



**CON5023Z – Project Management Research Report**

**“Challenges in adopting a Project Governance system in local government”**

**by**

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A Minor dissertation presented to the Department of Construction Economics and Management in partial fulfilment of the requirements for the degree MSc in Project Management.

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## **ABSTRACT**

Despite all the Acts, Legislations, Policies, Frameworks, and diagnostic studies in place, there is a sense that South Africa as a country is still unable to handle its present economic and social concerns, as well as governance problems. Even with different types of government involvement, the district municipalities remain inefficient and unable to provide services. Infrastructure projects must be completed to provide services. This technique, which may be adopted by all governments throughout the world to deliver services through infrastructure projects, particularly significant capital projects, is not unique to South Africa. Project governance is being more acknowledged as a system that may assure project success and assist enterprises and governments in putting in place a system and structure for project governance to help achieve favourable project results.

To conduct the study, a qualitative case study technique with inductive philosophical reasoning that fit within the interpretivism paradigm was used. Interviews were used in the study to collect data and test the research hypotheses. Project managers and senior management / division directors were among those who took part in the survey. To identify the themes and complete the data analysis, the acquired data was analysed using thematic analysis.

According to the findings, district municipalities recognize the benefits of governance and project governance and the role they can play in obtaining beneficial outcomes. The following challenges were identified: dysfunctional institutional governance structures that are not separated from project governance structures, subversion of existing legislation and frameworks for personal and political gain, a lack of local government specific best practices

and guidelines, and the complex interrelationships between employers, employees, political structures, and government.

The study closes with suggestions that the government respond decisively and with effective consequence management on the current purposeful subversion of existing laws and processes for personal and political advantage. Support that action by developing and implementing an industrial or employee relations framework and best practices aimed at improving relations between local government, district municipalities, and the National and provincial departments that support them. Streamline existing municipal governance, project governance, and project management legislation and systems where necessary, and support that action with the development and implementation of best practice guidelines that consider the local government project and service delivery environment.

**Keywords:** project governance, local government, service delivery, project success and infrastructure delivery management

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## List of Acronyms

Abbreviation	Long name	Abbreviation	Long name
ADM	Amathole District Municipality	MISA	Municipal Infrastructure Support Agency
ANDM	Alfred Nzo District Municipality	MISDIF	Infrastructure Service Delivery Index
APM	Association of Project Management	NIP	National Infrastructure Plan
CFO	Chief Financial Officer	NT	National Treasury
CIDB	Construction Industry Development Board	OECD	Organisation for Economic Co-operation and Development
COGTA	Department of Corporate Governance and Traditional Affairs	PFMA	Public Finance Management Act
DBSA	Development Bank of Southern Africa	PICC	Presidential Infrastructure Coordinating Commission
DWAF	Department of Water Affairs and Forestry (former Department of Water Services)	PMM	Project Management Methodology
EC	Eastern Cape	PRC	Presidential Review Commission
EPWP	Expanded Public Works Programme	PRINCE2	Projects in Controlled Environments
GoPM	Governance of project management	RBIG	Regional Bulk Infrastructure Grant
IDMS	Infrastructure Delivery Management System	SAICE	South African Institute of Civil Engineers
IoDSA	Institute of Directors, South Africa	SALGA	South African Local Government Association
JGDM	Joe Gqabi District Municipality	SBDM	Sarah Baartman District Municipality
LGFIDPM	Local Government Framework for Infrastructure Delivery and Procurement Management	SIPDM	Standard for Infrastructure Procurement and Delivery Management
MIG	Municipal Infrastructure Grant	SIPs	Strategic Infrastructure Projects
MFMA	Municipal Finance Management Act	WPTPS	The White Paper on the Transformation of the Public Service
RSA	Republic of South Africa	WSA	Water Services Authority
LGMIM	Local Government Management Improvement Model	WSIG	Water Services Infrastructure Grant
SDBIP	Service Delivery Budget Implementation Plan	DORA	Division of Revenue Act
MM	Municipal Manager	AO	Accounting Officer
IDP	Integrated Development Plan	WSDP	Water Services Development Plans

## **CHAPTER 1: INTRODUCTION**

### **1.1 INTRODUCTION**

This section of the report introduces the background and context of the study being undertaken. The research problem statement and research question are discussed as well as the research objectives and the research proposition. It defines the study area, provides background information of the study area and the concept of project governance that is studied and reported on by this report. The project limitations are discussed, and the structure of the research report is set out in this chapter.

### **1.2 BACKGROUND TO THE STUDY AREA**

The South African government has been working to develop and implement infrastructure in all areas of government. Since 1994, significant progress has been achieved to expand the accessibility of general services and put in legislative reforms and systems to capacitate and build local government in South Africa (COGTA, 2009a; COGTA, 2009b; COGTA, 2013). Nonetheless, the development of social and physical infrastructure is still progressing slowly. This is largely purported to be the result of the country's ongoing service provision demonstrations and current electricity and water challenges plaguing the country (COGTA, 2009a; COGTA, 2009b; National Treasury, 2022a). After 1994, South Africa faced many challenges in addressing socioeconomic backlogs and providing basic services to vast communities, particularly historically disadvantaged communities (COGTA, 2009a; COGTA, 2009b; Harrison, 2001; National Treasury, 2022a). With the formation of the Presidential Review Commission (PRC) in 1996, the South African government system was re-engineered to provide government with the status-quo on the Public Service South Africa and how best

public service can be provided (COGTA, 2009b; Presidential Review Commission, 1997). The poor performance of the public sector at the national, provincial, and local levels has long been a source of concern in South Africa (COGTA, 2009b; National Treasury, 2022a). The White Paper on the Transformation of the Public Service (WPTPS), published in 1995, was the first to highlight the need for the PRC. The Commission of Inquiry regarding the Transformation and Reform of the Public Service was the official title of the PRC (Presidential Review Commission, 1997). Its mandate, which included a review of each public service department, a review of existing systems and structures, and making recommendations for improvement, was published on March 8, 1996. Even after the release of the PRC report in 1998, various interventions from government have failed to remedy the situation and the problems in local government still persist (COGTA, 2009a; COGTA, 2009b; Presidential Review Commission, 1997; Republic of South Africa, 1998a). COGTA (2013) published the Local Government Management Improvement Model (LGMIM) and associated LGMIM implementation guideline with the aim of improving the performance and quality of service delivery within the public sector. LGMIM is characterized as a model that assesses municipalities' performance against key performance areas as set out in the LGMIM and determined against systems established by the relevant national and provincial departments. The key performance areas are: i) Integrated Development Planning, ii) Human Resource Management, iii) Financial Management, iv) Service Delivery, v) Community Engagement, and vi) Governance.

Governance on service delivery is guided through various legislation and systems which include amongst others, Section 195 of the Constitution of the Republic of South Africa, Municipal Finance Management Act 56 of 2003 (MFMA) and the Public Finance Management

Act (PFMA) Act 1 of 1999 (Parliament of South Africa Research Unit, 2020). The basic values of the South African Constitution provide guidance for the governance systems and mechanisms required for effective governance. The Constitution provides a foundation regarding the power and functions of municipalities in terms of Part B of Schedule 4 and Part B of Schedule 5 of the constitution. The Constitution, 1996 and the Local Government White Paper, 1998 further set the stage for these processes, and particular laws that guide the basic rights, responsibilities, and accountabilities of municipalities in South Africa. They are further supported by the Municipal Systems Act, the Municipal Systems Amendment Act, and the Municipal Structures Act along with the legislative systems imposed by National and Provincial Government in terms of Section 154 of the Constitution based on the activities national and provincial government allocate to municipalities.

### **1.3 BACKGROUND TO THE RESEARCH PROBLEM**

Oxford English Dictionary (2000) defines the word project as a planned or proposed undertaking or a scheme or a proposal or a purpose or an objective. Projects are generally defined as unique and temporary endeavours with fixed start and end dates undertaken to meet certain organizational objectives and goals using temporary organizations (Project Management Institute, 2017). Projects can be developed and executed through various project organizations formations which may or may not be internal or external to an organization. The project environment is made up of a variety of internal and external stakeholders, each with its own strengths and objectives (Project Management Institute, 2017; Turner, 2009).

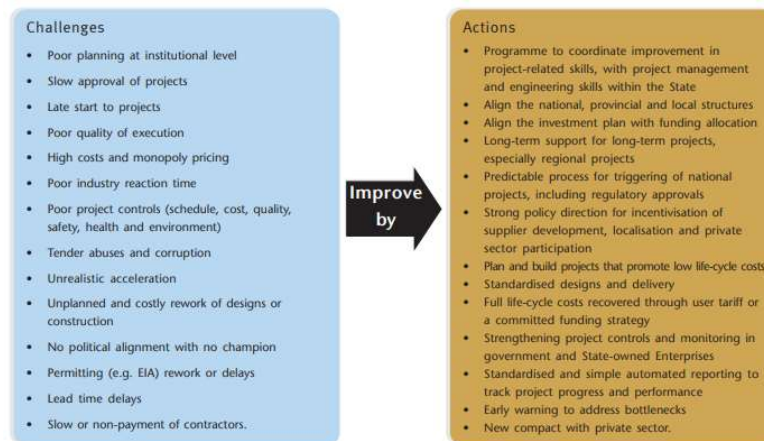
Oxford English Dictionary (2000) defines governance as the act or process of governing or overseeing the control and direction of something or the way something is governed or

regulated or method of management, system of regulation or controlling, directing, or regulating influence or control, mastery. Bekker (2015) introduces the definition of governance being about the rules of engagement between the transacting parties. He further explains that governance as being about guiding the behaviour of all the stakeholders on the project. These stakeholders must interact for the project to be completed, pooling their resources, expertise, and knowledge to realize a common objective. Each of these stakeholders are driven by their own governance procedures and have different understanding of how and who makes decisions in terms of the project within their organizations.

Project Governance is a concept in the project management field that are gaining prominence and organizations are relying more on them to resolve the project failure challenges (Bekker & Steyn, 2009b). Project Governance is increasingly getting recognition as a system that can lead to project success and assist organizations and government with ensuring that an efficient and effective project governance system and structure is in place to implement the project successfully. In the private sector, due to various issues with governance that had led to reputational and financial damage for various institutions resulted in the publication and focus on governance across various management fields including project management by various organisations including the more relevant one to South Africa, (Institute of Directors Southern Africa, 2016). The Infrastructure Delivery Management System (IDMS) is a key resource for public sector organizations looking to acquire infrastructure assets and related services in the South African infrastructure procurement market (National Treasury, 2012). IDMS originated from National Treasury in partnership with various government and private institutions in South Africa in 2002 with undertaking an independent assessment to

understand the reason for infrastructure underspending and constant need for rollovers by provincial departments (National Treasury, 2012). The report found a few roadblocks in the systems used to manage the delivery of infrastructure. The following root causes were among those noted in the report: i) Poor planning, ii) Lack of skills and inappropriate skills in technical positions, iii) Lack of uniformity in procurement procedures and iv) Poor reporting and monitoring (National Treasury, 2012).

A National Infrastructure Plan (NIP) was enacted by the South African government in 2012 with the goal of reshaping the economic environment, generating a sizable number of new employment, and improving the provision of basic services (Presidential Infrastructure Coordinating Commission, 2012). The South African government established the Presidential Infrastructure Coordinating Commission (PICC) and its supporting management structures as a body to integrate and coordinate the long-term infrastructure build to drive and coordinate the NIP (Presidential Infrastructure Coordinating Commission, 2012). The PICC's mandate is to ensure systematic selection, planning and monitoring of large projects. The PICC's report provided the list of enablers to drive the NIP and further identified the need to improve performance on infrastructure projects as being key to the successful implementation of the NIP. COGTA (2013) published the LGMIM to address the issues raised in the NIP in local government and this included the publication of the key performance areas for municipalities and further support the implementation of the Local Government Turnaround Strategy (LGTAS) published in 2009 (COGTA, 2009a; COGTA, 2013; Harrison, 2001). The aim of the LGTAS was for the development of an accountable, responsive, efficient and effective local government system in South Africa (COGTA, 2009a). **Figure 1** below is a summary of the challenges and actions to improve the performance of infrastructure projects.



**Figure 1: PICC: Summary of the challenges and actions, (Presidential Infrastructure Coordinating Commission, 2012)**

There is a total of thirty-nine municipalities in the Eastern Cape (EC), including two metropolitan municipalities, thirty-one local municipalities, and six district municipalities (National-Treasury, 2020). In addition, EC has a few large projects that are included in the NIP. The largest project being the Mzimvubu Dam (SIP 3 in the National Development Plan 2030) with project's objective being to provide water and employment to three of the six districts in the EC. In 2020, the Eastern Cape Department of Corporate Governance and Traditional Affairs (EC COGTA) solicited assistance from National Treasury regarding the state of municipalities in the province (National Treasury, 2020a). The request for assistance resulted in the formation of the Technical Working Group consisting of amongst other government departments, Eastern Cape Corporate Governance and Traditional Affairs (EC COGTA), National and the Eastern Cape Provincial Treasury (ECPT). The group produced a report (National Treasury, 2020a) in May 2020 identifying the main issues and underlying causes that led to these Municipalities' current situation. Based on information from the National Treasury's early warning monitoring system and the four major sustainability measures of the National Treasury, a report was tabled indicating that five of the six district municipalities in

the province were in distress according to four of the six the National Treasury's major sustainability measures listed below:

- Financial Health – National Treasury defines this pillar as, “the review of the financial position of the government entity for the past audited five financial years and the mid-year performance of the current financial year being reviewed”(National Treasury, 2020a).
- Governance – defined as the “audit outcomes as per the Auditor General’s report” (National Treasury, 2020a)
- Service delivery – defined as the “reviews of the performance against the key performance areas for service delivery in relation to the achievement of targets set out in the Service Delivery and Budget Implementation Plan (SDBIP) and scorecards” (National Treasury, 2020a).
- Institutional stability – defined as the “the state of the current institutional arrangements including the impact of vacancies on service delivery performance, leadership capability of the Chief Financial Officer (CFO) and Municipal Manager (MM) and the competencies of senior management / departmental directors” (National Treasury, 2020a).

For a district municipality to be evaluated to be in distress in the report, some, or all the four pillars were found to be below the required standard from National Treasury. Governance and Service Delivery pillars were ranked as below standard.

Despite all the acts, legislations, systems, frameworks, intervention requests, technical assessments, diagnostic reports from various government and private institutions in place, the country is still unable to address the country's current economic and social problems, as

well as governance challenges even with interventions in the form of the technical support agencies in the form of PICC, MISA, SALGA, COGTA, the district municipalities are still in distress (COGTA, 2022; National Treasury, 2020a; Parliament of South Africa Research Unit, 2020). They are unable to provide service delivery and projects are unable to deliver the infrastructure required to meet the service delivery demands from the communities in the EC and various parts of the country (Parliament of South Africa Research Unit, 2020). Various reports, research papers, initiatives and training programs have been developed, deployed and published by these various technical support government entities as per Section 154 of the constitution, however, challenges with infrastructure and service delivery persists in municipalities in the country and the EC with governance and project governance challenges being cited in the list of challenges the municipal and their support entities have (COGTA, 2022; Parliament of South Africa Research Unit, 2020).

#### **1.4 PROBLEM STATEMENT**

The problem to be investigated in this research report may be stated as:

*Despite the universal focus on project governance and the development of governance systems within the South African Government being in an advance stage, there seems to be a lack of adoption or application of a project governance systems on infrastructure projects in district municipalities in the EC.*

#### **1.5 RESEARCH QUESTION**

The research question to be addressed as part of this research can be best summarised as follows:

*What are the challenges that district municipalities in the EC face when implementing a project governance system on infrastructure projects?*

## **1.6 RESEARCH AIM**

The aim of the research is to assess, review, identify and evaluate the challenges that face the district municipalities in the EC when implementing project governance systems on infrastructure projects.

