4 shows the level of education of respondents.
Question 4.

What is your highest level of education?

Table 4.4 Level of education

<table>
<thead>
<tr>
<th>Question 4. What is your highest level of education?</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Matric</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>02. National Diploma</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>03. Junior Degree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>04. Post Graduate Degree</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>05. Master’s Degree</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>06. Other, specify</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>

Out of 100% of the respondents 75% holds a national diploma, 12.5% holds a post graduate degree and 12.5% holds a master’s degree. This indicates that the majority of the respondents hold a national diploma suggesting a need to further improve the educational level of municipal officers to improve the administration and implementation of MIG.

4.2.1.2 Compliance to MIG conditions by the municipality

Question 5

What are the challenges facing your municipality in terms of MIG spending in relation to municipal infrastructural projects?

Municipal officials were asked about MIG spending to determine the MIG spending trend. Table 5 shows MIG spending in relation to municipal infrastructural projects.
Table 4.5 MIG spending

<table>
<thead>
<tr>
<th>Question 5</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Overspending</td>
<td>5</td>
<td>62.5</td>
</tr>
<tr>
<td>02. Underspending</td>
<td>3</td>
<td>37.5</td>
</tr>
<tr>
<td>03. Others, specify</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>

62.5% of the respondents indicated that the challenges facing the municipality in terms of MIG spending is over-spending in relation to municipal infrastructural projects and 37.5% indicated under-spending as a challenge. The above results highlights that at the project level there might be some over-spending tendencies. As in the case of many of the provincial government, audit outcomes by the Auditor General have consistently illustrated that financial management in the municipalities is weak (Ajam, 2014:29).

**Question 6**

What are the causes of overspending or under-spending in relation to municipal infrastructural projects?

Those who indicated over-spending as a challenge within the municipality mentioned different reasons. Extension of scope of work during implementation of phase, variation orders in a project that exceed the amount allowed for in the contingency amount in the bill of quantities were mentioned among others as the causes. Furthermore, cost escalations due to project registrations done in advance, the total MIG allocation not being enough for the financial year and projects being implemented in many phases were also mentioned as the causes of over-spending. One of the respondents was quoted saying that “this is normally due to variation orders in a project that exceed the amount allowed for in the contingency amount in the BOQ”.

The respondents who indicated under-spending as a challenge mentioned poor and or late planning and delays in procurement processes as causes of under-spending. One
of the respondents was quoted as saying that “for two financial years the municipality spends over 90% but not 100% of the funds due to late planning processes. The municipality also received additional funding for good performance in one financial year”. DBSA, 2012:8 asserted that Poor project planning results in greater costs down the line, therefore adequate planning needs to take place.

**Question 7**

Are there mechanisms to monitor MIG implementation?

Municipal officials were asked about monitoring of MIG implementation to determine the mechanisms to monitor MIG implementation. Table 6 shows mechanisms to monitor MIG implementation.

<table>
<thead>
<tr>
<th>Question 7 Are there mechanisms to monitor MIG implementation?</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Yes</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>02. No</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>

100% of the respondents agreed that there are mechanisms to monitor MIG implementation. Those mechanisms were mentioned as site visits, site meetings, monthly service provider meetings, and weekly monitoring plans and by reporting monthly to Department of CoGHSTA. The majority of the respondents indicated site visits, site meetings and monthly service provider meetings as the existing mechanisms. DPLG 2004-2007:38 indicates that monitoring of MIG funded projects must be against the national indicators of effective performance that have been consolidated as a set of conditions for the programme.
Question 8

How does the municipality demonstrate its accountability in terms of administration of MIG?

Municipal officials were asked about how the municipality demonstrates its accountability in terms of administration of MIG. Table 7 shows accountability in terms of administration of MIG.

<table>
<thead>
<tr>
<th>Question 8</th>
<th>How does the municipality demonstrate its accountability in terms of administration of MIG?</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1. Submit monthly reports to the national office through the provincial office</td>
<td>F 100</td>
<td>F 0</td>
<td></td>
</tr>
<tr>
<td>8.2. Submit financial statements to Treasury</td>
<td>6 75</td>
<td>2 25</td>
<td></td>
</tr>
<tr>
<td>8.3. Submit annual report to national office through provincial office</td>
<td>8 100</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td>8.4. Submit implementation plans to national office through provincial office</td>
<td>8 100</td>
<td>0 0</td>
<td></td>
</tr>
<tr>
<td>8.5. Submit cash-flow budget to national office through provincial office</td>
<td>8 100</td>
<td>0 0</td>
<td></td>
</tr>
</tbody>
</table>

Under the sub-questions 8.1, 8.3, 8.4 and 8.5, the majority 100% of the respondents agreed that the municipality demonstrates its accountability in terms of the administration of MIG by submitting monthly reports, annual reports, implementation plans, cash-flow budget to the national office through provincial office and by submitting financial statements to Treasury. In the case of sub-question 8.2, the majority 75% of the respondents indicated that the municipality submit financial statements to treasury. The finding shows that the municipality demonstrates its accountability of administration of MIG. Municipalities are required to report to national government on MIG spending and on progress in implementing projects on a monthly basis (DPLG 2004-2007:38). Furthermore, quarterly reports against the MIG indicators should also be submitted (DPLG 2004-2007:38)
Question 9

Does your municipality have adequate capacity to administer MIG funds?

Municipal officials were asked about capacity to administer MIG funds. Table 8 shows whether municipality have adequate capacity to administer MIG.

Table 4.8 Capacity to administer MIG funds

<table>
<thead>
<tr>
<th>Question 9 Does your municipality have adequate capacity to administer MIG funds?</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Yes</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>02. No</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>

100% of the respondents agree that the municipality have adequate capacity to administer MIG funds. The respondents supported their indication by saying that they have a fully functional PMU with the support of CoGHSTA, capable, efficient and qualified staff, staff having adequate skills. One respondent indicated that technical capacity is lacking as the municipality is using consultants for the purpose of planning because the municipality do not afford to appoint permanent people with the relevant skills. According to Development Network Africa, 2006:4, capacity constraints can be broadly defines as the lack of adequate and suitable human, scientific, technological, organizational, institutional and resource capabilities to deliver on the constitutional mandate of governments and might exist in three different dimensions.

Question 10

Please specify which type of capacity building supports your municipality has received to improve its management of MIG?

Municipal officials were asked about capacity building or trainings received. Table 9 shows type of capacity building, supports the municipality has received to improve its management of MIG.
Table 4.9 Capacity building or trainings received

<table>
<thead>
<tr>
<th>Question 10</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please specify which type of capacity building supports your municipality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>has received to improve its management of MIG?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01. Technical Administrative skills</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>02. Project management skills</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>03. Financial management skills</td>
<td>5</td>
<td>62.5</td>
</tr>
<tr>
<td>04. Other,</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>

62.5 % of the respondent indicated that the municipality has received financial management skills, 25% indicated that they have received project management skills and 12.5% indicated that no capacity building has been received. The majority of the respondents indicated financial management skills as the capacity building that the municipality has received. With respect to building capacity in government, investment should also be channelled towards institutional development as opposed to only individual capacity building (DBSA, 2012:8).

**Question 11**

What role has the provincial department of CoGHSTA played in assisting your municipality to improve MIG management?