## **1.7 RESEARCH PROPOSITION**

The research proposition to be investigated can be stated as:

*The implementation and adoption of a project governance system can lead to better project outcomes.*

## **1.8 RESEARCH OBJECTIVES**

The objectives of this research can be summarized as below:

- a) To assess the level of awareness of district municipalities in the EC's understanding of project governance as a tool that can aid project success.
- b) What management structures are in place to ensure project governance?
- c) What are the factors that delay/block the establishment of these management structures?
- d) What can be done to facilitate the implementation of project governance?

## **1.9 RESEARCH METHODOLOGY**

The research was undertaken as follows:

- Literature review of peer reviewed journals articles and conference proceedings using key words such as governance, project governance, local government, district municipalities, service delivery and infrastructure delivery management.

- Data collection by conducting interviews with municipal officials from the district municipalities selected as the case study involved with infrastructure delivery and project governance.
- Data analysis and interpretation of the information collected.
- Data presentation based on the findings from the literature review and data collection.

### **1.10 RESEARCH LIMITATIONS**

This research study is subject to the following limitations:

- The case study is a multiple case study within local government, district municipalities in the EC and as a result the findings might not be applied to other municipalities within the province.

### **1.11 STRUCTURE OF THE RESEARCH REPORT**

This section provides a brief overview of the chapters to follow. Firstly, will introduce context of the study, the research objectives, questions, and significance of the research. The literature chapter, Chapter two focuses the literature review on various challenges and opportunities of implementing project governance in district municipalities from available literature. The chapter will also discuss the literature available on the concept of project governance and its impact on projects. Chapter three looks at research methodology used in this research study. Chapter four presents the findings of the research interviews conducted as part of the research. Chapter five will discuss the relevance of the results of the research and how the findings fit into the research area. The chapter will also provide the research conclusions and suggested future research.

## **CHAPTER 2: LITERATURE**

### **2.1 CHAPTER INTRODUCTION**

This chapter will critically analyse and discuss literature pertinent to this study. The concept of project governance is discussed in terms of its origins, its roots and existing frameworks is that an organization can use to develop and implement project governance systems within an organization. The chapter further discusses the governance and project governance systems in local government district municipalities. The chapter concludes with a summary of key research findings from the literature reviewed.

### **2.2 SOUTH AFRICAN LOCAL GOVERNMENT PROJECT MANAGEMENT SYSTEMS**

Internationally all governments achieve service delivery through the execution of infrastructure projects which include major or mega capital project, and this is the same in South Africa (Bekker & Steyn, 2006; Bekker & Steyn, 2009b; Brunet, 2019; Brunet, 2021; Brunet & Aubry, 2018). It is widely accepted in South Africa and various parts of the world that service delivery and the economy of the country is driven primarily by public infrastructure funding, development, and delivery (Construction Industry Development Board, 2010; National Treasury, 2015a; National Treasury, 2015b). Government achieves infrastructure delivery through projects and programmes implemented to delivery infrastructure and in turn, achieve service delivery (Construction Industry Development Board, 2010; South African Institute of Civil Engineers, 2015; Volden & Andersen, 2018). According to the Constitution, there are two types of public functions: concurrent (shared across several spheres) and exclusive (performed by one sphere only) (Republic of South Africa, 1996). To fund and drive the delivery of these projects, they depend on inputs such as sector policies and related conditional grants, private sector investments, integrated

planning, and inter-department support to achieve the project objectives. Yet, most of the governments are failing to execute these projects successfully on their own and interventions are being explored and proposed through research (Brunet, 2021). The projects are usually infrastructure projects that involve procurement, engineering design and construction. The White Paper on Local Government further supported the requirement of the application of project management tools to deliver services and supported the requirement for a “business plan” to be mandatory within local government (Harrison, 2001; Republic of South Africa, 1998a). This requirement for a business plan translated into the requirement for an Integrated Development Plan (IDP) (Harrison, 2001). The IDP has become synonymous in South Africa with one of the methods used by local government to engage with the communities they serve and agree on the needs and objectives of all stakeholders within the communities they serve.

The national government, the nine provinces, and the 257 municipalities must all get a fair share of the national revenue each year, according to Section 214(1) of the Constitution. This procedure considers the duties and authority vested in each branch of government. The source of funds for public infrastructure projects in district municipalities is mostly from the nationally shared revenue that is distributed by government through conditional grants and distributed yearly using the Division of Revenue Act (DORA), prescripts and instructions from the National and Provincial Treasury (Republic of South Africa, 2022b) . Education, health, social development, housing, roads, energy, water, and municipal infrastructure services are provided by provinces and municipalities. They have flexibility in how they allocate monies to meet basic requirements, take care of regional issues, and advance federal objectives. Municipalities receive an equitable share and conditional grants for service delivery that

satisfies both community needs and national government goals. To determine the amount to which infrastructure backlogs have been reduced and the effectiveness of the spend, the Department of Planning, Monitoring and Evaluation performs is mandated to provide a thorough analysis of expenditure outcomes every end of financial year linked with infrastructure conditional grants in provinces and municipalities (Republic of South Africa, 2022b). The Auditor General of South Africa is produces audit reports every end of financial year detailing how government entities have performed against various government legislation and the DoRA. The infrastructure conditional grants to local government district municipalities are the following:

- Municipal Infrastructure Grant (MIG) – transferring officer is COGTA
- Water Services Infrastructure Grant (WSIG) - transferring officer is DWS
- Integrated National Electrification Programme Grant (INEP) – transferring officer is Department of Energy
- Regional Bulk Infrastructure Grant (RBIG) – transferring officer is DWS
- Rural Roads Asset Management Systems (RRAMS) – transferring officer is NDoT
- Public Transport Network Grant (PTNG) – transferring officer is NDoT
- Municipal Disaster Recovery Grant (MDRG) – transferring officer is COGTA

Out of the 7 conditional grants listed above, the MIG is the largest and most utilised infrastructure grant that is available to local government district municipalities. In addition to COGTA fulfilling its mandate as the transferring officer by publishing yearly the MIG conditional grant framework, COGTA has further published guidelines, frameworks and an information management system aimed at improving project management, project governance and reporting on projects funded by MIG.

COGTA further included an allowance in the grant allocations for municipalities to fund the operations of project management units. Municipalities may utilise up to 5% of their grant allocation for a project management unit. The guidelines assisted communities in getting more benefit from these units. COGTA further intended to use this incentive to monitor municipalities' long-term adherence to the guideline's best practices by requiring municipalities applying for grants to submit business plans for their project management units.

Should municipalities be granted access to all 7 conditional grants, in a 12-month period, a municipality will have to adhere to 7 different conditional grant frameworks, project, governance and project governance systems requirement and that is excluding the compliance and reporting requirements as outlined in the IDP, DORA requirements for equitable share funding and various day to day operations of the municipality. A further challenge faced by local government district municipalities in terms of the conditional grants is that the financial periods of the district municipalities is not aligned with the financial periods of the transferring officers, national and provincial government (i.e., financial period for local government runs from July to June and national and provincial government financial period is from April to March).

In addition to these legislations, specific guidelines and instructions have been gazetted through the relevant National and Provincial government departments to improve on infrastructure and service delivery. National Treasury as the primary custodian of the South African fiscus and required by legislation have further issued to the various government spheres guidelines and instructions to follow. As a supplementary intervention to further strengthen the capacity of government to implement and achieve service The National Treasury instructions include, the standard called Infrastructure Delivery Management

System (IDMS) introduced in 2012 with the objective of providing public service departments including local government with a system for the delivery of projects that includes the processes and deliverables that a municipality is accountable for (National Treasury, 2012). It also provides the guidelines on the roles and responsibilities of the officials within the municipality in terms of implementing IDMS at project and programme management level and at Portfolio Management level. In 2020, National Treasury following consultations with stakeholders from the district municipalities and government entities on the application of SIPDM, a revision to the directive issued to all government entities to comply to the SIPDM in 2015 was revised. This was due to the municipalities raising concerns about the requirements of the system. The concerns were:

- Lack of internal technical capacity to resource the required system structures by the SIPDM (i.e., lack of professionally registered engineers and financial management experts in supply chain management to sit on the committees)
- Over-reporting required in addition to the reporting requirements from the systems in addition to the SIPDM and the various other reports required by municipal systems.
- Lack of applicability of the SIPDM to local government, district municipalities.

A new directive was then issued with a new framework titled Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIDPM) (National Treasury, 2020b). LGFIDPM and SIPDM still aligned to IDMS and worked on the same project governance principles as IDMS (National Treasury, 2020c). To further support and address the lack of compliance to the above directive, a new Infrastructure Planning and Appraisal guideline was issued to local government institutions with the objective of assisting them with an actual methodology of preparing and appraising infrastructure project investments aligned to the LGFIDPM (National Treasury, 2022b).

IDMS also follows the Project Management Institute's project management best practice and includes the stage gate approval project (Project Management Institute, 2017). The principles of SIPDM aligned with those of the IDMS and entailed (National Treasury, 2012):

- Recognize the differences between the various procurement methods, as they provide various problems and call for various skill sets.
- Rather than treating each project independently, adopt a strategic approach to procurement above the project level to balance conflicting aims and priorities.
- Develop mutually beneficial connections with the private sector.
- Increase professional capability for supply chain management through education and certification.
- Include control mechanisms to evaluate financial worth.

These systems and processes taken as a whole, along with a performance management system, create the institutional system for the delivery of infrastructure for the South African Government at all three spheres of government. Through a stage-gate review procedure, the SIPDM (a component of the government's IDMS) develops control systems for the planning, design, and execution of infrastructure projects as well as infrastructure procurement (National Treasury, 2015a). In 2022, National Treasury published the Infrastructure Planning and Appraisal Guidelines to support and ensure that the FIPDM requirements are met at the start of the project including the development of project business cases and project charter stage of a project (National Treasury, 2022b).

Despite heavy investment by government to address the problems above through IDMS and SIPDM across all government levels especially at district municipalities through the roll-out of IDMS and various other in district municipalities including training and development of political and administrative officials in finance and procurement, problems with poor

planning, lack of infrastructure service delivery still persist and this has resulted in the study from National Treasury (National Treasury, 2022a).

To execute the mandates allocated to them, municipalities are structured as per Section 2(b) of the Municipal Systems Act, 1998 to comprise of the following structures and stakeholders:

i) political structures including the municipal council, audit committees, oversight committees like the Municipal Accounts Committees (MPAC) , ii) administration including the office of the municipal manager and the appointed directorates and iii) community members residing in the geographical and district the municipality falls under including the ward committees, ward councillors and community development workers, business forums and etc. (Republic of South Africa, 2000; Republic of South Africa, 2022a). The directorates in municipalities serve as the administrative arm of the structures and serve as the custodians of service delivery and infrastructure development in the municipalities.

### **2.3 SOUTH AFRICAN LOCAL GOVERNMENT PROJECT GOVERNANCE SYSTEMS**

The South African constitution, Section 154 compels national and provincial government to provide support to municipalities (Republic of South Africa, 1996). The support includes the national and provincial government departments providing technical, governance and service delivery support to the municipalities. The national and provincial government departments perform the function in line with Section 154 of the constitution by establishing technical support departments or agencies. For example, Municipal Support Agency (MISA) is an extension of CoGTA based on the Section 154 obligation, Government Technical Advisory Centre (GTAC) for National Treasury and Water Research Commission for the Department of Water and Sanitation (Republic of South Africa, 1996). The same applies to the South Africa Local Government Association (SALGA). SALGA is an organised local government reporting

only to Parliament, National Council of Provinces (NCOP) as per the Constitution of Southern Africa (Republic of South Africa, 1996). The constitution also in terms of Section 216 mandates the National Legislation to establish a national treasury and prescribes measures to ensure transparency and expenditure control in each sphere of government, by introducing uniformity through systems (Republic of South Africa, 1996).

To regulate the working relationship between national, provincial, and local government spheres, intergovernmental systems were put in place including the establishment of intergovernmental structure in each province. The intergovernmental structure of South Africa is built on the idea of collaboration between the three levels of government—local, provincial, and national. While some tasks are assigned to a particular sphere, the three spheres share responsibility for many other tasks including the tasks detailed in Section 154 of the Constitution. The key elements and principles of the intergovernmental framework are: i) accountability ii) transparency and good governance iii) mutual support iv) redistribution v) vertical division vi) revenue sharing vii) Broadened access to services and viii) responsibility over budgets. **Table 1** below is the legislation applicable to the district municipalities in this research report.

**Table 1: Government Legislation applicable to District Municipalities, (Department of Water Affairs and Forestry, 2005)**

National Legislation	Local Government Legislation
<p><b>Constitution of South Africa (Act 108 of 1996)</b> assigns the responsibility of service delivery to local government. The role of the national and</p>	<p>The <b>Municipal Demarcation Act (Act 27 of 1998)</b> provides a legal framework for defining and implementing a post-transitional system of local government.</p>

<p>provincial spheres of government in local government.</p>	
<p><b>Intergovernmental Fiscal Relations Act (1997)</b> It establishes the Budget Forum, where local government concerns are considered as part of the national budgeting process.</p>	<p>The <b>Municipal Systems Act (Act 32 of 2000)</b> - It establishes how the national and provincial governments will set systems and oversee local government. Includes a chapter on the requirement and content for an IDP.</p>
<p><b>Intergovernmental Relations Framework Act (2005)</b> - The framework provided by this Act can be used to create interstate forums and methods to speed up the resolution of intergovernmental disputes.</p>	<p>The <b>Municipal Structures Act (Act 117 of 1998)</b> This Act outlines the creation of various municipal forms as well as the separation of duties and responsibilities between local and district municipalities. Additionally, it governs the internal operations, organizational layout, and responsibilities of municipal officials.</p>
<p><b>Division of Revenue Act (current is Act 5 of 2022)</b> assigns project, governance, and project governance requirements to funding recipients.</p>	<p>The <b>Municipal Structures Amendment Act (Act 33 of 2000)</b> Unless a local municipality is permitted to execute this job, the duty of providing access to water services (as well as health and electricity) is delegated to the district level.</p>
	<p>The <b>Local Government Turnaround Strategy</b> which introduced the requirement for Integrated Development Plan (IDP)</p>
	<p>The <b>Municipal Financial Management Act (Act 56 of 2003)</b> – sets out the requirements for monitoring, controlling, and reporting on municipal finances and expenditure</p>

Figure 2 below shows summary of the various legislation and systems that exist in the South African Local Government environment. The figure was prepared by SALGA in 2022 showing the complexity of the system that municipal officials operate under to implement infrastructure (South African Local Government Association, 2022).