62.5% of the respondents mentioned that department of CoGHSTA assists the municipality to improve on MIG management through trainings and workshops on the MIG-MI system, project management and financial management as well as project registrations. 25% further indicated that department of CoGHSTA also assists through the monthly provincial and district MIG meetings and 12.5% indicated the assistance of department of CoGHSTA by attending site meetings and combined site visits with the municipality. “They offer continuous support to the municipality and have given training to the technical team with regard to the MIG MIS system”, one of the respondents indicated. DPLG 2004-2007:19 indicates the role of the provincial department as among others providing support to the municipalities and monitoring performance of the overall MIG programme.
4.2.1.3 Status of basic services

Question 12

Does the municipality face challenges in providing basic service?

Municipal officials were asked about the provision of basic services. Table 10 shows whether the municipality faces challenges in providing basic services to the local community.

<table>
<thead>
<tr>
<th>Question 12</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the municipality face challenges in providing basic service?</td>
<td>01. Yes</td>
<td>1</td>
</tr>
<tr>
<td>02. No</td>
<td>7</td>
<td>87.5</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>

87.5% of the respondents disagreed that the municipality face challenges in providing basic services. The respondents specified that they have not received any complaints from the communities or experienced community unrests due to service provision. They further showed that happy letters are signed at the completion of each project. The only challenge mentioned by one of the respondents is regarding maintenance of completed projects which raises concerns from the communities.

12.5% of the respondents agreed that the municipality face challenge in providing basic services. The respondent indicated that there is a backlog in roads infrastructure and the municipality needs more funding to address the backlog. Schoeman, 2006:113 states that municipalities’ debt is increasing and backlogs in the expansion and maintenance of infrastructure are widening.
Question 13

How do you rate community satisfaction on services delivered by your municipality?

Municipal officials were asked about community satisfaction. Table 11 shows the attitude of municipal officials regarding whether community were satisfied with services delivered by your municipality.

Table 4.11 Community satisfaction

<table>
<thead>
<tr>
<th>Question 13</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>How do you rate community satisfaction on services delivered by your municipality?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01. Not satisfied at all</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>02. Somehow not satisfied</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>03. Not sure</td>
<td>1</td>
<td>12.5</td>
</tr>
<tr>
<td>04. Somehow satisfied</td>
<td>5</td>
<td>62.5</td>
</tr>
<tr>
<td>05. Very satisfied</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>

62.5% of the respondents indicated that the community is somehow (slightly) satisfied on services delivered by the municipality, whereas 25% indicated that the community is very satisfied with the services delivered by the municipality and 12.5% of the respondents indicated that they are not sure of the community satisfaction on the services delivered by the municipality. The majority indicates that the community is somehow (slightly) satisfied on services delivered by the municipality which can be further elaborated that there is still dissatisfaction within the community. This shows that the communities still expect the municipality to improve its provision of services.

STATS SA, 2017: 87 says that household satisfaction with the services they receive is influenced by the perceived importance of services and the level of service from municipalities. STATS SA, 2017:82 further goes on to say that improving quality of service delivery requires continuous planning and monitoring, including a review of customer’s perceptions of services on their expectations thereof.
4.2.1.4 Municipal Infrastructure Grant (MIG) and basic service delivery

**Question 14**

What is the role of MIG in basic service delivery?

75% of the respondents described the role of MIG as their main source of funding to provide basic service delivery to communities as the municipality does not collect enough revenue to provide services to its communities. 12.5% further indicated that MIG assist in rural development in terms of funding infrastructure projects in rural communities and 12.5% indicated that it builds local capacity in the form of employing local people and helps the municipality in backlog eradication. One of the respondents was quoted as saying “MIG is the core programme enhancing basic service delivery as the municipality has a limited revenue base. The municipality is therefore grant dependent”. DPLG, 2004-2007:7 mentions that MIG is aimed at assisting the poor to gain access to infrastructure therefore MIG funds can only be used for infrastructure for basic levels of service.

**Question 15**

Does the MIG funding assist your municipality in improving service delivery as it is intended to?

Table 12 shows whether the MIG funding assist the municipality in improving service delivery as it is intended to.

<table>
<thead>
<tr>
<th>Question 15</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the MIG funding assist your municipality in improving service delivery as it is intended to?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01. Yes</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>02. No</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>100</td>
</tr>
</tbody>
</table>
The table above indicates that 75% of the respondents agree that MIG funding assist the municipality in improving service delivery as it is intended to whereas 25% disagree with the statement. The majority of the respondents indicated that backlog eradication is a challenge due to population growth and mushrooming of new settlements as well as the allocation of the municipality not being enough to eradicate backlog. It was further mentioned that the other challenge is that the municipality will construct or implement small length of the road in phases and the funds get exhausted before completion of the entire project. DPLG 2004-2007:12 indicates that the key principles that govern the implementation of the MIG programme are among others services for the poor, equity in the allocation and use of funds, efficient use of funds, maximize economic benefits and infrastructure for a basic level of service.

4.2.2 PRESENTATION OF FINDINGS FROM THE COMMUNITY REPRESENTATIVES

4.2.2.1 Demographic profile

Question 1
Gender
The total number of people interviewed was twenty of which 11 (55%) were females and nine (45%) were males. The majority of the respondents were females.

Question 2. Age group

Table 4.13 Age distribution

<table>
<thead>
<tr>
<th>Question 2 Age group</th>
<th>Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
</tr>
<tr>
<td>01. Below 25 years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>02. 26-35 years</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>03. 36-45 years</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>04. 46-55 years</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>05. 55 and above</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>45</td>
</tr>
</tbody>
</table>
The table above shows that 60% of the respondents were in the age ranging from 36-45, 30% of the respondents were between the age group of 26-35 and only 10% of the respondents were in the age group of 46-55.

**Question 3. Education level**

Table 4.14 Level of education

<table>
<thead>
<tr>
<th>Question 3 Education level</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. No formal education</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>02. Primary</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>03. Secondary</td>
<td>9</td>
<td>45</td>
</tr>
<tr>
<td>04. Tertiary education</td>
<td>9</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
</tr>
</tbody>
</table>

45% of the respondents hold a secondary education, 45% holds a tertiary education 5% holds a primary education and the other 5% holds no formal education.

**Question 4. Role**

Table 4.15 Role

<table>
<thead>
<tr>
<th>Question 4 Role</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Councilor</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>02. CDW</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>03. Ward committee</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100</td>
</tr>
</tbody>
</table>

50% of the respondents were councilors, whereas 25% were CDWs and 25% were ward committee members.
4.2.2.2 Compliance to Municipal Infrastructure Grant condition

Question 5

How would you rate your level of understanding of MIG?

The community representatives were asked about their awareness or the level of understanding about MIG in various aspects to determine whether MIG administration was participatory. Table 16 shows the rating by participants regarding their general knowledge about: MIG, decisions on projects and decisions on project budget.

<table>
<thead>
<tr>
<th>Question 5</th>
<th>Very poor</th>
<th>Poor</th>
<th>Average</th>
<th>Good</th>
<th>Very Good</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>5.1. Knowledge about MIG</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>5.2. Decisions about projects</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>5.3. Decisions about projects budgets</td>
<td>3</td>
<td>15</td>
<td>2</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

Regarding 5.1, the majority 45% of the respondents indicated average understanding of knowledge about MIG, 35% indicated good understanding, 15% indicated poor understanding and 5% indicated very good understanding. Regarding 5.2, the majority 50% of the respondents indicated understanding of decisions about projects, 45% indicated an average understanding and 5% indicated poor understanding. Regarding 5.3, the majority 55% of the respondents indicated understanding of decisions about projects budgets, 15% indicated very good understanding, 15% indicated very poor understanding and 5% indicated very good understanding. The analysis shows that most participants still do not have adequate knowledge about MIG whereas they do have good understanding about projects at local level.
Buckley, 2012:1 indicated that engaging with key stakeholders during the early stages of a project assists in establishing strong relationships that can continue throughout the construction and operational phase. Make sure people understand what is up for negotiation, and how they can influence or have input into the decision-making process (Buckley, 2012:2).

4.2.2.3 Status of basic services

Question 6
Do communities within your ward have adequate basic services?

70% of the respondents disagreed that there are adequate basic services within their wards, 30% agreed that there are adequate services within their wards. The community representatives who disagreed with the question were quoted as follows:

- “Basic services are there but not adequate.”
- “The only adequate basic services that rated well are water reticulation, other services still not available.”
- “Services do not cover the whole ward and as such they are not adequate. Improvement of service delivery needed.”

Question 7

Are the communities satisfied with the services rendered by the municipality?

80% of the respondents were recorded as saying that the communities are not satisfied with the services rendered by the municipality, whereas 20% agreed that the communities are satisfied with the services rendered by the municipality. The majority of the respondents said:

- “Partly satisfied reason being that unemployment rate is high within the youth.”
• “No, as some of the services are not available at all e.g. high mast lights at crime sports.”
• “Municipality still lacks the provision of services to every household e.g. Ventilated Improved Pit (VIPs) latrines. No yard connection in terms of water provision.”

4.2.2.4 Municipal Infrastructure Grant and basic service delivery

Question 8
What types of infrastructural projects are delivered by the municipality in your ward?

The respondents indicated the types of projects delivered by the municipality in their wards as follows: water, sanitation, electricity, high mast lights, roads and storm water, community halls, crèches, sports facilities, parks, low level bridges and schools.

Question 9
Are the projects regularly maintained by the municipality?

100% of the respondents disagree that the projects are regularly maintained by the municipality. The respondents were quoted as follows:

• “Maintenance is a bit of a problem within the ward. It is done once in a while or when the need arise.”
• “The municipality does not have maintenance plan, so it is difficult for them to budget for project maintenance, and that affect the usage.”
• “Maintenance is a big problem or challenge in the municipality. The projects are not maintained properly.”
Question 10
How do these projects benefit the communities?

The respondents indicated that the communities get employed in the projects through the programme called (Expanded Public Works Program (EPWP) even though it is on a temporary basis. They further mentioned that the projects benefit the community by developing the youth in the form of skills transfer or job training either accredited or non-accredited. One of the benefits of is that the projects make lives of the communities easy as they are the beneficiaries. The respondents also indicated that communities help run the projects by forming projects steering committees. Good hygiene was also indicated as a community benefit on those household that are having VIP latrines.

One of the key objectives of the Municipal Infrastructure Grant is to fully subsidise the capital costs of providing basic services to poor households. This implies that priority must be given to meeting the basic infrastructure needs of poor households, through the provision of appropriate bulk, connector and internal infrastructure in key services (DPLG, 2006:3)

Question 11
How do you rate the impact of the projects in your ward in terms of improving basic services to the community?

The community representatives were asked about the impact of infrastructural projects to determine whether the community have benefited from MIG related projects in respect of services. Table 17 shows the rating by participants regarding the impact of the infrastructural projects in your ward in terms of improving basic services to the community.
Table 4.17 Impact of infrastructural projects

<table>
<thead>
<tr>
<th>Question 11</th>
<th>Very high</th>
<th>High</th>
<th>Average</th>
<th>Low</th>
<th>Very Low</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>11.1. Water</td>
<td>7</td>
<td>35</td>
<td>12</td>
<td>60</td>
<td>0</td>
</tr>
<tr>
<td>11.2. Sanitation</td>
<td>4</td>
<td>20</td>
<td>9</td>
<td>45</td>
<td>4</td>
</tr>
<tr>
<td>11.3. Road</td>
<td>3</td>
<td>15</td>
<td>9</td>
<td>45</td>
<td>8</td>
</tr>
<tr>
<td>11.4. Electricity</td>
<td>7</td>
<td>35</td>
<td>6</td>
<td>30</td>
<td>7</td>
</tr>
<tr>
<td>11.5. Community halls</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>11.6. Recreational facilities(e.g parks)</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>11.7. Refuse removal</td>
<td>2</td>
<td>10</td>
<td>1</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

The above analysis shows that the communities have benefited from infrastructural projects related to water, sanitation, road and electricity whereas they have gained low or no benefit concerning community halls, recreational facilities and refuse removal. The details are as follow regarding:

- **Water**, the majority 60% of the respondents indicated that water projects have high impact in terms of improving basic services, but 35% indicated very high impact and 5% indicated low impact.

- **Sanitation**, the majority 45% of the respondents indicated that sanitation projects have a high impact in terms of improving basic services, even though 20% indicated very high impact whereas another 20% indicated average impact while 10% indicated low impact and only 5% indicated very low impact.

- **Road**, the majority 45% of the respondents indicated that road projects have a high impact with regards to improving basic service while 40% indicated average impact and the remaining 15% indicated very high impact.
• **Electricity**, the majority 35% of the respondents indicated that electricity projects have very high impact in terms of improving basic service delivery, while the other 35% indicated average impact and the remaining 30% indicated high impact.

• **Community halls**, the majority 45% of the respondents indicated that community halls projects have average impact in terms of improving basic service delivery, whereas 35% indicated low impact while 10% indicated high impact. Although only 5% indicated very high impact, another 5% indicated very low impact.

• **Recreational facilities**, although the majority 40% of the respondents indicated that recreational facilities projects have low impact in terms of improving basic service delivery, 30% indicated average impact whereas 20% indicated very low impact, and the remaining 5% indicated very high impact and another 5% indicated high impact.

• **Refuse removal**, the majority 35% of the respondents indicated that refuse removal projects have very low impact in terms of improving basic service delivery whereas 25% indicated low impact. 25% indicated average impact while 10% indicated very high impact and the remaining 5% indicated high impact.

Sawada, 2015: 9 stated that a lack of infrastructure implies the presence of uncorrected market failures in an economy. Evaluators of infrastructure projects need to place them in a broader community framework, correcting both market and government failures (Sawada, 2015: 11).
4.2.3 PRESENTATION OF FINDINGS FROM DOCUMENT ANALYSIS

Document analysis was used as part of data collection to augment data collected through interviews and semi-structured questionnaires. The researcher used the annual reports for the past three financial years i.e. 2012-2013, 2013-2014 and 2014-2015 to analyse the spending trend of MIG funds of the municipality and to verify the number and types or nature of infrastructure provided to communities. These reports were accessible from the municipality. The table below indicates the total budget allocation, the total expenditure for the three financial years as well as the total expenditure for each month in each financial year.