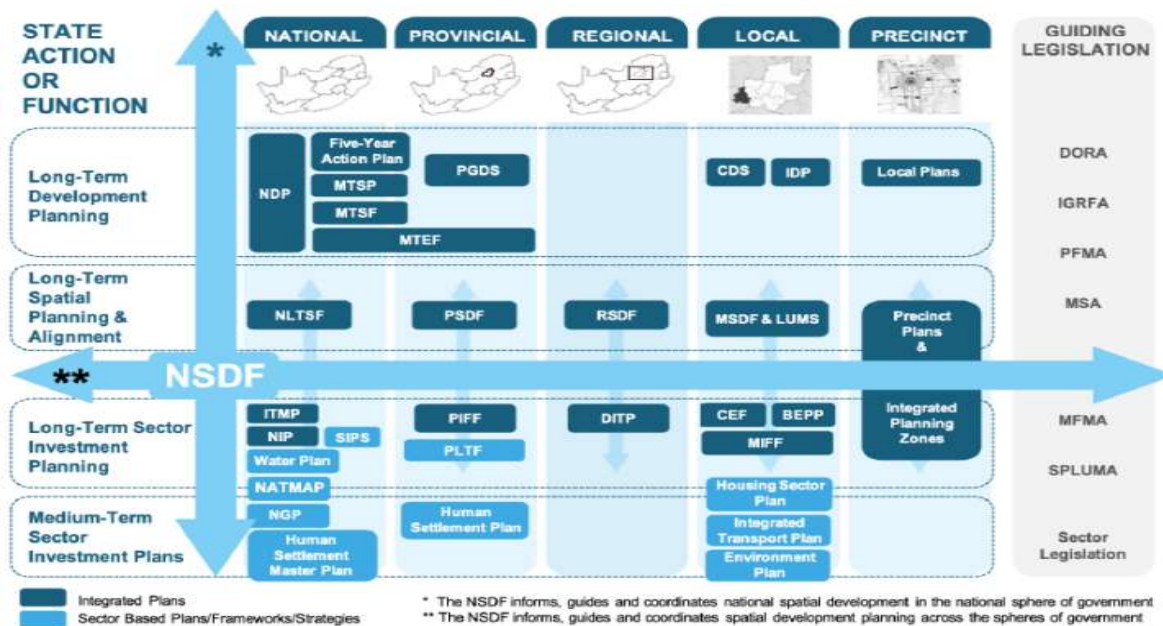


Figure 2: Existing infrastructure delivery legislation and systems in local government, (South African Local Government Association, 2022)

All the legislations, systems and frameworks including the Municipal Finance Management Act 56 of 2003 (MFMA) all impose requirements and conditions for governance. By default, the systems and frameworks become a part the governance and project governance systems used by the district municipalities. The consolidated annual Local Government Report is one several documents which report on the state of the management of projects, governance and project governance within government, local government and district municipalities performed against the identified key performance areas of the LGMIM. The public sector’s reports are also supported by private sector initiatives and reports that detail the poor performance of municipalities (COGTA, 2022).

Due to lack of internal capacity within local government, professional services providers are used during the procurement, engineering design and construction of these projects to deliver the project objectives. This introduces additional external stakeholders to the project that have their own organizational governance systems and project objectives to achieve independent of the governance requirements and objectives of the stakeholders within local government, public service (Khan et al., 2021).

## **2.4 DEFINING GOVERNANCE AND PROJECT GOVERNANCE**

Oxford English Dictionary (2000) defines governance as the act or process of governing or overseeing the control and direction of something or the way something is governed or regulated or method of management, system of regulation or controlling, directing, or regulating influence or control or mastery.

COGTA (2019) defines governance as the method by which management and leadership are practiced the way planning, budgeting, procurement, delivery, financial management, and performance management are done.

Project Governance is a project management methodology (PMM) and tool that can help organizations and stakeholders to proactively identify and manage risks during the execution of a project and help avert project failure (Zhai et al., 2020). There is a section of the project management research that addressed project failure and the cause of project failure in developed and developing countries (Pinto, 2014).

Various organisations adapt different definitions, approaches and different methods for project governance (Bekker & Steyn, 2009a; Garland, 2009). The two most dominant definitions of project governance are project governance being a system that allows projects

to achieve organizational objectives and facilitate the performance of projects that is in the best interest of all stakeholders, internal and external, and the corporation itself (Müller, 2009) and project governance being a system for decision making (Garland, 2009). Other authors in research literature cited in this research report have proposed that the definition of project governance needs to extend beyond the decision making, controlling, directing, contract management, resource allocation through processes and policies narrative and include organizational justice (fairness) to introduce fairness into project governance (Unterhitzenberger & Moeller, 2021).

Researchers like Bekker, Steyn, Brunet, Aubry, and others have introduced the definition, system, and framework for large or major or mega capital projects. They argue that the definition, system, and framework for project governance for large or major or mega capital projects has not been explored in academic research to date and this has led to incorrect application of project governance systems in large or capital extensive projects (Bekker & Steyn, 2006; Bekker & Steyn, 2009b; Brunet & Aubry, 2016). Their research has introduced the definition and system for project governance on large or major or mega capital projects.

Pinto (2014) puts forward the concept of normalization of deviance through project governance as part of the research journey of project governance addressing specifically the application of project governance and associated systems as the next step moving from solely focusing on definitions, structures, and systems to be used.

Bekker (2015) introduced the definition of governance and project governance being about the rules of engagement between the transacting parties. He further explains that governance as being about guiding the behaviour of all the stakeholders of the project. Project governance also serves the purpose of offering a systematic mechanism for tracking and

communicating project progress, which improves stakeholder participation and influences project decision-making.

Brunet and Aubry (2016) argued that governance systems for public projects have only really been looked at in terms of how they affect performance, with little thought given to how they work in terms of theory within public administration. This is due to the author's belief that the literature on public administration can broaden our theoretical comprehension of project governance utilized in governance systems for significant public projects. There have been other researchers that in addition to looking at governance of public government projects, there has also been research development on governance and project governance in the context of government and non-profit organizations.

Turner (2020) explored the impact of project governance in organizations and the impact of project governance on decision making. Further to that, he introduced the concept of the six areas of organizational psychology that impact decision making and further explored in this paper how governance influences those six areas. In the same paper, he concurred somewhat with authors like Ralf Müller and Rodney Turner, saying that there are three levels to governance in an organization. They are: i) the board of directors (project board or steering group), ii) the context of projects, encompassing portfolios, programmes, and project networks and iii) within the project(s) itself.

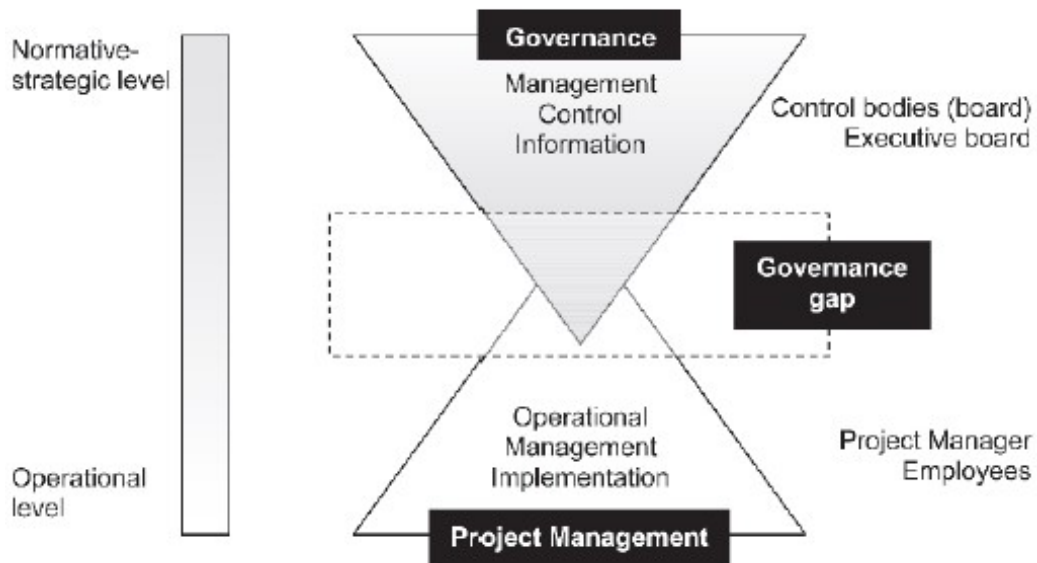
Song et al. (2022) proposed that project governance has three primary functions: i) Ensure that the project strategy aligns with the corporate and or business strategy, ii) make decisions about the project that fall outside of the PM's delegated authority and iii) provide business oversight on the project. Ruuska et al, (2011) in defining project governance identified that there are three main categories of project governance systems (Ruuska et al., 2011). They

are: i) single firm's governance scheme with its multiple projects, ii) multi-firm projects where various companies engage in contractual agreements, and iii) projects as hybrid or network like structures involving multiple interconnected actors relying on the presence of one supreme hierarchical authority.

In terms of project governance, there isn't a universally agreed upon definition or system or framework. Various project-based organisations adapt different approaches and different methods for Project Governance (Bekker & Steyn, 2009a). Most of the research available to date focuses on single-owned projects and the project governance system is based on the organization implementing the project being the single owner of said project. This however does not take into consideration that most projects conducted by district municipalities are not single owned. There are multiple project owners whose project governance requirements and corporate policies need to be factored into the project governance system adopted by the project. It is noted that there is a call from researchers in the field to extend the research and include large or major or mega capital projects which likely have more than one owner and more complexity (Brunet & Aubry, 2018).

## **2.5 RELATIONSHIP BETWEEN PROJECT GOVERNANCE & CORPORATE GOVERNANCE**

There is an argument that the formation of the principles of project governance have been adopted from corporate governance principles (Alvarez-Dionisi & Turner, 2012; Bekker, 2014; Bekker, 2015; Bekker & Steyn, 2006; Bekker & Steyn, 2009a). Research into project governance has initially focused on how project governance links to corporate governance to the extent that researchers looked at what has been termed as the governance gap as per **Figure 3** below.



**Figure 3: The governance gap (Renz, 2007).**

The most common governance field in the management field is corporate governance (Klakegg et al., 2008). Corporate governance is defined as a structure of rules, practices, and processes used to direct and manage corporations (Klakegg et al., 2008). Available literature on project governance suggests that project governance is a subset of corporate governance (Bekker & Steyn, 2009b), with project governance being the basis of interaction between the corporate management and delivery sides of an organization to manage risk, create a good basis for decision making and ensure that the project contributes positively to attaining the business strategy objectives. **Figure 4** below is a figure included in the research by Too & Weaver (2014) showing the relationship between corporate governance and project governance (Too & Weaver, 2014).

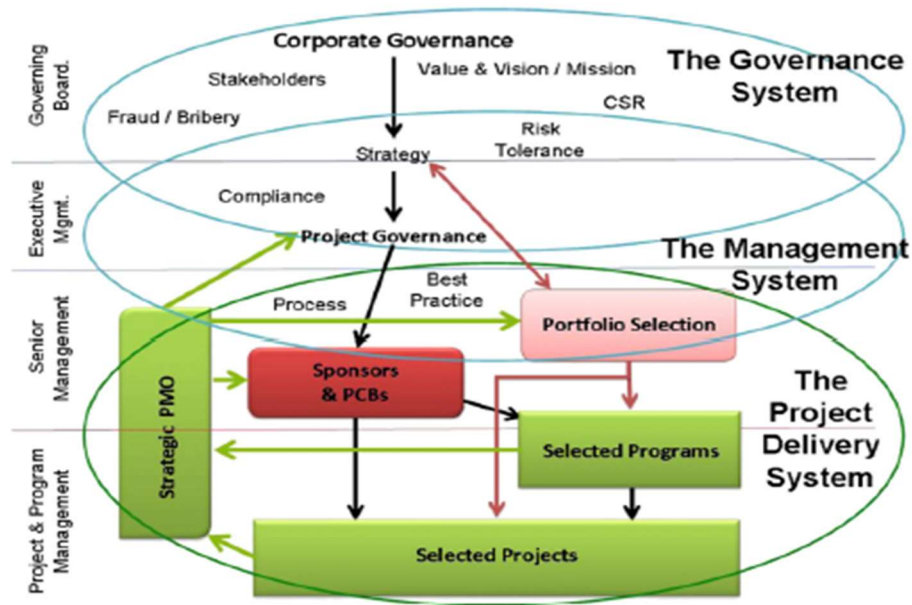


Fig. 4. The project governance framework.

#### Figure 4: the project governance framework – (Too & Weaver, 2014)

The possible link between corporate governance and project governance has resulted in research being done by certain governance institutions. These governance institutions have published peer reviewed literature, foundation theory, project governance systems and best practice. on project governance. The Association for Project Management (APM), Organisation for Economic Co-operation and Development (OECD) in multiple publications have presented definitions and characteristics that represent good project governance. The consistent definition between the three being: i) transparency ii) responsiveness iii) engagement and participation iv) effectiveness and efficiency. All these areas are critical to the development and use of project governance system that will aid projects and assist organizations with managing and executing their projects (Organisation for Economic Co-operation and Development, 2004).

The Institute of Directors Southern Africa (2016) published the King Code which set the performance benchmark for corporate governance in South Africa and has further published

supplements that are applicable to non-profit organisations and municipalities to highlight the key elements of governance within those type of institutions.

Ahola et al. (2014) introduces the concept of there being two streams of project governance (i.e., project governance as internal to a specific project and project governance as external to any specific project. Project Governance in simple terms is defined in academic research by as a concept that connects the corporate governance strategy to the project management actions deployed by an organization (Ahola et al., 2014; Bekker & Steyn, 2008; Bekker & Steyn, 2009a). Project Governance exists within the corporate governance processes of an organization to ensure that the delivery of a project within the organizations assists the organization deliver its goals and objectives. Song et al. (2022) research paper further supports the opinion that project governance is more than a corporate governance process.

## **2.6 RELATIONSHIP BETWEEN PROJECT GOVERNANCE & OTHER MANAGEMENT FIELDS**

Research literature cited in this research report when arguing and proposing governance and project governance systems and frameworks have argued that governance and project governance is linked with other management fields whose foundational theories and best practice can help with governance and project governance. Understanding the relationships involving trust requires knowledge of public administration, financial management, operations management, sociology, and the legal system. These fields may also be able to supply additional information needed to explain and show the function of trust in projects. Power sharing may foster a culture of cooperation and trust, encourage the sharing of responsibility, expertise, and risk, develop strong partnerships, ensure the legitimacy of government, and lessen fragmentation. The time-consuming process of building the confidence necessary to share power, the possibility for impasses and inaction brought on by

improper use of authority, or a failure in collaboration because of a refusal to share power are some challenges related with power sharing. Various trust-building techniques can be used to establish, increase, and supplement trust. In addition to that, the strategy and project decisions made by each stakeholder are influenced by power dynamics and trust. The theory of resource dependency emphasizes the value of resources to an organization and claims that the degree to which they are concentrated by other organizations impacts the interdependence and power dynamics. The strategic decisions that organizations and stakeholders make about whether to collaborate, with whom, and to what extent are influenced by power dynamics and trust. Experiences in the community and with projects are directly impacted by these choices. Trust and respect can be promoted through a mixture of interventions aimed at promotion of personal relationships and establishing agreed rules that govern collaborative delivery. They are applied through the implementation of an effective project governance system.

### **2.6.1 Public Administration**

There is literature cited in this study that stated that public administration research and its body of knowledge also needs to be considered. In local government, a vital role in society is played by public administration, a management discipline that examines the direction of government activities in connection to public policy (Shafritz & Hyde, 2016; Shafritz et al., 2016). This is due to the relationship between what government intends to achieve and what transpires is carried by public policy. Therefore, the goal of all public policies is to achieve objectives that the government has in mind. Because of the social and cultural forces driving government accountability and efficient use of limited resources, one of the major pressure points on the government's policy orientation is public opinion. Making the connection between the doing, the making, and democratic values is crucial. Public opinion places

enormous pressure on the government's policy orientation due to the social and cultural forces that shape society and politics (Shafritz & Hyde, 2016; Shafritz et al., 2016). It is generally accepted that individuals who work in public administration have received training in managing government spheres (local, provincial, and national) and non-profit organizations especially government officials and politicians that occupy leadership positions at the level of municipal councils and oversight committees. This is neglected to be applied to administration staff especially with senior managers in the technical departments of the municipalities. The primary subfields of public administration suggested by Shafritz et al. (2016) include bureaucracy, organization theory, human resource management, the budgeting process, public policy, implementation, and assessment, intergovernmental relations, and public service ethics..