Table 4.18 Monthly expenditures for the three financial years, (2012/13, 2013/14 & 2014/15)

<table>
<thead>
<tr>
<th>Month</th>
<th>2012/13 Financial Year Expenditure(R)</th>
<th>2013/14 Financial Year Expenditure(R)</th>
<th>2014/15 Financial Year Expenditure(R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>August</td>
<td>4,030,000.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>September</td>
<td>6,233,000.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>October</td>
<td>2,825,000.00</td>
<td>551,000.00</td>
<td>1,162,000.00</td>
</tr>
<tr>
<td>November</td>
<td>10,831,000.00</td>
<td>7,881,000.00</td>
<td>3,837,000.00</td>
</tr>
<tr>
<td>December</td>
<td>1,093,000.00</td>
<td>2,239,000.00</td>
<td>7,908,000.00</td>
</tr>
<tr>
<td>January</td>
<td>370,000.00</td>
<td>2,740,000.00</td>
<td>10,136,000.00</td>
</tr>
<tr>
<td>February</td>
<td>1,654,000.00</td>
<td>5,729,000.00</td>
<td>3,852,000.00</td>
</tr>
<tr>
<td>March</td>
<td>5,233,000.00</td>
<td>4,006,000.00</td>
<td>4,404,000.00</td>
</tr>
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<td>1,834,000.00</td>
<td>11,749,000.00</td>
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<td><strong>Total budget allocation</strong></td>
<td><strong>35,223,000.00</strong></td>
<td><strong>43,596,000.00</strong></td>
<td><strong>50,840,000.00</strong></td>
</tr>
<tr>
<td><strong>Totals Expenditure</strong></td>
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<td><strong>38,226,000.00</strong></td>
<td><strong>46,602,000.00</strong></td>
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<tr>
<td><strong>Percentage expenditure (%)</strong></td>
<td><strong>99.5</strong></td>
<td><strong>87.7</strong></td>
<td><strong>91.7</strong></td>
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<tr>
<td><strong>Unspent Amount</strong></td>
<td><strong>166,000.00</strong></td>
<td><strong>5,370,000.00</strong></td>
<td><strong>4,238,000.00</strong></td>
</tr>
</tbody>
</table>

Source: (Elias Motsoaledi Local Municipality Monthly financial reports)
The following is the analysis of the data contained in the above table:

4.2.3.1 Spending trend for 2012/13 financial year

During the 2012/13 financial year the municipality was allocated MIG funds of R 35,223,000.00 and had 3 road projects that were identified for implementation. The municipality started spending its allocated funds in August 2012 with R4 million picked up to R6 million in September 2012. For the month of October 2012 the municipality experienced a decline in expenditure which picked up in November 2012 to R10 million. The expenditure also declined from December 2012 to R1 million and to R370 thousand in January 2013. It picked up from February 2013 to R1 million, in March R5 million was spent and in April a decline to R2 million was experienced. The last expenditure was realized in the month of April 2013. A total of R 35,057,276.12 was spent on the 3 projects that were identified to be implemented with the unspent amount of R 166,000.00. 99.5% of the allocation was spent during this year.

4.2.3.2 Spending trend for 2013/14 financial year

During the 2013/14 financial year the municipality was allocated MIG funds of R 43,596,000.00 and had 11 projects that were identified for implementation. The identified projects consisted of 8 roads projects, 1 cemetery project, 1 high mast lights project and one landfill site project. The municipality started spending its allocated funds in October 2013 with R551 000. In November 2013, R7, 8 million was spent and declined to R2, 2 million in December 2013. The expenditure picked up again in January 2014 and declined a bit in March 2014. From April 2014 until May 2014 the expenditure picked up and declined to R1, 8 million in June 2014, and this was the last money to be spent during that financial year leaving an unspent amount of R5, 370,000.00. The municipality incurred an expenditure of 87.7% during this financial year.
4.2.3.3 Spending trend for 2014/15 financial year

The municipality was allocated MIG funds of R 50,840,000.00 and 10 projects were identified for implementation for the financial year 2014/15. All these projects fell in the category of roads. The municipality started spending its allocated funds in October 2014 with R1, 1 million. There was an increase in expenditure from November 2014 until January 2015 and a decline in February 2015. The expenditure picked up again in March 2015 and decline again in April 2015. There was no expenditure for the month of May 2015 and it picked up to R11 million in a month of June 2015. The municipality managed to spend 91% of its allocated funds according to the analyzed documents leaving an unspent amount of R4,238,000.00.

To sum up 4.2.3, overall spending trends for the three financial years (2012/13, 2013/14 & 2014/15), shows that there was consistent and effective utilization of MIG funding by the municipality. DPLG, 2006; 38 states that The National Transferring officer may withhold transfers to municipalities if the municipality does not comply with the provisions of the Division of Revenue Act or if expenditure on previous transfers during the financial year reflects significant under spending, or which no satisfactory explanation is given.

4.3. SUMMARY OF THE MAIN FINDINGS

Objective 1: to examine the compliance to Municipal Infrastructure Grant conditions by the municipality

- 62.5% of official indicated that the challenges facing the municipality in terms of MIG spending is overspending. The result reveals that at the project level there is some over-spending tendencies.
- The causes of over-spending in relation to municipal infrastructural projects were mentioned by officials as extension of scope of work during implementation of
phase, variation orders projects that exceed the amount allowed for in the contingency amount in the bill of quantities. Furthermore, cost escalations due to project registrations done in advance, the total MIG allocation not being enough for the financial year and projects being implemented in many phases were also mentioned as the causes of over-spending.

- 100% of officials agreed that there are mechanisms to monitor MIG implementation and those mechanisms were indicated as the site visits, site meetings and monthly service provider meetings.

- 100% of officials agreed that the municipality demonstrates its accountability in terms of the administration of MIG by submitting monthly reports, annual reports, implementation plans, cash-flow budget to the national office through provincial office and by submitting financial statements to Treasury.

- 100% of the officials agreed that the municipality have adequate capacity to administer MIG funds. The officials supported their indication by saying that the municipality has a fully functional PMU and the support of CoGHSTA as well as capable, efficient and qualified staff with adequate skills. However, lack of technical capacity was mentioned as a challenge as the municipality is using consultants for the purpose of planning because the municipality does not afford to appoint permanent people with the relevant skills.

- Financial management skills were indicated by 62.5% of officials as the capacity building that the municipality has received. However, the officials indicated that there is inadequate capacity on technical administrative skills and project management skills which are relevant for MIG administration.

- 62.5% of officials mentioned that department of CoGHSTA assists the municipality to improve on MIG management through trainings and workshops on the MIG-MI system, project management and financial management as well as project registrations.

- On level of understanding MIG, 45% of community representatives indicated average understanding of knowledge of MIG, 50% indicated good understanding on the decisions about projects and 55% indicated average understanding about decisions related to projects budgets. The analysis shows that most respondents
still do not have adequate knowledge about MIG whereas they do have good understanding about projects at local level.

- Overall spending trends for the three financial years (2012/13, 2013/14 & 2014/15), show that there was consistent and effective utilization of MIG funding by the municipality. The municipality incurred an expenditure of 99.5% on three road projects in 2012/13 financial year which started in August 2013 and ended in April 2014. In 2013/14 financial year an expenditure of 87.7% was incurred on eight road projects, 1 cemetery project, 1 high mast lights and one landfill site project. The municipality started spending the funds in October 2013 an ended in June 2014. In the financial year 2014/15 ten road projects where implemented and 91% of expenditure was realised which started in October 2014 and ended in June 2015.

Objective 2: To assess the status of basic services in the municipality

- 87.5% of the officials disagreed that the municipality face challenges in providing basic services. The officials indicated that they have not received any complaints from the communities or experienced community unrests due to service provision. They further indicated that happy letters are signed at the completion of each project though there is a challenge regarding maintenance of completed projects which raises concerns from the communities. However, some officials indicated that there is a backlog in roads infrastructure and the municipality needs more funding to address the backlog.

- Regarding satisfaction of community on services delivered by the municipality, 62.5% of the officials indicated that the community is somehow satisfied which can be further elaborated that there is still dissatisfaction within the community.

- 70% of the community representatives disagreed that there are adequate basic services within their wards. This shows that the communities are expecting the municipality to improve its provision of services.

- 80% of the community representatives were recorded as saying that the communities are not satisfied with the services rendered by the municipality.
Objective 3: To assess the impact of MIG on basic service delivery

- 75% of the officials described the role of MIG as the main source of funding to provide basic service delivery to communities as the municipality does not collect enough revenue to provide services to its communities.
- 75% of the officials agree that MIG funding assist the municipality in improving service delivery as it is intended to. The majority of the respondents indicated that backlog eradication and shortage of funds for road construction are the main challenges in improving service delivery.
- The community representatives specified the types of projects delivered by the municipality in their wards as follows: Water, sanitation, electricity, high mast lights, roads and storm water, community halls, crèches, sports facilities, parks, low level bridges and schools.
- 100% of the community representatives disagree that the projects are regularly maintained by the municipality.
- The community representatives indicated that the communities benefit from the projects by being employed in the projects through the programme called EPWP, which develops the youth in a form of skills transfer or job training either accredited or non-accredited, by assisting the running of the projects through Projects Steering Committees, as well as the benefit of good hygiene through sanitation (VIP) latrines.
- The finding shows that the communities have benefited from infrastructural projects related to water, sanitation, road and electricity whereas they have gained low or no benefits concerning community halls, recreational facilities and refuse removal. In terms of improving basic services, 60% of the community representatives indicated that water projects has high impact, 45% indicated that sanitation projects also have a high impact, 45% indicated high impact of road projects whereas 35% of them indicated very high impact of electricity projects. Further to that, 45% of the community representatives indicated that community halls projects have average impact in terms of improving basic service delivery,
40% indicated low impact of recreational facilities and 35% indicated very low impact on refuse removal projects.

4.4 CONCLUSIONS

The chapter dealt with data analysis and presentation of findings. Data was collected from municipal officials using questionnaires and interview schedule were used to collect data from community representatives. Presentation of findings from officials as well as from community representatives was dealt with in this chapter. Data from existing documents and analysed summary of the main findings were also presented in the chapter.

The next chapter dealt with conclusions and recommendations for the study. The chapter included proposal of possible solution to improve implementation of MIG such that it serves as a tool for the improvement of basic service delivery.
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

The aim of the study was to investigate the impact of Municipal Infrastructure Grant on basic service delivery. The study aimed at achieving the following objectives:

- To examine the compliance to MIG conditions by the municipality.
- To assess the status of basic service delivery by the municipality.
- To assess the impact of MIG on basic service delivery.

Section 5.2 of this chapter presented summary of the chapters, followed by section 5.3 which dealt with key findings of the study as well as section 5.4 which discussed the conclusions and recommendations of the study. It was in this chapter in section 5.5 whereby the research limitations were outlined and suggestions for future research were discussed in section 5.6.

5.2 SUMMARY OF THE CHAPTERS

Chapter 1: This chapter presented the background of the study, the problem statement and research questions. The definitions of the key concepts as well as significance of the study were also covered. Aims and objectives of the study together with outline of the dissertation were also dealt with in this chapter.

Chapter 2: Literature review was tackled in this chapter. South African Municipal Infrastructure Grant, local infrastructure and service delivery, improvement of access to infrastructure for basic services as well as international experience on government funding for local infrastructure were the issues that the literature review covered.
Furthermore, compliance to MIG conditions by municipalities in South Africa, basic service delivery in South Africa, the impact of MIG on basic service delivery as well as strategies to improve on MIG management were dealt with in this chapter.

**Chapter 3**: This chapter discussed the research design, study area and sampling methods and size. The chapter also dealt with data collection instruments of which face to face interviews, semi-structured questionnaires and examination of existing documents were the tools chosen for the research. It is in this chapter where content analysis was discussed as data analysis method. Consent form, confidentiality and anonymity were also explained as ethical considerations used in the study.

**Chapter 4**: The chapter dealt with presentation of findings from municipal officials, community representatives as well as findings from document analysis. Summary of the main findings was also presented.

### 5.3 KEY FINDINGS OF THE STUDY

**Objective 1: To examine the compliance to Municipal Infrastructure Grant conditions by the municipality**

The finding highlights that the municipality puts all efforts to comply with the requirements of MIG.

(a) The spending trend of the municipality shows effective utilisation of MIG. However, the records indicate that the municipality has a trend of spending three months (October) after the commencement of the financial year (It should be noted that the municipal financial year starts from July of one calendar year to June of the next calendar year). The result also reveals that at project level there might be some over spending tendencies.

(b) It is also evident that the municipality has the capacity and the mechanisms to manage MIG implementation; however, there is an indication that there is inadequate
capacity on technical administrative skills and project management skills which are relevant for MIG administration.

(c) There are mechanisms to monitor MIG implementation and those mechanisms were indicated as the site visits, site meetings and monthly service provider meetings.

(d) The municipality demonstrates its accountability in terms of the administration of MIG by submitting monthly reports, annual reports, implementation plans, cash-flow budget to the national office through provincial office and by submitting financial statements to Treasury.

(e) There was an indication of average understanding of knowledge about MIG and about decisions related to the projects budgets by community representatives.

Details of the key findings in relation to objective #1 are as follows:

• 62.5% of officials indicated that the challenges facing the municipality in terms of MIG spending is over-spending. The result reveals that at the project level there might be some over-spending tendencies.

• Overspending was caused by extension of scope of work during implementation of phase, variation orders projects that exceed the amount allowed for in the contingency and the amount in the bill of quantities. Additionally, also the cost escalations due to project registrations done in advance, the total MIG allocation not being enough for the financial year and projects being implemented in many phases were also mentioned as the causes of over-spending.

• 100% of officials agreed that there are mechanisms to monitor MIG implementation and those devices were indicated as the site visits, site meetings and monthly service provider meetings.

• 100% of officials agreed that the municipality demonstrates its accountability in terms of the administration of MIG by submitting monthly reports, annual reports, implementation plans, cash-flow budget to the national office through provincial office and by submitting financial statements to Treasury.
100% of the officials agreed that the municipality have adequate capacity to administer MIG funds. The officials supported their indication by saying that the municipality has a fully functional PMU with the support of CoGHSTA as well as capable, efficient and qualified staff has adequate skills. However, lack of technical capacity was mentioned as a challenge which compels the municipality to use consultants for the purpose of planning because the municipality does not afford to appoint permanent people with the relevant skills.

Financial management skills were indicated by 62.5% of officials as the capacity building that the municipality has received. However, the officials indicated that there is inadequate capacity on technical administrative skills and project management skills which are relevant for MIG administration.

62.5% of officials mentioned that department of CoGHSTA assists the municipality to improve on MIG management through trainings and workshops on the MIG-MI system, project management and financial management as well as project registrations.

On level of understanding about MIG, 45% of community representatives indicated average understanding of knowledge about MIG, 50% indicated reasonable understanding on the decisions about projects and 55% indicated average understanding of decisions about projects budgets. The analysis shows that most respondents still do not have adequate knowledge about MIG and they do have functional understanding of the projects at local level.