Brunet and Aubry (2018) argued that the application process of project governance needs to be explored in major public projects. Some of the issues in project governance and the challenges faced can be linked to how the process is undertaken for application of project governance. The author further used the practice-based studies approach which entailed an investigation into the discrepancy between what individuals really do in their situated working practices and what organizational systems dictate. These practice-based approaches are anchored in sociology management field. The paper concluded with proposing twelve practices that were observed and the translation of each one in one of the tables included in their research (Brunet & Aubry, 2018).

### **2.6.2 Sociology**

Oxford English Dictionary (2000) defines sociology as the investigation of the formation, makeup, and operation of human society. To understand human behaviour, the good and the

bad, an understanding of societal influences is required. Sociology studies society, which makes it impossible to debate the good or evil of human behaviour without ethics. The same applies to how an organization operates and makes decisions. An organization makes decisions based on the corporate governance procedures and processes applied internally within that organization. Authors like (Klakegg, Ole Jonny & Volden, 2016; Müller et al., 2014; Müller et al., 2013; Pinto, 2014; Turner, 2020; Unterhitzenberger & Moeller, 2021; Zwikael & Smyrk, 2015) who have explored project governance in public projects and the bad side of project governance which relates to human behaviour confirming the need to study project governance through the sociology lens also to understand how human behaviour impacts decision making and influences authority and relations between individuals and teams. Sociology studies increase one's awareness of social interactions, cultural norms, and institutional structures that have a profound impact on both our everyday lives and the path of human history. Finally, sociology and ethics are linked since there is a connection between the individual and society. Man is unimaginable outside of civilization. His concepts of good and evil, responsibility and non-obligation, morality, vice, and tradition are influenced by society.

### **2.6.3 Legal and Risk Management**

Governance and Project Governance entails decision making, responsibility and accountability involving day to day operations of a project that be either associated with the scope of the project, resourcing, quality and or various other project related matters. To ensure that the various oversight committees required to be in place by a project governance system and framework, are in place, capacitated and effective, there needs to have the know how in the roles and responsibilities allocated to them. Government with the use of

consultants to deliver projects in local government, certain expertise also needs to be in place in terms of legal risk management. Legal risk management and compliance refers to the procedures, guidelines, instruments, and frameworks that corporate legal departments employ to adopt, put into practice, and keep an eye on an integrated strategy for solving business issues. Legal risk management refers to the process of assessing various regulatory and non-regulatory solutions to risk and selecting one of them. Even in the legal profession, this process involves knowledge of the legal, economic, and social factors, as well as knowledge of the corporate environment in which legal teams operate. Understanding of working theories must be part of the resources deployed to operate in project governance structures.

#### **2.6.4 Financial Management**

From the analysis of the definitions of finance and management in the English language, Financial management, can be summarised as a management field that deals with a business's financial decision-making and is the management of the flow of funds in a business, it is how an organization manages its money (Oxford English Dictionary, 2000). In terms of governance and project governance, financial management field is linked as is one of the governance elements that must be in place to ensure project success. Financial Management is further entrenched in corporate governance and one of the important aspects that is dealt with extensively in corporate governance as this management field can be a source of high risk and ethical issues that can be faced by an organization (Institute of Directors Southern Africa, 2016; Organisation for Economic Co-operation and Development, 2004). For proper control of the flow of government funds, Republic of South Africa (2004) through Section 111 of the Municipal Finance Management Act 56 of 2003 introduced a supply chain management

model policy. the model provided the specifications and rules that municipalities and municipal institutions' supply chain management systems must abide with. Municipalities were required to create their own Supply Chain Management policies and ensure that the policies are adhered to in terms of the procurement of good and services. National Treasury (2015b) published a further model policy outlining the standards, gateways system requirements, and principles that municipalities and municipal entities must abide by when procuring infrastructure-related services that were linked to the policies, systems, standards, and best practices of the South African construction industry. The goal of the model policy for infrastructure delivery and procurement was to serve as a bridge between supply chain management systems in the public and private sectors. Due to complaints and objections from local government over some of the requirements for the establishment of municipal oversight committees and structures necessitated by the model policy, National Treasury (2020b) published a revised model policy that was communicated to be more in line with the local government environment.

### **2.6.5 Operations Management**

The goal of operations management is to oversee business practices to boost productivity within a corporation. It is one of the business areas that includes monitoring company operations to ensure the effectiveness of project execution. It involves reviewing the project's impact on the business itself and its operations (Reid & Sanders, 2013). Operations management from a business perspective is believed to entail the management of product design and process selection, quality management and control, resource planning, human resource management, supply chain management, strategic alignment, continuous improvement, cost management, technology and system selection and keeping track of

current procedures and evaluating their efficacy (Reid & Sanders, 2013). Governance and project governance can be summarised as a business process and operations management principles and best practice should be utilised to evaluate the practicality and efficiency of a governance and project governance system within a business. The same can be applied to organizations like local government to continuously monitor and evaluate the impact of a governance and project governance system and the various other project governance levels over and above the project itself.

## **2.7 FUNDAMENTALS OF A GOOD PROJECT GOVERNANCE SYSTEM**

Klakegg et al. (2008) defines governance and project governance as an organized structure established as authoritative within the organization, consisting of processes and norms designed to ensure projects achieve their goals and encourage execution in the best interests of all stakeholders, internal and external, as well as the organization itself. They further argue that the project achieving its goals and objectives is a way of defining project success. They propose a systematic checklist consisting of characteristics that can be utilized to evaluate a governance system that can aid achieving project success. The study goes on to suggest that it is vital that governance extends to all levels of the organization, from the board level down to the project level, with management accountable for implementation. The proposed checklist has four characteristics as listed and explained below:

- The process of development – deals with how the system was created, how its implemented, how its maintained and the environment that resulted in the formation of the system (i.e., administrative setting, political setting etc.)
- Embedded governance principles – deals with establishing a shared vision and governance principles of entrenched governance. The principles covered are

associated with stabilizing rules of conduct, differentiating across projects based on complexity, and devising methods to decrease complexity, allocate risk, and initiate governance procedures in response to environmental volatility.

- The structure of the system – includes describing the system's users, components, vertical and horizontal integration, the scope, and management of independent and external interaction, as well as explicitly stated system objectives.
- Detailed governance elements – deals with the comprehensive examination of the impact of the governance principles.

Too and Weaver (2014) argued that a governance system has two primary functions. Based on these two primary functions, they proposed a governance system should contain four elements as discussed below:

- Portfolio management – deals with formation of a governance structure within an organization that minimizes the costs of the inputs required to achieve project outputs and goals. It contributes to the governance process of an organization by ensuring that selected initiatives are aligned with and complement the organization's goal. This characteristic deals with the management of policies, systems, procedures etc. to be used in an organization for decision making, continuous development and implementation.
- Project sponsors – deals with the identification and role of the project funder on the project and the benefits that can be achieved with having an active project sponsor in a project.
- Strategic Project Management Offices (PMOs) - strategic PMOs are concerned with creating a structure that balances the competing needs outlined above while adhering

to the larger corporate governance system, management functions are involved with the process of acquiring, consolidating, and disseminating information and recommendations.

- Effective projects and program management – primarily focuses on the environment on which day to day project activities occur and ensuring that project governance systems are implemented and there is links between the project management level and the executive leadership of an organization responsible for decision making in the organization in terms of the governance system.

Too and Weaver (2014) conclude with the argument that a good project governance system and framework is essentially about achieving the optimal balance between the four elements above.

Too et al. (2017) proposed a conceptual framework that specifies the major functions that the project governance body should perform to enable effective governance and, as a result, value creation from project activity and outcomes. The conceptual framework was formulated by proposing six main functions of project governance. The six main functions are: i) determining the project objective, ii) determining the ethics, iii) creating the culture, iv) designing and implementing the governance structure, v) ensuring accountability by management and (iv) ensuring compliance. They argued that the proposed framework created from the six main functions may assist organizations in developing a good project governance system to maximize project management.

(Brunet & Aubry, 2016) proposed a project governance framework identifying a gap in existing research where it concerns major public projects. They proposed three dimensions to project governance systems in major public projects. They are: i) those of greater government efficiency, ii) legitimacy and iii) accountability. They argue that a project governance system

that can achieve government efficiency through successfully delivering services through projects offer governments an opportunity to improve their role and legitimacy in the communities they serve and that also improves the transparency and accountability of governments to the communities if major public projects are delivered successfully.

Bekker and Steyn (2009a) proposed a conceptual framework for a project governance system that aligns to corporate governance principles. Their proposed framework used the following four principles of corporate governance to populate and test the effectiveness of project governance elements within the four principles by conducting a Delphi study method to solicit responses from participants and thereafter proposing a good project governance system.

- Composition and functioning of the project steering committee – deals with the composition of the governance structures across the project and organizational leadership levels, the required expertise brought by each, the responsibilities of each on the governance structure and potential conflict of interest.
- Cost and benefit management – deals with the financial reporting, disclosures and required controls.
- Project reviews and audits – deals with independent and dependable project reporting and identification of potential project issues in a project.
- Ethical, responsible conduct and conflict of interest – deals with the code of conduct and associated standards for ethical reporting, compensation, safety, health, environment, and social aspects.

They conclude the study by providing a defining for good project governance that aligns with the cited authors in this research paper.

Renz (2007) proposed a project governance model that is made up of six modules that represent the six primary responsibilities. The six modules are:

- System management - deals with how the system was developed, how its implemented, how its maintained and the environment that resulted in the formation of the system (i.e., administrative setting, political setting etc.)
- Mission management – deals with the governance role that directs, supports, and controls projects and their management. Establishes the standards for the governance elements required to achieve project benefits.
- Integrity management – deals with the how ethical and integrity issues on the project will be dealt with.
- Extended stakeholder management – deals with standard to identify, manage, and monitor the wide range of stakeholders who may be involved in a project.
- Risk Management – focuses on risk management, which has been regarded as one of the major duties of project governance. It is about proactively identifying, mitigating, monitoring, and controlling risks that have been recognized and might affect the delivery of successful project objectives.
- Audit management – deals with establishing a standard for internal and external auditing of the project and legal compliance requirements.

Garland (2009) introduced through his research the four principles of effective project governance and assist organizations to establish a project governance system. The four principles are explained below. He utilised the four principles to propose a governance and project governance system that is ideal for effective project decision making to ensure project success.

- Ensure single point of accountability for success of the project – deals with ensuring that the right person with the required level of authority delegated to them is making the right decisions at the right time in the project.
- Service delivery ownership determines project ownership – places emphasis on the importance of a project being defined by the service demand that it satisfies and not just the infrastructure or assets it provides.
- Ensure separation of stakeholder management and project decision making activities – places emphasis on ensuring that the project steering groups, and project teams have an understanding that project decision-making and project stakeholder management are two different matters, and they should be managed as such.
- Ensure separation of project governance structures from organization governance structures – places emphasis to ensure that there is understanding that project governance systems is formed because it is apparent that the organization's governance structure lacks the fundamentals for project delivery.

Association for Project Management (2004) is one of the associations that have echoed and agreed that Garland (2009)'s four principles and the six functions of project governance all form part of what constitutes a good governance system. The APM appears in project governance literature as one of the project managements bodies that have published research on the topic of project governance that is highly cited. Due to that, the APM has published a guideline titled Directing Change - A guide to the governance of project management (GoPM) now in its 3rd edition. They further identify four main components to project governance in the 2nd edition reviewed as part of this research report. The four main components identified by the researchers are also cited in Project Management Institute (2017)'s research.

Müller (2009) argues that the governance of project management is address in relation to four main dimensions which can be used in the development and implementation of a governance and project governance system. They are:

- Portfolio direction effectiveness and efficiency – deals with projects selected to be part of a portfolio of projects for an organization being in line with the organizational goals and objectives.
- Project Sponsorship – deals with ensuring a link between project sponsor executives and the project management team.
- Project management effectiveness and efficiency – deals with the systems in place to ensure that the project team and the project manager are equipped to achieve the project objectives.
- Disclosure and Reporting – deals with the systems in place to ensure that the information required by the organization’s executives for decision making is available and represents the true status of the project in an open and honest manner.

Abednego and Ogunlana (2006) argues that there are eight main characteristics of good governance. They propose that a good project governance model is built based on these eight main characteristics to evaluate the performance of a project, particularly where it concerns the strategic issues around project success and meeting project objectives. They propose that a good project governance system has the following characteristics: i) Right decision at the right time, ii) Contract fairness, iii) Information transparency, iv) Responsive, v) Continuous project control and monitoring, vi) Equality, vii) Effectiveness and efficiency and viii) Accountability. The eight main characteristics were tests within the Public Private Partnerships (PPP) area in Indonesia. Even though the applicability to the South African local government area may not be suitable to test the project governance system proposed, the

main characteristics identified in this study align with some of the characteristics from the other cited systems.

Following an examination of the systems discussed in this section, it can be concluded that the definitions and systems for governance and project governance are very similar in nature and can provide an organization with a basic standard to develop a project governance system including ensuring a clear understanding of the important roles and structures required. There is overall industry agreement of the principles, elements and characteristics that make a good governance and project governance system.

## **2.8 FUNDAMENTALS OF A GOOD PROJECT GOVERNANCE STRUCTURE**

Available literature on project governance and corporate governance detail what the capacity and accountabilities each of these roles have and how an organization should go about filling the roles. The following researchers have argued best practice for the establishment of governance and project governance structures.

Turner (2009) summarises that there are at least four project governance roles in a project governance system if you exclude the client manager as a project governance role. The roles are: i) Sponsor ii) Steward, iii) Project Manager, and iv) Project Owner.

Alie (2015) proposed **Figure 5** below as the key roles that are necessary for establishing and maintaining a project governance system.

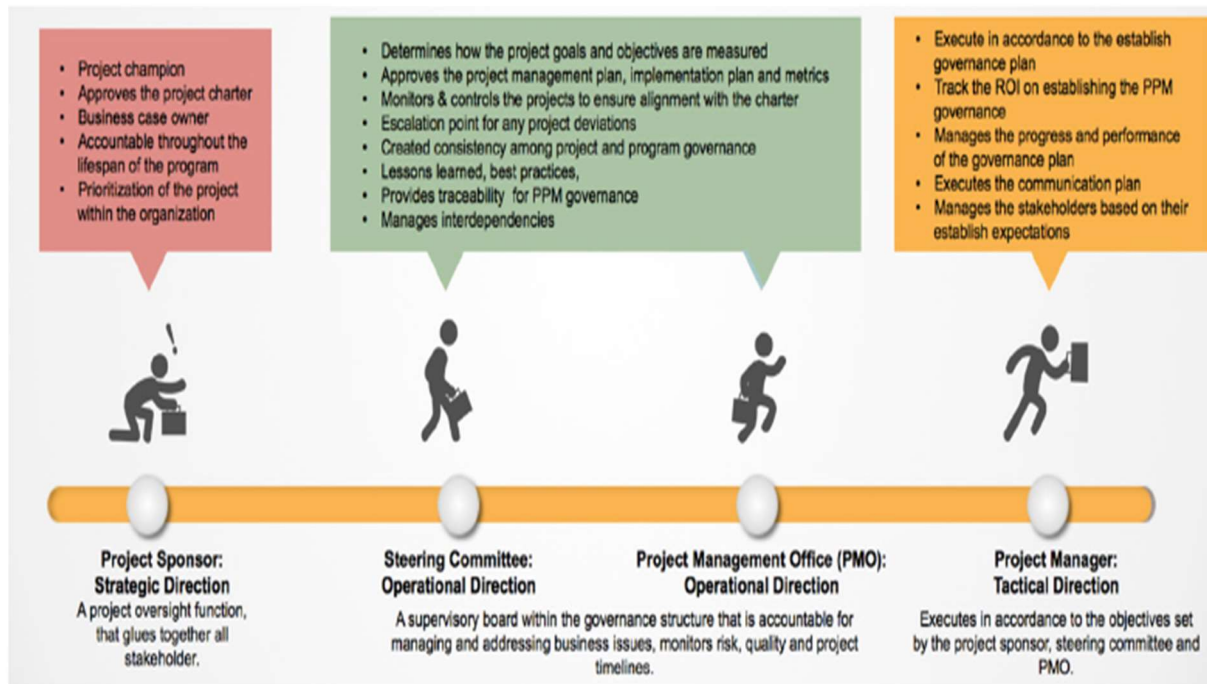


Figure 5: Project Governance required roles and responsibilities (Alie, 2015)

Renz (2007) following proposing a governance framework, they proposed roles and structures for project governance as below:

- The governance board - guides and manages a project's strategy, structure, and, to some extent, cultural factors in a project and organization.