Overall spending trends for the three financial years (2012/13, 2013/14 & 2014/15), shows that there was consistent and effective utilisation of MIG funding by the municipality. The municipality incurred an expenditure of 99.5% on three road projects in 2012/13 financial year which started in August 2013 and ended in April 2014. In 2013/14 financial year an expenditure of 87.7% was incurred on eight road projects, 1 cemetery project, 1 high mast lights and one landfill site project. The municipality
started spending the funds in October 2013 and ended in June 2014. In the financial year 2014/15 ten road projects were implemented and 91% of expenditure was realized which started in October 2014 and ended in June 2015.

**Objective 2: To assess the status of basic service delivery by the municipality**

The finding reveals that the municipality is rendering basic services to its residents using the MIG. However, some officials indicated that there is a backlog in roads infrastructure and the municipality needs more funding to address the backlog. The community representatives were recorded as saying that the communities are not satisfied with the services rendered by the municipality. It was also evident that the municipality is struggling to eradicate backlog because of mushrooming new settlements and limited MIG funds.

Details of the key findings in relation to objective #2 are as follows:

- 87.5% of the officials disagreed that the municipality face challenges in providing basic services. The officials indicated that they have not received any complaints from the communities or experienced community unrests due to service provision. They further indicated that happy letters are signed at the completion of each project though there is a challenge regarding maintenance of completed projects which raises concerns from the communities. However, some officials indicated that there is a backlog in roads infrastructure and the municipality needs more funding to address the backlog.

- Regarding satisfaction of community on services delivered by the municipality, 62.5% of the officials indicated that the community is somehow satisfied which can be further elaborated that there is still dissatisfaction within the community.
• 70% of the community representatives disagreed that there are adequate basic services within their wards. This shows that the communities are expecting the municipality to improve its provision of services.

• 80% of the community representatives were recorded as saying that the communities are not satisfied with the services rendered by the municipality.

Objective 3: to assess the impact of Municipal Infrastructure Grant on basic service delivery

The finding shows that MIG programme has contributed to improve basic service delivery in Elias Motsoaledi Local Municipality. Respondents from municipal office indicated that MIG is the main source of funding for the municipality to provide basic service to its communities. The community representatives revealed that they have benefited from different types of projects delivered by the municipality in their wards such as: Water, sanitation, electricity, high mast lights, roads and storm water, community halls, crèches, sports facilities, parks, low level bridges and schools. However, it was highlighted by community representatives that infrastructural projects implemented are not properly maintained. In addition, the finding shows that most respondents still do not have adequate knowledge about MIG whereas they do have functional understanding about projects at local level.

Details of the key findings in relation to objective #3 are as follows:

• 75% of the officials described the role of MIG as the main source of funding to provide basic service delivery to communities as the municipality does not collect enough revenue to provide services to its communities.

• 75% of the officials agree that MIG funding assist the municipality in improving service delivery as it is intended to. The majority of the
respondents indicated that backlog eradication and shortage of funds for road construction are the main challenges in improving service delivery.

- The community representatives indicated the types of projects delivered by the municipality in their wards as follows: Water, sanitation, electricity, high mast lights, roads and storm water, community halls, crèches, sports facilities, parks, low level bridges and schools.

- 100% of the community representatives disagree that the projects are regularly maintained by the municipality.

- The community representatives indicated that the communities benefit from the projects by being employed in the projects through the programme called EPWP which develops youth in the form of skills transfer or job training, either accredited or non-accredited; by helping running the projects through projects steering committees; as well as the benefit of good hygiene through sanitation (VIP) latrines.

- The finding shows that the communities have benefited from infrastructural projects related to water, sanitation, road and electricity whereas they have gained low or no benefits concerning community halls, recreational facilities and refuse removal. In terms of improving basic services, 60% of the community representatives indicated that water projects have high impact, 45% indicated that sanitation projects also have a high impact, 45% indicated high impact of road projects whereas 35% of them indicated very high impact of electricity projects. Furthermore, 45% of the community representatives indicated that community halls projects have average impact in terms of improving basic service delivery, 40% indicated low impact of recreational facilities and 35% indicated very low impact on refuse removal projects.
5.4 CONCLUSIONS

Through visiting different sources it is evident that MIG have impact on basic service delivery. STATS SA, (2015: xi) support the above by indicating that by 2005, over 89% of the South African population had access to an improved water facility, and in 2011, over 91% had access which exceeds the Millennium Development Goal (MDG) 2015 target of 88.3%, by 2012. Over 75% of the South African population had access to improved sanitation facilities exceeding the 2015 target of 74.7 and a total of 447 480 households living in informal settlements had access to improved basic services by 2014. The spending trend of the municipality in question shows effective utilisation of MIG for the financial years 2012/13, 2013/14 and 2014/15. However, records indicate that the municipality has a trend of spending after three months (October) after commencement of the financial year with the exception of 2012/13 financial year.

Majority of the respondents indicated over-spending as the challenge facing the municipality in terms of MIG spending, however, the existing documents analysed shows the unspent amounts in each financial year. This can be further elaborated that over-spending indicated by the respondents might be on project level but not on the total allocation of the municipality. The challenge might also be associated with poor planning at project level. The article by Modipane and Sebola, (2012:405) argues that municipalities in SA do not have clear direction on how they should proceed in terms of the provision of basic services because there are no clear guidelines from national level. The article also argues for the establishment of national strategic planning for basic service infrastructure, and that this plan will force the municipalities to plan and align their budgets with the national set development plan (Modipane et.al, 2012:405).

According to Elhiraka (2007:4), fiscal decentralization has its own limitations; this requires institutional clarity and transparency to avoid coordination failures that lead to inefficient spending by local governments manifested in deficit bias and higher borrowing costs that can aggravate macroeconomic imbalances and instability.
It is evident that the municipality has the capacity and the mechanisms to manage MIG implementation; however, there is an indication that there is inadequate capacity on technical administrative skills and project management skills which are relevant for MIG administration. On the concern of technical administrative and project management skills it is recommended that the municipality come up with a capacity development plan whereby employees are taken to some courses or workshops twice in a year to remind them of what is expected of them. A performance tool must also be drawn for each employee to measure how they are performing based on project management and monitoring of projects. Strict implementation of the General Conditions of Contract (GCC) is to be emphasized as the guiding tool to implementing an effective and efficient service delivery and sustainable projects. The municipality should use pro-active measures rather than re-active measures.

There was a unanimous agreement that the municipality demonstrates its accountability in terms of the administration of MIG by submitting monthly reports, annual reports, implementation plans, cash-flow budget to the national office through provincial office and by submitting financial statements to Treasury. It can be concluded that the municipality is complying with MIG conditions as required by the MIG policy Framework (2004).

There was an indication of average understanding of knowledge about MIG and about decisions of projects budgets by community representatives. This can be a serious concern as the community representatives are the eyes and ears of the community. It seems as if the ‘Bathopele’ principle of “Transparency” is not fully implemented in the municipality. Yemek (2005) indicated that fiscal decentralization encourages public participation in decision making, since local government and provincial governments are supposed to be closer to the communities. Therefore the communities and their representatives should be well informed of what is taking place in their areas. Information sharing workshops might be of assistance to the municipality to increase the knowledge and understanding of the community representatives and the community at large.
From the data collected it can be concluded that the community is still not satisfied on the services delivered by the municipality and are expecting the municipality to improve its provision of services. The question that arises is whether the community is dissatisfied about the quality of service being rendered by the municipality or the rate at which the municipality is delivering services. Furthermore, the municipality is advised to have an Institutional Social Development (ISD) Unit which will deal with community issues. These are the people who are trained and have the capacity to convey any information and negotiate with communities with issues related to service delivery and beyond.

It was clear from this study that Elias Motsoaledi Local Municipality has a limited revenue base and is grant dependent. MIG was described as its main source of funds for basic service delivery. This was evident through the responses reflected by the participants and also that out of 30 wards only 2 are paying for services namely ward 13 and ward 30. The municipality must come up with strategies to encourage communities to pay for services which will increase the revenue collection of the municipality. The above is supported by Intergovernmental Fiscal Relations Act 97 (1997:29) by stating that the grant system must be simple and comprehensive and not compensates provinces and municipalities that fail to collect own revenues.

It was also evident that the municipality is struggling to eradicate backlog because of mushrooming new settlements and limited MIG funds. According to Nsarira.et.al, 2013 the municipality can explore other avenues likes the Public Private Partnership (PPP) to speed up the reduction of service delivery backlogs. For PPP to be successfully initiated and implemented, the presence of a conducive and enabling legal and regulatory framework is a critical prerequisite. National Treasury and Department of Provincial and Local Government (2007) states that only the accounting officer of the municipality may sign a PPP agreement on behalf of the municipality and may not sign it if it does not comply with Section 33 of MFMA. Section 33 of MFMA deals with contracts which have future budgetary implications.
It was picked up through the interaction of the researcher and the respondents that projects implemented are not maintained. The municipality must have a maintenance plan and take into consideration budgeting of operation and maintenance which can help the situation. According to Adnan, Fauzi, Rahmad & Supardi, (2012:1514) proper and timely maintenance and rehabilitation of facilities is essential for safe operations and the overall economics. Decisions as to what, where, when, and how maintenance and rehabilitation should be performed need to be made (Adnan et al, 2012:1514). Van Der Mescht et.al, (2012) further outline that the current policy dictates that MIG funds may not be used for operation and maintenance. It was further mentioned in Van Der Mescht et.al, (2012: 3), that the question that needs to be asked is whether municipalities are prepared to adjust their operating budgets upwards to allow for the maintenance of new (additional) MIG-funded infrastructure assets. Considering the importance of O&M, Van Der Mescht et.al, (2012: 3) recommended that the current policy of allocating grant funding for capital projects only, is reviewed as a matter of urgency.

In conclusion MIG as a programme has impact on basic service delivery. Most of the challenges faced by Elias Motsoaledi local municipality are administrative issues that if they can be dealt with by the municipality that might accelerate basic service delivery.

5.5 RECOMMENDATIONS

Recommendations of the study were based on the analysis, findings and key conclusions drawn from the study. Accordingly the following recommendations were suggested on how Elias Motsoaledi local municipality can improve the impact from the implementation of MIG on service delivery. These were not resolutions but recommendations based on the interaction of the researcher and Elias Motsoaledi Local municipality as an institution during the period of study:
a) The municipality has a trend of spending three months (October) after commencement of the financial year therefore a continuous and or prior planning of the services to be delivered by the municipality is recommended. According to Division of Revenue Bill (2016) municipalities must ensure appropriate programme and project planning as well as implementation readiness prior to the year of implementation. This must be informed by the IDP and three year capital plan.

b) On the issue of inadequate capacity on technical administrative skills and project management skills which are relevant for MIG administration, the municipality is advised to develop human resource skills development plans. A performance tool must also be drawn for each employee to measure how they are performing on project management and monitoring. Strict implementation of the General Conditions of Contract (GCC) is to be emphasised as the guiding tool to implementing an effective and efficient service delivery and sustainable projects.

c) The existing documents analysed show the unspent amounts in each financial year. Proper planning is recommended for the municipality to exhaust its allocated amount because one of the conditions of MIG is 100% of the money allocated to the municipality must be spend.

d) Information sharing workshops might be of assistance to the municipality to increase the knowledge and understanding of the MIG projects by community representatives and the community at large.

e) The municipality is also advised to have an Institutional Social Development (ISD) Unit which will deal with community issues. These might increase the understanding of the plans of the municipality on service delivery.

f) The municipality could explore other avenues likes the Public Private Partnership (PPP) to speed up the reduction of service delivery backlogs.

g) The municipality must have a maintenance plan and take into consideration budgeting of operation and maintenance which can help municipal infrastructure assets to reach their life span. Preventative maintenance is advised than responsive maintenance.
5.6  RESEARCH LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

The study was only limited to Elias Motsoaledi local municipality therefore it can be further done at other municipalities in order to get a full understanding of the impact of MIG on basic service delivery. The number of projects that were implemented through the MIG needs to be verified to further determine the impact the grant had on basic service delivery at the municipality. A study on the impact of projects implemented through MIG, on the communities socially is suggested. Further understanding is needed on how the projects change community lives.
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ANNEXURE A.: SEMI-STRUCTURED QUESTIONNAIRE FOR MUNICIPAL OFFICIALS

TITLE: THE IMPACT OF MUNICIPAL INFRASTRUCTURE GRANT (MIG) ON BASIC SERVICE DELIVERY - A CASE OF ELIAS MOTSOALEDI LOCAL MUNICIPALITY IN LIMPOPO PROVINCE

The purpose of this research is to determine the impact of Municipal Infrastructure Grant (MIG) on service delivery in the municipality.

Dear Sir/Madam

You are requested to answer all questions honestly. Your responses are vital for answering the study questions and for ensuring the reliability for the research conclusion. Please feel free to participate or opt out of the interview if you are uncomfortable with the information that is requested. Your name will remain anonymous in the report from this research and the gathered information may not be linked to you as an individual.

Questionnaire number: ___________________________

A. Demographic Profile

1. Gender

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2. Age

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<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
3. What position do you hold within the municipality?

<table>
<thead>
<tr>
<th>01. Project Manager</th>
<th>02. Chief Financial Officer</th>
<th>03. Head of Department(Director)</th>
<th>04. Other , specify</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. What is your highest level of education?

<table>
<thead>
<tr>
<th>01.Matric</th>
<th>02.National Diploma</th>
<th>03.Junior Degree</th>
<th>04.Post graduate Degree</th>
<th>05.Master's Degree</th>
<th>06.Other, specify</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Compliance to Municipal Infrastructure Grant (MIG) Conditions

5. What are the challenges facing your municipality in terms of MIG spending?

<table>
<thead>
<tr>
<th>01.Overspending</th>
<th>02.Underspending</th>
<th>03.Others, specify</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. What are the causes of overspending or underspending?

________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________

7. Are there mechanisms to monitor MIG implementation?

<table>
<thead>
<tr>
<th>01. Yes</th>
<th>02. No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Please explain:

________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________

8. How does the municipality demonstrate its accountability in terms of administration of MIG?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Submit monthly report to the national office through provincial office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>02. Submit financial statements to Treasury</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03. Submit annual report to national office through provincial office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>04. Submit implementation plans to national office through provincial office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>05. Submit cash-flow budget to national office through provincial office</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. Does your municipality have adequate capacity to administer MIG funds?