Müller (2009) argued that governance and project governance is linked with corporate governance and through that link, the following roles are required to implemented in an organization to ensure effective implementation of a project governance system:

- The governance board - guides and manages a project's strategy, structure, and, to some extent, cultural factors in a project and organization.
- The project sponsor – the role in project governance occupied usually by the funder of the project. The role in other cited literature is referred to as the project owners who have the most to gain in the realization of project benefits and goals.

- Project Steering Committees or Groups – consists of the various stakeholders from the project organizations implementing project governance system.
- Project Manager – the role given to the person responsible for the day-to-day project activities on behalf of the project steering committees or groups.
- Strategic Project Management Offices (PMOS) – role is to set the standards and goals to be achieved in terms of project management. They also guide on project management best practice application, reporting and auditing standards.

Garland (2009) argued that the following roles are crucial for the establishment of an effective project governance system and associated structures:

- Project Owner - single point of accountability for the success of the project.
- The senior user – the senior most representative of the users of the service to be delivered by the project and responsible for articulating the needs and requirements of the end-user on the project.
- The senior supplier – represents the organization that will deliver the assets to ensure the needs and requirements of the senior user are met. The senior supplier can be internal or external to an organization depending on the availability and capacity of the delivering organization.
- The project director – is responsible for driving the project on behalf of the project owner.
- The project board – represents the team that the project owner designated to deliver the project, with the project owner serving as the board's chair. The project board consults reports, and information provided by the project manager and team before making decisions on the project.

The authors cited in this section of this research study propose project governance structures that are similar in nature and all of them aimed at clarifying the responsibilities and accountabilities for each role required for project control and decision making. The structures proposed by the authors also align with the structures proposed in existing local government project management and project governance systems discussed in this research report.

## **2.9 BENEFITS OF USING PROJECT GOVERNANCE SYSTEMS IN PROJECT EXECUTION**

More and more organizations are embracing project governance as a solution to improve project performance (Ahola et al., 2014; Bekker & Steyn, 2008; Bekker & Steyn, 2009b; Joslin & Müller, 2016). It is understood that good project governance is key for the successful execution and completion of projects in various organisations as project governance addresses how risks and decisions, authority and accountabilities are assigned between the project team and the organisation's executive (Bekker & Steyn, 2009a; Turner, 2020).

Alie (2015) argues that project governance includes all the key aspects that lead to a project's success. She goes on to say that project governance must be suited to the needs of the company, and that there are eight factors to consider. The eight factors she proposes influence how you establish, implement, monitor, and oversee the governance system for your project, program, or portfolio. She further quotes the definition of project governance from the PMBOK and believes that there are two critical components to the PMBOK definition that need to be emphasized when talking about project governance. These components are alignment with organization's governance and longevity, monitoring and controlling of the governance plan. She also discussed how the latter critical element is achieved during the project lifecycle as per **Figure 6** below.

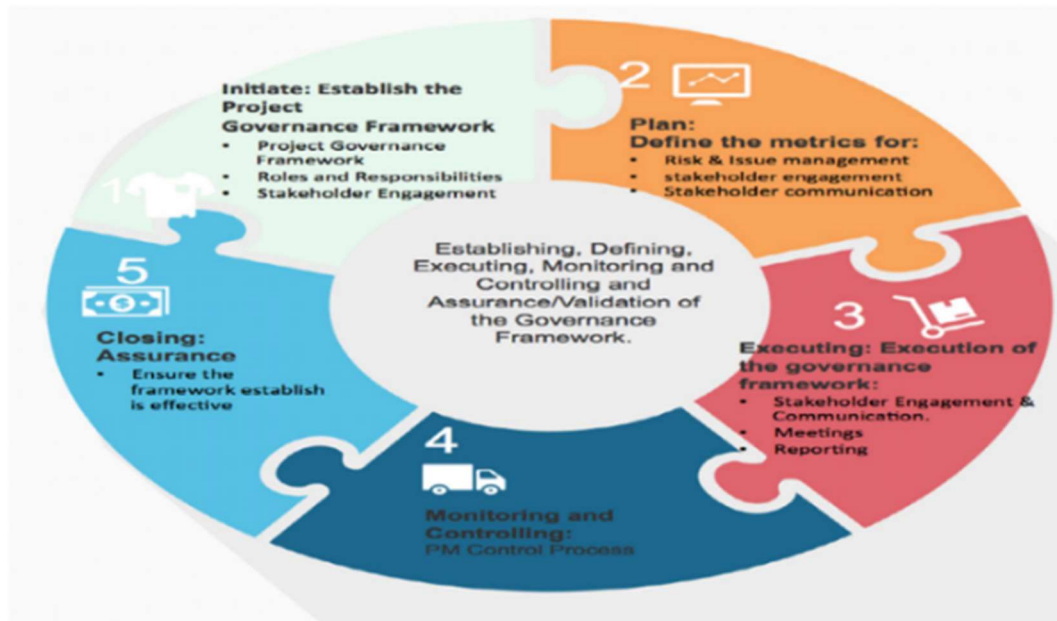


Exhibit 1: Cyclical project governance framework and eight underlying governance components.

Figure 6: Project governance system application during project execution, (Alie, 2015)

Lastly, she outlines the following as the key benefits of project governance:

- a) Single point of accountability.
- b) Outlines roles, responsibility, and relationships among project stakeholders.
- c) Issue management and resolution; and
- d) Information circulation and transparent communication.

O’Leary (2012) presents three justifications in his research that the necessity of a project governance system. The first one is, project leaders wouldn't generate the best results if left to their own devices, therefore project governance mechanisms include a system for checks and balances. The second one is, the governance system would give different stakeholders a means of acting jointly, balancing their perspectives and interests to accomplish shared project objectives. A single point of accountability is finally provided by the mechanism, which also delineates decision points and the structure of delegation within the boundaries of authority. The third justification, the mechanism defines decision-making processes and

delegation structures within predetermined boundaries of authority, so creating a single point of accountability.

## **2.10 THE ROLE OF PROJECT GOVERNANCE IN PROJECT SUCCESS**

Turner et al (2010) advance the argument that there are two schools of thought when it comes to research on project success (Turner et al., 2010). The first school of thought is that project success involves looking into project success factors as independent elements that contribute to project success. The second school of thought is believed to concern project success criteria as dependent variables which are used to measure project success.

Pinto and Slevin (1987) introduce the ten critical success factors that need to be in place to conclude that a project was indeed a success. Various other researchers have provided factors or criteria to define and evaluate project success, including the well-known iron triangle, parameters: cost, time, and quality. The alternative model introduced by Pinto (2007) illustrated four relevant dimensions of success which included: i) Project efficiency ii) impact on customer iii) business success and iv) preparing for the future (Pinto, 2007). He further introduced the ten-factor success model for project implementation and confirmed that the Client and not the project manager is the mediator of project success (Pinto, 2007).

Bekker and Steyn (2009a) stated that the success factors differ based on the project's size, sector, and intended strategic course. Project management may be seen as a project success factor and project governance is regarded as a project management factor since there has been a clear separation made between the two.

Bekker and Steyn (2008) explored the impact of project governance principles on project performance and concluded that with governments and the private sector increasing

investment and project capital expenditures, formalizing 'project governance' has become a must. Joslin and Müller (2016) explored the impact of project governance on project performance in the context of project governance being a project management methodology and project governance being one of the tools in project management methodology. They concluded that project governance acts as a “quasi-moderator” in the relationship between project management methodology and project success on a project to aid project performance.

Musawir et al. (2017) introduced a model that could be used to explain the theory of how project success can be achieved through project governance. The model is based on the advancement of the arguments from (Zwikael & Smyrk, 2015) that a robust benefit management process to guide, manage, control and achieve project objectives in a project. Musawir et al. (2017) argue that the project's intended outputs are known as benefits, which is why organizations undertake and invest in projects. Such project benefits can be measured in terms of the positive impact the project creates for the project environment and project stakeholders.

The paper further argues that within a benefits management process, project governance is one of the key factors considered. The study concludes that effective project governance has a positive impact on benefits management within a project and that both project governance and benefits management process have a positive impact on project success dimensions.

The three project success dimensions proposed in the study are: i) project management success ii) project ownership success and iii) project investment success. Zwikael and Smyrk (2012) proposed a departure from the iron triangle method of evaluating project success by proposing a model that evaluates project success based on the value or worth a project

delivers at three levels of a project and associated stakeholders. The model is based on the principle that the success of project is determined by its achieved worth as determined by the funding organization. The three dimensions of project success proposed in the study are: i) project management ii) project ownership, and iii) project investment. They proposed this model due to the belief that These three criteria enable independent judgments to be made regarding the respective performances of the project manager, the project owner, and the investment represented by the initial funding choice.

Overall, there is wide acceptance in the industry that project governance can result in positive project outcomes and project success even though there is still gaps in the definition of project governance or a consolidated project governance system that bridges theory to practice (Musawir, Abd-Karim & Mohd-Danuri, 2020).

## **2.11 CHAPTER CONCLUSION**

Project governance is a project management methodology that places on an organization the demand to have a system that assists the organization to deal with issues around the control and monitoring of strategy, structure and culture that are conducive for project success at various organizational levels. The literature reviewed in this Chapter gave a better understanding of what project governance is, what are its benefits and how an organization can adopt and tailor one of the available project governance frameworks develop and implement project governance systems to achieve better project outcomes.

## CHAPTER 3: RESEARCH METHODOLOGY

### 3.1 CHAPTER INTRODUCTION

This Chapter provides a detailed description of the research methodology utilised in this research study. This chapter is drafted following the (Saunders et al., 2019) research outline also known as the research onion. The section will detail the different research concepts in best practice and provide details of the researcher’s approach to complete the study as per the research onion (Saunders et al., 2019).

Saunders et al. (2019) “Research Onion” as shown below has been followed in determining the research method for this report.

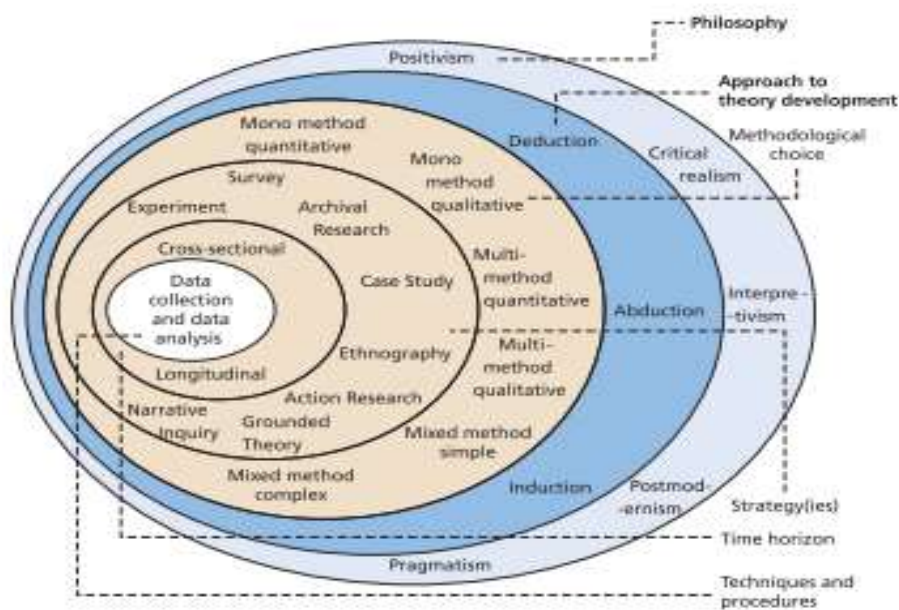


Figure 4.1 The 'research onion'  
 Source: ©2018 Mark Saunders, Philip Lewis and Adrian Thornhill

Figure 7: The research onion

### **3.1.1 Research Paradigm**

Sheppard (2021) defines research methods as a methodical process of investigation used to discover something about our social reality. Various research methods exist with the recognition that there is different worldview or philosophical views that researchers take when initiating. There is four types of worldviews: i) positivism, ii) interpretivism, iii) realism, and iv) pragmatism (Saunders et al., 2019; Sheppard, 2021; Yin, 2015).

### **3.1.2 Research Approach**

The researchers approach to research can be defined using one of two paradigms, inductive and deductive approach (Merriam, 2002; Sheppard, 2021). A third approach was introduced by Saunders et al. (2019):

- Inductive research methods begin with the idea to search for patterns, from which a preliminary hypothesis is constructed to establish a theory.
- Deductive techniques begin with a theory and progress to hypotheses. Observations then lead to the confirmation or rejection of theories.
- To begin with, abductive research methodologies are used.

There are three approaches a researcher can take when undertaking research. Each of the three research approaches having their own benefits and negatives and also being influenced by the researcher's philosophy (Sheppard, 2021):

- Exploratory - Exploratory researchers may occasionally be just beginning to investigate their subjects.
- Descriptive research - The purpose of descriptive research is to define an occurrence.

- Explanatory research - The third category of research that seeks to provide "why" explanations is called explanatory research. In this case, the researcher is trying to identify the causes and effects of the event being looked at.

### **3.1.3 Research Philosophy**

It is also recognised that within the research world, a researcher takes a certain perspective into research that guides the way the researcher conducts the research. The perspective taken is commonly referred to as a paradigm and those paradigms fall within two commonly known perspectives, Ontology and Epistemology (Sheppard, 2021). Merriam (2002) puts forward the argument that there are four research paradigms that have an impact on the way a research study is undertaken and the chosen research method. They are epistemology, ontology, human nature, and axiology:

- Ontology - the study of the nature of reality of an occurrence. Ontology is divided into two categories: objectivism and subjectivism.
- Epistemology - is concerned with knowledge. Epistemology, as opposed to being concerned with what is, is concerned with how we know what is. There are several methods for discovering knowledge in sociology.
- Human Nature - the general psychological features, feelings, and behavioural tendencies that all people share.
- Axiology - the study of the nature, kinds, and criteria of values and value judgements, particularly as applied to ethics (Saunders et al., 2019).

## 3.2 RESEARCH DESIGN AND METHODOLOGY

### 3.2.1 Research Strategy

A researcher can choose to go about their research study utilising three research designs that are widely accepted in research. These are: i) qualitative research, ii) quantitative research and iii) mixed methods research (Sheppard, 2021). The two most common methodologies are qualitative and quantitative, with quantitative research serving as an illustrative positivist approach and qualitative research serving as the fundamental structure of the interpretivist approach. **Table 2** is from Sheppard (2021) showing the differences between qualitative and quantitative research methods.