<table>
<thead>
<tr>
<th></th>
<th>01. Yes</th>
<th>02. No</th>
</tr>
</thead>
</table>

Please explain:

________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________

96
10. Please specify which type of capacity building, supports your municipality has received to improve its management of MIG?

<table>
<thead>
<tr>
<th>01. Technical administrative skills</th>
<th>02. Project management skills</th>
<th>03. Financial management skills</th>
<th>04. Other, specify</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. What role has the provincial department of CoGHSTA played in assisting your municipality to improve MIG management?

________________________________________________________________
________________________________________________________________
________________________________________________________________
__________________________

C. Status of basic services

12. Does the municipality face challenge in providing basic services?

<table>
<thead>
<tr>
<th>02. Yes</th>
<th>02. No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please explain:

________________________________________________________________
________________________________________________________________
________________________________________________________________
13. How do you rate community satisfaction on service delivered by your municipality?

<table>
<thead>
<tr>
<th>01. Not satisfied at all</th>
<th>02. Somehow not satisfied</th>
<th>03. Not sure</th>
<th>04. Somehow satisfied</th>
<th>05. Very satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

D. Municipal Infrastructure Grant (MIG) and basic service delivery

14. What is the role of MIG in basic service delivery?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

15. Does the MIG funding assist your municipality assist in improving service delivery as it is intended to?

<table>
<thead>
<tr>
<th>01. Yes</th>
<th>02. No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please explain:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Thank you in advance for participating in this research
ANNEXURE B: INTERVIEW SCHEDULE FOR COMMUNITY REPRESENTATIVES

TITLE: THE IMPACT OF MUNICIPAL INFRASTRUCTURE GRANT (MIG) ON BASIC SERVICE DELIVERY- A CASE OF ELIAS MOTSOALEDI LOCAL MUNICIPALITY IN LIMPOPO PROVINCE

Opening statement

The purpose of this research is to determine the impact of Municipal Infrastructure Grant (MIG) on service delivery in the municipality.

Dear Sir/Madam

You are requested to answer all questions honestly. Your responses are vital for answering the study questions and for ensuring the reliability for the research conclusion. Please feel free to participate or opt out of the interview if you are uncomfortable with the information that is requested. Your name will remain anonymous in the report from this research and the gathered information may not be linked to you as an individual.

Interview Schedule number: ________ Location/site: ____________________________

A. Demographic Profile

1. Gender

<table>
<thead>
<tr>
<th>01. Male</th>
<th>02. Female</th>
</tr>
</thead>
</table>

2. Age

<table>
<thead>
<tr>
<th>01. Below 25 years</th>
<th>02. 26-35 years</th>
<th>03. 26-35 years</th>
<th>04. 36-45 years</th>
<th>05. 46-55 years</th>
<th>06. 56 and above</th>
</tr>
</thead>
</table>
3. Education level

| 01. No formal education          |
| 02. Primary                      |
| 03. Secondary                    |
| 04. Tertiary education           |

4. Role

| 01. Councilor     |
| 02. CDW           |
| 03. Ward Committee |

B. Compliance to Municipal Infrastructure Grant conditions

5. How would you rate your level of understanding?

<table>
<thead>
<tr>
<th></th>
<th>Very poor</th>
<th>Poor</th>
<th>Average</th>
<th>Good</th>
<th>Very poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. Knowledge about MIG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02. Decisions about projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03. Decisions about projects budgets</td>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

C. Status of basic services

6. Do communities within your ward have adequate basic services?

________________________________________________________________
________________________________________________________________
________________________________________________________________
7. Are the communities satisfied with the services rendered by the municipality? 

________________________________________________________________
________________________________________________________________
________________________________________________________________

D. Municipal Infrastructure Grant and basic service delivery

8. What types of infrastructural projects are delivered by the municipality in your ward?
________________________________________________________________
________________________________________________________________
________________________________________________________________

9. Are the projects regularly maintained by the municipality?
________________________________________________________________
________________________________________________________________
________________________________________________________________

10. How do these projects benefit communities within your ward?
________________________________________________________________
________________________________________________________________
________________________________________________________________

11. How do you rate the impact of the projects in your ward in terms of improving basic services to the community?

<table>
<thead>
<tr>
<th></th>
<th>Very high</th>
<th>High</th>
<th>Average</th>
<th>Low</th>
<th>Very low</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1. Water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.2. Sanitation</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>11.3. Roads</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>11.4. Electricity</td>
<td></td>
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<td></td>
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<tr>
<td>11.5. Community halls</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>11.6. Recreational facilities</td>
<td></td>
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<tr>
<td>(e.g. parks)</td>
<td></td>
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<td></td>
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<tr>
<td>11.7. Refuse removal</td>
<td></td>
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</tbody>
</table>

Thank you in advance for your co-operation
ANNEXURE C: PERMISSION TO CONDUCT THE STUDY

ANNEXURE C

P.O BOX 709
FAUNA PARK
0787
29 SEPTEMBER 2015

THE MUNICIPAL MANAGER
ELIAS MOTSOALEDI LOCAL MUNICIPALITY
P.O BOX 48
GROBLERSDAL
0470

REQUEST TO CONDUCT THE STUDY FOR THE PURPOSE OF MASTERS IN DEVELOPMENT DEGREE PROGRAMME

This letter serves to request permission to conduct the study within your municipality. I am studying towards Masters in Development with University of Limpopo and a mini dissertation is part of the syllabus. I have chosen your municipality as my area of study and the topic is as follows:

The impact of Municipal Infrastructure Grant on basic service delivery: A case of Elias Motsoaledi Local Municipality in Limpopo province

The participants earmarked for data collection are the Municipal Manager as the accounting officer of the municipality, Municipal Member of Council, the Technical Director whom all infrastructure issues including MIG funded projects are his/her responsibility and the Project Management Unit Manager (PMU Manager) responsible specifically for managing MIG funds and the technicians involved in day to day management of MIG funded projects. The Ward Councilors, Ward Committees and the Community Development Workers in the selected wards will also form part of the participants.

I will gladly appreciate it if my request can be granted.

Yours faithfully

G.S Matabane

0731489281

Signature

Date

29/09/2015
To: University of Limpopo

Att: Ms GS Matabane

From: Office of the Municipal Manager

RE: REQUEST TO CONDUCT THE STUDY FOR THE PURPOSE OF MASTERS IN DEVELOPMENT DEGREE PROGRAMME

1. The above matter bears reference

2. The municipality takes this opportunity and grant Ms. GS Matabane permission to conduct the study on "The impact of Municipal Infrastructure Grant on basic service delivery" within the municipality.

3. We wish her all the best and hope that the outcome of the study will be beneficial to the municipality.

Yours,

R. M MAREDI
MUNICIPAL MANAGER
EDITING GLORIA MATABANE’S THESIS

I hereby definitely declare the above-mentioned thesis to be accurately edited.

The editing process involved looking at the work in three distinct ways:

- Editing for structure to help the reader follow the logic of the writer's argument.
- Editing for language and style to ensure good use of grammar as well as consistency in writing style such that the reader will be able to concentrate on the content.
- Proofreading in order to eliminate spelling errors, inconsistent formatting and other irritating distractions such that the document should be able to allow the reader to remain focused on the writing.

I am confident that the edited version of Gloria Matabane’s thesis will make it relatively straightforward and proficient enough to evaluate.

Sincerely,

Reneilwe Malatji