**Table 2: The distinctions between qualitative and quantitative research, (Hancock, Ockleford & Windridge, 2007; Sheppard, 2021)**

Quantitative Research	Qualitative Research
emphasizes the possibility that individuals or groups of individuals may have different perceptions of reality	focuses on techniques of describing and comprehending reality via the development of general "rules"
takes complexity into consideration by applying real-world context - can consider several points of view	takes complexity into account through explicit specification of the point of interest and procedures that allow extraneous "noise" to be discounted
investigates behaviour in natural settings or utilizes people's accounts as data. No factors are normally manipulated	includes manipulating certain factors (independent variables) while holding other variables constant

	(extraneous and confounding variables).
focuses on experience reports or facts that cannot be stated mathematically	use statistical tools that enable us to discuss how probable something is "true" for a specific population in an objective or quantitative sense.
focuses on description and interpretation and may result in the creation of new concepts or theories, or in the evaluation of an organizational process	focuses on cause and effect - for example, performs an experiment to test (or try to refute) a theory
uses a fluid, emergent, yet methodical research method	necessitates that the research process be outlined ahead of time

### 3.2.2 Qualitative approach

Qualitative research is defined as a technique used to comprehend processes, describe poorly understood occurrences, discern between stated and put into practice theories or policies, and find previously unidentified contextual factors (Merriam, 2002; Yin, 2015). Yin (2015) lists that there are twelve methods that can be used to conduct qualitative research. Each type having its own purpose, process, positives, and negatives. According to Merriam (2009), the technique entails asking the what, how, and why questions, which would lead to the collection of data. This would involve gathering, organizing, describing, and interpreting qualitative data, most of which would be vocal, visual, or textual.

The objective of the qualitative technique is to get a deeper understanding and experience of a phenomenon from the perspective of the research participants. This methodology lends itself to inductive reasoning (Merriam, 2009). Inductive reasoning, which is commonly connected with qualitative research methods, employs observations that may be limited in scope to develop generalizing arguments and conclusions.

### **3.2.3 Mixed method approach**

The mixed method approach is the use of both the qualitative and quantitative research approach in the study to investigate the research problem at hand. Academic research has defined mixed methods research as a more of an approach to investigating a research problem than a methodology. It further has the goal of combining the strengths of quantitative and qualitative data collection methodologies to create a holistic interpretive system for creating potential solutions or new understandings of the situation (Sheppard, 2021).

### **3.2.4 Quantitative approach**

Qualitative research method is defined in academic research as a research approach that produces numerical data and factual facts to quantify the problem and applies statistical and mathematical tools to get a decision. It use statistical tools to determine how likely a phenomenon is for a specific population in an objective and measurable manner. Experimentation is used to confirm or refute a hypothesis, with a focus on cause-and-effect linkages. It is necessary to define the research procedure in advance (Sheppard, 2021).

## **3.3 THE CASE STUDY METHOD**

The case study method is one of the approaches that can be followed in qualitative research. Yin and Campbell (2018) provide an example of a case study and describe it as empirical

research of a contemporary occurrence within its real-world setting, especially when the boundaries between the phenomenon and context are unclear. They further explain that a case study inquiry should be performed when the researcher specifically wishes to look at the phenomenon's background. Merriam (2009) explains that rather than speculating about the phenomenon and then verifying what was speculative, case studies are chosen by academics who have an interest in discovering, comprehending, and interpreting the phenomenon. Yin and Campbell (2018) indicate that there are three case study methodologies, each of which depends on the research topic to be addressed, the researcher's ability to influence the behavioural occurrences, and the degree to which contemporary events are emphasized relative to purely historical ones:

- Explanatory case study: a case study that explains how or why a certain scenario occurred.
- Exploratory case studies have the aim of determining the research topics or methods to be applied in a later research study.
- A descriptive case study is one that "seeks to characterize a phenomenon (the case) in its actual setting.

In case study research, one can either use single-case design or a multiple-case design. Yin and Campbell (2018) provide the following definitions and summary of each:

- Single-case design – it's the use of a single-case to represent the test of a significant theory based on a single-case. The case represents an extreme or unusual deviation from theoretical norms or everyday occurrence. The researcher in this instance can observe and analyse the occurrence on a single-case. The occurrence can be observed and analysed over a span of time in one occurrence.

- Multiple-case study method – A case study can contain more than one case and can occur in the format that each case is subject to its own field work before arriving at findings and conclusions can be made per case and the compared per case across the individual cases forming part of the case study. This design when used can provide more compelling evidence and outcomes in the study of a research problem than a single-case design.

A descriptive multiple-case design was selected for the investigation of the project governance systems challenges in the EC due to the multiple-case design providing compelling evidence of the research problem in the local government sphere.

### 3.4 RESEARCH METHOD APPLIED TO THIS RESEARCH REPORT

The research question in this report as stated below is asking the why question and therefore the research approach most suited this form of study is the qualitative research approach.

*“What are the challenges that district municipalities in the EC face when implementing a project governance system on infrastructure projects?”*

The purpose of this research report is to answer the research question above. Following the review of the literature pertinent to this research study and examining some of the research approaches and strategies used by some of the researchers, the decision to utilise an inductive case study approach was confirmed. The table below some of the research approaches and research strategies used in the literature pertinent to this research study.

**Table 3: Summary of research approaches and strategies used in literature pertinent to this research study**

Author, Year	Research Approach	Research Strategy

Klakegg et al. (2008)	Inductive	Case Study
Abednego and Ogunlana (2006)	Inductive	Case study
Too and Weaver (2014)	Inductive	Conceptual
Brunet and Aubry (2016)	Inductive	Conceptual
Bekker and Steyn (2009a)	Inductive	Case Study
Alie (2015)	Inductive	Case Study

### 3.5 UNIT OF ANALYSIS

The case and its bounds must be defined by the researcher when defining the case or unit of analysis. When defining the case, data is gathered that is pertinent to each case or cases can be done as a single case or as several cases. Who will be included in the study as a case or cases is what is meant by the term "bounding" or "the unit of analysis" (Yin & Campbell, 2018). The sampling population can be defined as all persons or items (unit of analysis) that have the characteristics that are being studied (Yin, 2015; Yin & Campbell, 2018). The unit of analysis used for this research report is the local government sphere, commonly known and referred to in this report as District Municipalities and Water Service Authorities. These district municipalities due to being allocated the status of being a Water Service Authority, provide services related to water and sanitation. As a WSA they have access to government funding which are provisional depending on compliance to the grant conditions (Department of Water Affairs and Forestry, 2005).

### **3.6 SAMPLE POPULATION**

The purpose of the research being to investigate the challenges with project governance that occur in district municipalities in the EC when they are implementing project governance systems. It is conducted in the form of a multiple case study with three cases with the following profiles and characteristics:

- a) District Municipalities located in the EC, South Africa.
- b) Located in one of poorest communities in South Africa and have the highest numbers of indigents that receive free basic services from government. These services are created and delivered through infrastructure and project delivery.
- c) The district municipalities due to providing services related to water and sanitation using these conditional grants by law then need to comply to the conditional grant frameworks in addition to its own set of governance and project governance requirements.

### **3.7 DATA COLLECTION**

In qualitative research, data is mostly gathered through questionnaires, interviews, and documents, rather than numbers. To get unbiased information, qualitative research collects data through studying documents and interviewing people. Yin and Campbell (2018) argue that case study evidence can come from at least six sources. The six sources include written materials, archive data, interviews, first-hand accounts, participant observations, and physical artifacts. Each of the sources have their own strength and weaknesses. For this research study, three sources of evidence have been used as below.

### **3.7.1 Interview Protocols**

Interviews were used as a form of data collection in the research. Three municipal officials per district municipality were approached for interviews to obtain their understanding and experience of implementing project governance systems within their district municipality. The protocols for the interview were sent to the potential respondents in the form of a consent form. The potential respondents were provided with two options to participate in the study, one was recorded interview via Teams or completing the self-reporting questionnaire. The self-reporting option was preferred by the respondents and a sample of the completed self-reporting questionnaire. The written responses from the respondents per case were analysed using the thematic analysis method and comparison study as detailed in this research report, Chapter 4. If a respondent agreed to be recorded, the interview started following the format of the draft questionnaire. Once the process of the interviews and self-reporting was concluded, thematic analysis was utilised to formulate the analysis and results. See **Annexure B** and **Appendix C** of this research report for the research questionnaire and consent form respectively.

### **3.7.2 Self-Report Questionnaires**

A structured self-report questionnaire was utilized as an alternative for individuals who were unable to attend face-to-face interviews. The questionnaire's content was coordinated with the structured interview protocol, with the goal of enabling participants the option to pick the most comfortable means of responding in terms of confidentiality and anonymity in participating in the research project. The structured self-report questionnaire was designed in the same way as the interview protocol to ensure that the information acquired through the interview and the questionnaire is unbiased and comparable. Most of the respondents

opted for responding via the self-report option and returning a completed structured questionnaire as a form of responding and participating in this research study.

### **3.7.3 Documentation**

An official within SALGA was approached in July 2022 to get more background of the state of local government in the province and to get more understanding of the local government environment in the EC. Through this discussion, documents were sourced, and they provided additional background data for this research to understand the state of project governance and infrastructure delivery in the District Municipalities in the EC. The document review is in **Section 0** of this report.

## **3.8 DATA ANALYSIS**

Yin and Campbell (2018) explain that there are five analytical techniques that can be used in case study research. Each of the techniques specific to the research question and type of research to be undertaken. Merriam (2002) supported this by confirming that there are several approaches for analysing the data, with thematic data analysis being one of the more widely used techniques in qualitative research.

Thematic analysis was chosen as an acceptable method of analysis for aiming to comprehend experiences, ideas, or behaviours across a data collection for this research investigation. Themes are purposefully constructed patterns (or meanings) that are generated from a data collection and address a study issue, as opposed to mere summaries or categorizations of codes. The merits and drawbacks of both topic identification processes for developing themes inductively and deductively have been addressed in several research (Kiger & Varpio, 2020).

The most widely accepted framework for conducting thematic analysis involves a six-step process published in 2016 by Braun and Clarke (Kiger & Varpio, 2020). It consists of six steps: becoming familiar with the data, creating preliminary codes, looking for themes, analysing themes, defining, and labelling themes, and producing the report. Given the adaptability of theme analysis, researchers who employ this technique must express their paradigmatic orientations and presumptions in detail to assure the validity of their findings and interpretations. For this research report, the deductive theme identification method was used following the Braun & Clarke (2016) six-steps (Kiger & Varpio, 2020). They further argued that a subtheme can be found "underneath" a theme. It adheres to the same overarching organizational principle as the theme but concentrates on one distinctive aspect.

Following the submission of completed interviews, data analysis commenced. The researcher examined the responses and compare them to see whether the results were significant and not just a coincidence. An excel spreadsheet will be used to compile responses. Thematic analysis was the method used to compile the excel spreadsheet. The summary of the thematic analysis network was prepared and attached in **Appendix D** of this research report.

### **3.9 ETHICAL CONSIDERATIONS**

Due to the study involving interviewing people to get their views and understanding of the environment they work in the district municipalities and project management methodologies they use (project governance), there may be ethical issues that may arise however may not be severe as verification of information and credibility checks will be done. The checks and balances will be put in place to ensure the impartiality of the author and interviewer, removing subjectivity from the data collection methods, and allowing for the participants to withdraw if uncomfortable, their privacy and views to be respected and should they request,

their identity to be withheld from the reports and all times, all information received from the respondents will be kept confidential. Each interviewee also signed a consent form as per **Appendix B** attached to this report. An ethics clearance application was submitted and approved by the Construction Economics and Management department in December 2022 and attached as **Appendix A** of this report.

### **3.10 CHAPTER CONCLUSION**

The research objectives stated above were achieved using an inductive explanatory qualitative research method, multiple case study design with an interpretivist approach. The research method selected for the research does not seek to shape or alter the responses or behaviours of the participants, nor does it seek to analyse their behavioural patterns. The study's objective is to identify the challenges faced by the district municipalities to be studied when attempting to implement a project governance system.

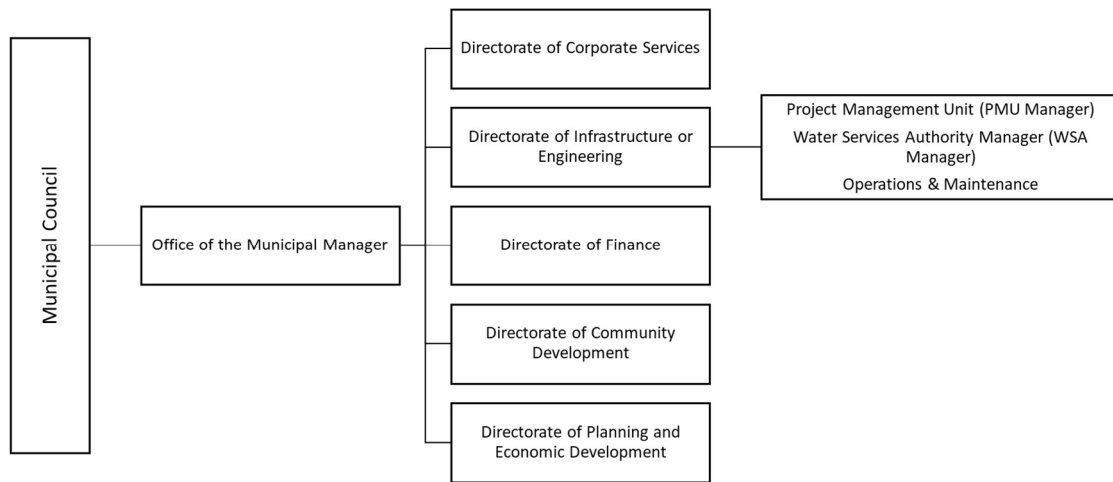
## CHAPTER 4: RESULTS

### 4.1 CHAPTER INTRODUCTION

This Chapter details the results of the analysis of the data collected during the completion of this research study. The data analysed and discussed below is from the self-reporting questionnaires and the additional documentation relevant to the cases in the study collected during the data collection process. The chapter concludes with the summary of the discussions related to the research problem statement and objectives.

### 4.2 BACKGROUND TO THE CASE STUDY

The EC district municipalities that are Water Services Authorities are used as case studies to research the project governance phenomenon. There is a total of thirty-nine municipalities in the EC, including two metropolitan municipalities, thirty-one local municipalities, and six district municipalities. The directorates are established in terms of Section 84 of the Municipal Systems Act and are required to implement and report on performance of each financial year in terms of Section 48 of the same Act (COGTA, 2022; Republic of South Africa, 1998b). The directorate that is tasked with delivery of infrastructure associated with service delivery is the Infrastructure and Engineering directorate lead by a director reporting directly to the Office of the Municipal Manager (Republic of South Africa, 1998b; Republic of South Africa, 2000). Attached to each infrastructure and engineering services directorate is a Project Management Unit (PMU) led by a PMU Manager, a Water Services Authority Manager and an operations and maintenance component having the responsibility of managing the project management functions of the district municipality (Republic of South Africa, 1998b; Republic of South Africa, 2000). **Figure 8** below shows a typical organogram for a district municipality.



**Figure 8: Typical Organogram for an EC district municipality**

Fifteen requests were issued to municipal officials from the district municipalities below. The invite was extended to three Project and Construction management professionals per district municipality working for the five district municipalities in the EC who play a role in the project governance structures at project level and senior management level of the district municipalities. For ethical reasons, the specific roles cannot be mentioned in this research report as disclosing it may result in that information being used to identify the respondents. The names of the district municipalities as per the table below.

**Table 4: Eastern Cape District Municipalities forming part of the research study**

District Municipality full name	Abbreviation	Alias	Respondents
Chris Hani District Municipality	CHDM	Case 1	Respondents 1, 2 and 3
OR Tambo District Municipality	ORTDM	Case 2	Respondents 4, 5 and 6
Alfred Nzo District Municipality	ANDM	Case 3	Respondents 7, 8 and 9
Joe Gqabi District Municipality	JGDM	Case 4	Respondents 10, 11 and 12
Amathole District Municipality	ADM	Case 5	Respondents 13, 14 and 15

### 4.3 INTERVIEWS

The participation requests sent to the fifteen respondents were sent in the period of the research study between October 2022 – January 2023 and included a consent form and draft research questionnaire. See attached **Appendix D** for the thematic analysis and summary. Out of 15 participation requests sent during the research study period, 10 completed self-reporting questionnaires were received and broken down as per the table below.

**Table 5: Research Respondents**

Abbreviation	Alias	Number of Respondents	Format of responses
CHDM	Case 1	2 respondents	Self-reporting questionnaire
ORTDM	Case 2	3 respondents	Self-reporting questionnaire
ANDM	Case 3	3 respondents	Self-reporting questionnaire
JGDM	Case 4	2 respondents	Self-reporting questionnaire
ADM	Case 5	0 respondents	Not applicable

For ethical concerns, their organizational, educational, and professional registration background has not been disclosed as disclosing it may result in that information being used to identify the respondent. They all stated that they have more than ten years of project and construction management expertise.

### 4.4 PRESENTATION OF FINDINGS

The responses from the interviews are grouped into the various themes that emerged when analysing the responses from the municipal officials. The responses received agreed with the research objectives and grouped as such below.

## **CASE 1 - CHDM**

### **4.4.1 Theme One: The level of awareness of district municipalities in the EC's understanding of project governance as a tool that can aid project success**

#### **4.4.1.1 Understanding of project governance in best practice**

Respondent 2 did not provide a definition or their understanding of project governance in best practice.

Respondent 3 stated the following:

“Governance relates to the application of laws to ensure transparency, responsiveness, and inclusiveness. Project governance refers to the application of project management related regulations and legislations for the proper implementation and administration of the project”.

Respondent 3 further stated the following:

“Yes, I believe as value for money can be realised too through proper implementation of governance system. Through it, no projects of inferior quality can be delivered, and the communities will receive a long-lasting service. Poorly implemented project governance system compromises the delivery of a good quality service as also corruption creeps in the process thereby rob them of their right.”

#### **4.4.1.2 How governance is implemented in the municipality**

Respondent 2 stated the following:

“No. Currently there is no approved management framework in place. The standard practice is using the municipal internal processes e.g., we do have an existing municipal SCM policy that is utilized”

Respondent 3 stated the following:

“No and it cripples service delivery”

#### **4.4.2 Theme Two: What management structures are in place to ensure project governance?**

No definite responses were received from the respondents in relation to details about the management structures within the district municipality.

#### **4.4.3 Theme Three: What are the factors that delay/block the establishment of these management structures?**

The following responses were received from the respondents from this case when asked what they believed to be the challenges they faced when implementing project governance.

##### **4.4.3.1 Subverting of existing legislations and frameworks for personal and political gain**

Respondent 2 stated the following:

“We have not started utilizing IDMS or SIPDM in our institution. Even though the IDMS or SIPDM have been legislated to be utilised, in our institution, the legislation was taken as a recommendation and ignored”

Respondent 3 stated the following:

“Poor or lack of implementation of framework to the latter results in failure of the projects before reaching the service life. A project designed for 20 years becomes malfunctioning within the 2 years post completion because application or adherence to the applicable standards and procedures was overlooked”

Respondent 3 stated the following:

“Government introduced also the 30% subcontracting which is meant to benefit ALL local SMME’s, however due to political interferences that is manipulated such that only those aligned to politicians’ benefit.”

Respondent 3 stated the following:

“Government recently introduced a framework for procurement that is meant to involve the experienced and knowledgeable officials. However, that is not being adhered to as it does not favour some officials and political affiliates.”

#### **4.4.3.2 Complex inter-relations between project managers and project teams, administrative, political structures, and government**

Respondent 2 stated the following:

“The poor management style of employees runs from the top to the bottom. There is no real performance management or consequence management. There is only one form is discipline, suspension. This is a poor management style. The political leaders do not respect the red tape within the system where there are systems to be followed. If you do not proceed as per instruction, complying or not, then you will be disciplined.”

Respondent 2 further stated the following:

The officials including MMs and CFO should be more supportive towards project management. Political heads cannot give technical specifications regarding technical projects. There is not respect for professional. Seemingly it approves only quick wins. Staff members who do not abide are then set aside by either excluding them informally or formally by suspending them”

#### **4.4.3.3 Existing municipal systems and conditional grant requirements currently being seen as cumbersome**

Respondent 2 stated the following:

*“.....integrate the existing way of doing projects and the new frameworks? Already there are cumbersome processes in place.”*

#### **4.4.3.4 Lack of leadership from government (the legislators) to introduction of guidelines and best practice for project governance and project management**

Respondent 2 stated the following:

*“The current government is unable to guide and lead in this regard. The governing party is not supportive of system that works”*

Respondent 3 stated the following:

*“Human factor affects the implementation very badly such that it will South Africans a long time to realise the benefits of the improved lives they are promised every time its election time. If people with no or relevant qualifications and love for the communities, they serve are being employed to fill critical positions then implementation of the project governance framework will be a toil to the few that advocates for it.*

#### **4.4.3.5 Lack of involvement of community structures in identification of project objectives and project scope**

Respondent 3 stated the following:

*“A project initiated without the involvement of the beneficiaries may be a waste of government money as it might either end at planning or be vandalised during implementation or after its completion.”*

#### **4.4.3.6 Resistance to change from administration within the district municipality**

Respondent 3 stated the following:

“Government recently introduced a framework for procurement that is meant to involve the experienced and knowledgeable officials. However, that is not being adhered to as it does not favour some officials and political affiliates”

Responded 3 stated the following:

“People get attached to certain way of doing things to a point of not embracing new ways introduced that are meant to improve the system.”

#### **4.4.4 Theme Four: What can be done to facilitate the implementation of project governance?**

##### **4.4.4.1 Introduce project management and project governance best practice and guidelines that are specific to district municipalities**

Respondent 2 stated the following:

“The biggest challenge with all these frameworks they are implemented from the top. No one ever works at grassroots level and check the real day to day issues.”

Respondent 2 further stated the following:

“Would be ideal if system was online and there would be no other process required but the framework. Something much like MIG MIS reporting system”

Respondent 3 stated the following:

“..... bottom up as people on the ground are the one who have more insight of what practically happens. The understanding of project purpose and applicable standards by the people at the bottom will cause the implementation to be easier, cheaper, and quicker”.

#### **4.4.4.2 Improve community participation**

Respondent 3 stated that:

“A project initiated without the involvement of the beneficiaries may be a waste of government money as it might either end at planning or be vandalised during implementation or after its completion. Also, a project not well planned must result in major changes in specifications or scope during the implementation stages thereby increasing the cost and if funds are not enough it might stall”

### **CASE 2 - ORTDM**

#### **4.4.5 Theme One: The level of awareness of district municipalities in the EC's understanding of project governance as a tool that can aid project success**

##### **4.4.5.1 Understanding of project governance**

Respondent 4 stated the following:

“It is that the research is done in view of finding best practices and integration of governance, project implementation considering the technical principles as well as the contractual matters involved. This research are meant to come up with best possible approaches and frameworks on implementation of projects within government spaces in consideration of complexity of projects across international companies, across

country borders and incorporating different values systems. Lawful systems, corporate governance guidelines, beliefs, and business practices.”

Respondent 5 stated the following:

“The project governance assists municipalities with the key elements that are required for the project based on the project's scope, timeline, complexity, risk, stakeholders and importance to the organization”

Respondent 6 stated the following:

“Project governance is the agreed framework under which an organisation implements its projects. This can be through a set of approved documents which contains processes and procedures (SOPs) or can entail the adoption of industry “best practice” notes”

#### **4.4.5.2 How governance is implemented in the district municipality**

Respondent 4 stated the following:

“... from the internal processes of identifying the need for the project through consultation with the communities, these consultations are called Integrated Development Plan Roadshows whereby all the needs are documented and consolidated into a five-year plan called Integrated Development Plan (IDP). The document is approved by the Council for a period of five years and annually reviewed for updates on progress made and additions as the need arises. It is a requirement and a condition for all these grants that all the implemented projects appear in the IDP. Further to IDP, each financial year of the municipality meaning a period from 1st July to 30 June cycle the Council approves a list of projects to be implemented in line with the approved or available budget. This is further cascaded into a Service Delivery

Budget Implementation Plan (SDBIP) which details how each project is to be implemented in terms of budget, activities to be performed, time as well as timeframes.”

Respondent 5 stated the following:

“No, the municipality has not yet established Project Governance Framework except that we are guided in terms of Project Management by PM BOK principles.”

Respondent 6 stated the following:

“No, most practices used are aligned to the Funder. For example, if the project is DWS – RBIG -funded then all processes must follow the RBIG framework. This applies for WSIG and MIG programmes as well. Other Sectors (e.g., CIDB, ECSA etc) or National Departments such as National Treasury have own prescripts/frameworks or guidelines that need to be adhered to as well.”

#### **4.4.6 Theme Two: What management structures are in place to ensure project governance?**

No definite responses were received from the respondents in relation to details about the management structures within the district municipality.

#### **4.4.7 Theme Three: What are the factors that delay/block the establishment of these management structures?**

##### **4.4.7.1 Subverting of existing legislations and frameworks for personal and political gain**

Respondent 4 stated the following:

“Experience is that while the frameworks clearly stipulates their roles and responsibilities, but practise is the opposite, this then affects the whole cycle of project implementation. For example, a water project would be implemented in phases considering the final output being to start with source, bulk infrastructure, and reticulation to ensure water coming out of the taps. **BUT** Political leadership would decide that while the source is not complete reticulation would start with their thinking of just distributing the works equally in wards irrespective of the correct way the project is designed. This in many instances has resulted to reticulation infrastructure constructed 5 to 8 years before source can be commissioned and that by that time theft and vandalism has occurred so refurbishments are done before the infrastructure is used.”

Respondent 5 stated the following:

“The institutional and organisational dimensions of project management within the municipality mostly pose challenges with functioning of the Project Management Unit (PMU).”

#### **4.4.7.2 Lack of project management and project governance best practice within district municipalities**

Respondent 4 stated the following:

“Currently my experience is that there are still gaps between project government frameworks and local government practices and yet none of the projects I have implemented had meet all criteria’s in as far as being implemented within budget, as per the approved scope and within the timeframes and as per the conditions of the grant. Its either there would be scope creep, extensions due to unforeseen

circumstances most of the time delays by community demanding beyond what is approved in the project e.g., in an RDP standard project, community would demand inside connection or even type and size of reservoir with no facts”

Respondent 6 stated the following:

*“If the administrative leadership of a municipal entity had “Best Practice” procedures, interference would be minimised”*

#### **4.4.8 Theme Four: What can be done to facilitate the implementation of project governance?**

##### **4.4.8.1 Introduce project management and project governance best practice and guidelines that are specific to district municipalities**

Respondent 4 stated that:

“The frameworks work perfectly to a certain point until they are well coupled with adequate planning, coordinated project management team, management support with provision of required resources, ownership by stakeholders. With the above all coordinated the projects do meet the completion.”

Respondent 5 stated the following:

“Most of the challenges can be addressed by following a standardised organisation-wide methodology that promotes the implementation of the WSDP, IDP and SDBIP by means of projects. Such an organisational-wide project-based methodology should adjust to municipal systems, structures, policies, processes, procedures, and responsibility and accountability arrangements to make them more favourable for project identification, prioritisation, approval, monitoring and oversight, as well as

optimal resource allocation and utilisation. A project-based methodology will improve the overall project readiness and maturity of the municipality, leading to higher performance, productivity, and ultimately better service delivery”

Respondent 6 stated the following:

“There are various pieces of legislative framework and policy documents that range from “Acts” to Practice Notes”. However, as long as they are not consolidated into a “Handbook” for a particular municipality or a specific infrastructure programme or project they might remain unused or unknown”.

Respondent 6 further stated that:

“Most municipalities have not achieved that. One top-down approach to project governance is the “Standard for Infrastructure Procurement and Delivery and Management (SIPDM) in its various forms but as long as it is not supported by the local imperatives, project governance will remain compromised.”

Respondent 6 further stated the following:

“If the administrative leadership of a municipal entity had “Best Practice” procedures, interference would be minimised”

#### **4.4.8.2 Enforce existing legislations and frameworks and minimise subverting**

Respondent 4 stated the following:

“... only if the implementation can be enforced to minimise interferences by any internal systems created”

Respondent 6 stated the following:

“Most municipalities have developed their own Supply Chain Management policies emanating from the Municipal Finance Management Act but the implementation of the same thereafter remains a challenge because of the shortcomings that also impact project governance”

### **CASE 3 - ANDM**

#### **4.4.9 Theme One: The level of awareness of district municipalities in the EC’s understanding of project governance as a tool that can aid project success**

##### **4.4.9.1 Understanding of project governance**

Respondent 7 stated the following:

“I understand project governance to be an oversight function required for the successful execution of a project at all stages of the project cycle”.

Respondent 7 further stated:

“A project governance system plays an important role by providing guidance on generic approach towards building an Institutional Infrastructure Delivery Management System which will provide guidance on how the IDMS can be institutionalised within an organisation”.

Respondent 8 stated the following:

“Managing the unit with ethics that are accompanied by accountability, transparency and responsibility using all relevant regulations”

Respondent 9 stated the following:

“Project governance begins from the outreach programmes the municipality embarks upon, wherein the communities raise service delivery issues that they wish to be addressed.”

#### **4.4.9.2 How governance is implemented in the district municipality**

Respondent 7 stated the following:

“The Municipality mandates the use of legislated frameworks with regards to Project Management without specifying which one. The Municipal Infrastructure Support Agency (MISA) has developed an Infrastructure Delivery Management System which is the standard for planning and management of infrastructure delivery in the public sector across South Africa”

Respondent 8 stated the following:

“Yes, SDBIPs & IDP are presented and approved by the executive level (Council). WSDPs, IDP, these are two governance frameworks that assist in public participation to prioritise needed projects and later implement”

Respondent 9 stated the following:

“Yes. For externally funded projects the mandate is authorized at the Accounting Officer level. For projects funded through own grants and equitable share allocation it is authorized at the Director level”

#### **4.4.10 Theme Two: What management structures are in place to ensure project governance?**

No definite responses were received from Respondents 7 and 8 in relation to details about the management structures within the district municipality.

Respondent 9 stated the following:

“The municipality establishes project governing structures, in the form of a Project Steering Committee (PSC). This is mostly implemented in projects that are funded by other government departments, i.e., Department of Transport, Office of the Premier, Department of Human Settlements, etc. The structure provides oversight in project implementation, starting from inception up to close out. The platform facilitates coordination and collaboration. Terms of engagement are set in the Service Level Agreement or Memorandum of Agreement. The Committees discharge their duties and responsibilities utilising the project governance systems mentioned in Section 2 above”

Respondent 9 further stated that:

“The project governing structure is co-chaired by the Accounting Officer (Municipal Manager) and the Senior Official from the officer of the funder or sponsor. Secretarial duties are provided by the Professional Service Provider. The Director Technical Services, supported by the Project Management Unit Manager takes responsibility of the progress made in project implementation and ensures action owners attend to their responsibilities. This design ensures swift communication and decision making, and thus resulting in the successful completion of the project. It also fosters ownership”

#### **4.4.11 Theme Three: What are the factors that delay/block the establishment of these management structures?**

##### **4.4.11.1 Subverting of existing legislations and frameworks for personal and political gain**

Respondent 8 stated the following:

“Project governance frameworks used are not compliance only related. It is also law based on legislatives e.g., MFMA and other pieces of legislation e.g., we cannot be suddenly forced to implement projects outside of the stipulated and approved projects requested by the politically powerful.”

##### **4.4.11.2 Human behaviour of project management service providers employed by the district municipality**

Respondent 7 stated that:

“The stakeholders in the project management field are usually practical people who are mostly interested in having the job done and often find frameworks limiting one in the execution of his or her own duties. This is also a factor in my organisation, and it needs close monitoring and evaluation and consequence management when one does not comply with the framework as stipulated”

##### **4.4.11.3 Resistance to change from administration structures within the district municipality**

Respondent 9 stated that:

“.....at early stages of implementation resistance was experienced in adopting the standards and getting a buy in or an understanding by other colleagues within the municipality.”

#### **4.4.11.4 Complex inter-relations between project managers and project teams, administrative, political structures, and government**

Respondent 9 stated the following:

“One challenge that is experienced is senior officials not prioritizing the set meetings”

#### **4.4.12 Theme Four: What can be done to facilitate the implementation of project governance?**

##### **4.4.12.1 Improve community participation**

Respondent 9 stated the following:

“Community engagements are conducted to get input from members so that the municipality implements as per the needs of the community”

##### **4.4.12.2 Training and capacity building of political structures in the district municipality**

Respondent 7 stated the following:

“Politicians are responsible for passing policies and guidelines that will govern the way work is done at a Municipal Level. All these policies and guidelines should be in line with National and Provincial Legislation. When politicians are orientated on their responsibilities, they do not interfere with project teams and structures. It is important to also clarify their roles in the framework so that the political affiliation / alliance does not have an impact on project teams and structures.”

#### **4.4.12.3 Training and Capacity building of administrative staff**

Respondent 9 stated the following:

“Constant workshopping had to be implemented as the Supply Chain Management policy also had to be amended to include the standard”

#### **CASE 4 - JGDM**

#### **4.4.13 Theme One: The level of awareness of district municipalities in the EC’s understanding of project governance as a tool that can aid project success**

##### **4.4.13.1 Understanding of project governance**

Respondent 11 stated that:

“According to PMBOK, project governance is an “oversight function that is aligned with the organization's governance model and encompasses the project life cycle”

Responded 12 stated the following:

“It is a system that guides decision making procedures and also enables requirements on service delivery”

##### **4.4.13.2 How governance is implemented in the district municipality**

Respondent 11 stated the following:

“Joe Gqabi has not yet started implementing the Project Governance system”

Respondent 12 stated the following:

“Joe Gqabi has not yet started implementing the Project Governance system”

**4.4.14 Theme Two: What management structures are in place to ensure project governance?**

No definite responses were received from the respondents in relation to details about the management structures within the district municipality.

**4.4.15 Theme Three: What are the factors that delay/block the establishment of these management structures?**

**4.4.15.1 Complex inter-relations between project managers and project teams, administrative, political structures, and government**

Respondent 12 stated the following:

“Micromanagement by the executive”

**4.4.15.2 Subverting of existing legislations and frameworks for personal and political gain**

Respondent 12 stated the following:

“Political interference at a project level, political principals and executive management wanting to do a project to push their agendas ending up bypassing the designs because of monetary gains”

**4.4.16 Theme Four: What can be done to facilitate the implementation of project governance?**

Respondent 12 only provided responses to challenges by elaborating on the challenges addressed above without providing possible solutions. No responses from Respondent 11 were received with respect to what can be done to facilitate the implementation of project governance.

## **CASE 5 - ADM**

### **4.4.17 Summary of themes and discussion for case**

No responses were received from the officials who were approached to be part of this research study under this case.

## **4.5 DISCUSSION OF FINDINGS**

Cross-case analysis is the process of analysing and contrasting the trends that emerge from a variety of situations or cases (Yin & Campbell, 2018). In this research study, the five situations where the district municipalities in EC and below is the results of the analysis and contrasting from the five cases.

### **4.5.1 Theme One: The level of awareness of district municipalities in the EC's understanding of project governance as a tool that can aid project success**

#### **4.5.1.1 Understanding of project governance**

There is consistency across the cases in terms of understanding and being aware of project governance as a tool that can aid project success and majority of the respondents expressed their belief in terms of supporting the implementation of project governance and the positive impacts project governance has on project and service delivery.

#### **4.5.1.2 How governance is implemented in the district municipalities**

During the review of the responses provided by the respondents across all the cases, it can be argued that in the EC, there is varying understanding of how to implement a project governance system within district municipalities which can be flagged as a major challenge. Respondents wither referred to the project management body of knowledge as a project

governance system or indicated the use of the IDP as a project governance system. There was responses that indicated the conditional grants requirements as the project governance system that district municipalities need to follow.

#### **4.5.2 Theme Two: What management structures are in place to ensure project governance?**

There was a consistent theme between cases where no definite responses were provided on the existence of project governance structures within the district municipalities. The project governance structure that got some mention was the municipal council as the institutional structure and custodian of policies and frameworks with the district municipalities. Due to the above, two possible conclusions were made in terms of why municipal officials could not provide definite answers to this question.

- The municipal officials have the understanding that the institutional structures in place as necessitated by the various legislation applicable to local government and they have assumed that they are the same structures for governance and project governance. They have assumed that municipal council / political structures are the custodians of governance and project governance due to how the district municipalities in the EC handle governance, project governance and project management.
- The municipal officials lack the understanding that there must be a separation of institutional structures and the project governance structures in terms of project management and project governance best practice. This is evidenced by how the respondents believe that project decision-making is in their district municipalities the duties of senior administrative officials and political structures.

What was also noticed during the study was that the Municipal officials could only speak to the expertise and capabilities of the political structures and how their lack of expertise impacted the interface between the political, administrative and community structures to the detriment of projects as reported and discussed under theme three. Some of the Municipal Officials also spoke to the lack of expertise of the community structures and how their lack of expertise impacts the projects to the point that projects fail to meet project objectives and collapse due to the community structures demands that are not in line with the project funders objectives

#### **4.5.3 Theme Three: What are the factors that delay/block the establishment of the management structures**

##### **4.5.3.1 Subverting of existing legislations and frameworks for personal and political gain**

The similar finding with all four cases was that there is a level of political interference that impacts achieving the establishment of the management structure. From the responses received, power and decision making at all levels of governance and project governance in the district municipalities is perceived to be in the hands of the municipal council or political structures and not equitably distributed amongst the various governance and project governance levels. Case 1 and Case 4 strongly brought forth the point that in their district municipality, project managers and projects teams have very limited or if at all any power and decision making authority on projects and on governance within the district municipalities and are further required to take instruction from the political structures even if the instructions being given are technically unsound, lack transparency and non-complaint in terms of the legislation they are required to work under.

Case 1 and Case 4 respondents further had responses that indicated that there are disruptions on projects posed by the communities. This extended to disruptions caused on projects by the communities as the end-users and stakeholders on projects to the level that project scope and project delays are experienced when the communities' needs are not met during project execution, or the communities want to have their needs catered for however their demands are not in compliance with the grant conditions funding the projects.

#### **4.5.3.2 Lack of community participation in governance and project governance**

In all the cases, the consistent theme that the lack of community participation in governance and project governance in the 5 cases. The exception was Case 3 where the participation of the community in governance and project governance structures is recognised. Case 1, 2 and 4 was consistent with responses that highlighted the lack of community participation and how those results in various project and service delivery issues.

#### **4.5.3.3 Complex inter-relations between project managers and project teams, administrative, political structures, and government**

The complicated relationships between employers and employees, trade unions, employer groups, and the government have a direct influence on governance, project management, and governance implementation. Case 1 and Case 4 detailed how the complicated relationship between the project managers, administration and political structures results in work environments that consists of micromanagement and strained employees' relations where project managers are punished for not doing as they are told and are stripped of any decision-making powers and authority on projects. There are also responses indicating how

senior administration officials do not prioritize project governance meetings and others resisting the introduction of standards and changes.

#### **4.5.3.4 Lack of differentiation between organizational and project governance structures**

The description of the organizational structure of a local municipality detailed in this research study was confirmed by all the respondents that this is indeed the structure across all cases supported by the oversight committees to be responsible, accountable and have the delegated authority to make decisions at strategic level of the cases. A contrasting view was expressed by Case 1 and Case 2 in relation to the impact of that decision making at project level where political structures in the district municipalities make administrative and technical decisions without the required information, knowledge, and qualifications to make such decisions. Case 3 in part agreed that this is part of the problems they have with incorrect individuals being in the structures and making decisions in the absence of credible and correct information. Case 3's respondents argued that they have overcome this challenge through capacitation and assisting their political structures. This issue is further details under the theme of the factors that can delay/block implementation of management structures.

#### **4.5.3.5 Lack of project management and project governance best practice within district municipalities**

Cases 1, 2 and 4 raised consistently the issue of the lack of project management and project governance best practice that are specific to local government or the district municipality environment as being one of the key challenges faced by district municipalities in the Eastern Cape. The lack of such has resulted in the subverting of existing legislations and frameworks for personal and political gain due to the lack of a single source of truth for governance and

project governance in district municipalities. Case 1 respondent further highlighted that government as the legislators have failed to lead this action to the detriment of the municipalities.

#### **4.5.4 Theme Four: What can be done to facilitate the implementation of project governance?**

##### **4.5.4.1 Address subverting of existing legislations and frameworks for personal and political gain**

The subverting of existing legislations and frameworks for personal and political gain by the political and community structures was one of the challenges to be addressed that was raised consistently in all 5 cases by respondents. Even though no definite responses were stated by the respondents on how this can be achieved, the additional data collected and discussed in Section 4.6 of this research report, the South African government as the legislators of local government have recognised the challenge and have over the years attempted to formulate interventions to address this.

##### **4.5.4.2 Introduce project management and project governance best practice and guidelines that are specific to district municipalities**

All the cases identified the need for a “handbook” or local government specific best practice and guidelines for project governance and project management in the local government district municipalities. The responses conveyed the belief that a single-source of truth that guides municipalities can eliminate the challenges faced and prevent the subverting of existing legislation.

#### **4.5.4.3 Streamlining of existing legislation and remove duplication**

The re-evaluation and re-alignment of the existing legislations for governance, project governance and project management in local government needs to be undertaken and streamline the requirements to match the conditions within local government. This is supported by the respondents in this case study.

The need to support the management of project governance and the various legislation though introducing a project management best practice and guideline that can assist municipalities with implementation was recommended by some of the respondents not only to align understanding of project governance and project management across local government district municipalities but to also minimise the political interference through having clear and concise guidelines and processes to avoid the system being easily manipulated.

#### **4.5.4.4 Improve community participation in projects**

Case 3 respondents highlighted the importance of community structures in the governance and management of projects. From the responses received from Case 1, 2 and 4, lack of community participation and disruptive participation of communities in projects has been highlighted as a challenge that needs to be resolved to address challenges faced by local government district municipalities when implementing governance and project governance in district municipalities. It is noted that the respondents did not provide definite responses on how the participation of communities can be improved however, the data collected and discussed below in Section 4.6 details what interventions to date.

## **4.6 ADDITIONAL DATA COLLECTED**

Additional data was collected from SALGA to understand the status quo of governance and project governance in the EC district municipalities. Information from SALGA included reports from NT, MISA, COGTA, DWS, CIDB, PRC, National Government, Parliament of South Africa Research Unit, Auditor General of the Republic of South Africa and the PICC.

### **4.6.1 The level of awareness of district municipalities in the EC's understanding of project governance as a tool that can aid project success**

#### **4.6.1.1 Understanding of project governance**

The findings from the literature review and additional documentation collected related to the cases in this study indicate that there is a solid organizational grasp of project governance and its relationship to corporate governance in the field even though there is a strong view about the lack of consistency and agreement on a single definition, system, and framework. There is agreement that project governance should be applied to projects in the same way that corporate governance is applied to the organization, and projects should be implemented in accordance with the standards and techniques outlined in the project governance code recommended by the various researchers cited in this research report.

#### **4.6.1.2 How governance is implemented in district municipalities**

However, the research data analysis revealed that governance systems and frameworks are made up of numerous structures and decision-making bodies that are utilized to influence project governance at various levels of an organization. Having the proper governance structures and established processes cannot ensure project success or resolve issues. The skilful implementation of systems and governance structures improves the chances of

success. The respondents confirmed that the challenges with project governance systems application is not due to lack of understanding of what governance and project governance is, the challenges come from the lack of skilful and careful implementation of the systems and structures is often the cause.

#### **4.6.2 What management structures are in place to ensure project governance?**

There is various legislation in local government that provides the guidelines and requirements for institutional structures that must be in place for governance in a district municipality. Republic of South Africa (2004) details the structures that must be in place in terms of financial management and compliance requirements:

- The municipal council
- in the form of oversight and audit committees
- Bid Evaluation and Adjudication committees
- Project Steering Committees

Republic of South Africa (2000) with respect to the requirements of an effective IDP requires the following structures to be in place and functioning:

- The Municipal council with associated council committees and ward councillors
- The administrative structures of the municipality led by the Municipal Manager
- IDP steering committee for the alignment of the municipal processes with those of the local community
- Municipal officials to provide sector technical expertise
- Community representative forums

- Other stakeholders like the various government departments supporting the district municipalities

Republic of South Africa (2022b) details the various management structures requirements imposed upon district municipalities by conditional grants they utilise to implement projects and service delivery. The most significant grant conditions to district municipalities in the EC are the MIG, RBIG and WSIG grants. Their conditions require the following structures:

- The municipality must submit monthly, quarterly, and annual reports in the prescribed formats and timelines, reports must be signed-off by the Municipal Manager or the delegated official
- Reports must be submitted to the provincial government via the provincial department responsible for looking after the district municipality
- Ensure that projects are appropriately linked to the municipality's water services infrastructure master plans, their IDP and WSDP.
- At the regional level, a coordination committee for key stakeholders to assist with planning of regional bulk projects and the assessment of the IRS and feasibility.
- Manage project implementation in accordance with the business plan
- Comply with all funding conditions agreed to in the business plan and MoU signed between the municipality and DWS as the funder.
- Municipalities must submit a technical report for each project to the regional office for evaluation.

### **4.6.3 What are the factors that delay/block the establishment of the management structures**

#### **4.6.3.1 Complex inter-relations between project managers and project teams, administrative, political structures, and government**

The challenges with governance identified by the MTSF included conflicts at the administrative-political interface of municipal structures, erratic administrative leadership, skill gaps, a decline in accountability and authority, poor organizational design, and low employee morale. In 2019, the President of the Republic of South Africa in the annual budget speech admitted that service delivery has been suboptimal, with a reduced impact on the triple challenges of poverty, inequality, and unemployment. He confirmed that this was a result of government departments and local governments' habit of working in silos which led to lack of coherence in planning and implementation and has made monitoring and oversight of government's programs difficult. He called for an integrated district-based approach to solving service delivery difficulties, localized procurement, and job creation, that promotes and supports local firms, and that incorporates communities. This was an admission that Section 154 of the Constitution mandating national and provincial governments to work and develop capacity of local government and work together to deliver services was not working. This resulted in the introduction of the district delivery model (DDM) which saw national, provincial, and local government working together to plan, budget and implement service delivery initiatives at district level. Two of the elements of the DDM that government intended to be improved was governance and financial management and monitoring implementation of policy and legislation (COGTA, 2019).

#### **4.6.3.2 Lack of standards and best practice in local government**

A further admission that was made by government was that previous initiatives and programmes developed by government to improve local government have failed. The previous interventions to address best practice and standards in local government included however not limited to the introduction of IDMS, SIPDM, LGFIDPM and various National Treasury prescripts that are promulgated each year however repealed every three years due to lack of adoption by local government district municipalities (Auditor General, 2022; DPME, 2021; National Treasury, 2015b; National Treasury, 2020b).

#### **4.6.3.3 Dysfunctional political, administrative and community structures**

The Municipal Infrastructure Support Agency (MISA) in partnership with the University of Cape Town's Urban and Public Infrastructure Research Initiative have developed the Municipal Infrastructure Service Delivery Index (MISDF) (Municipal Infrastructure Support Agency, 2022). The South African national and provincial governments can use this index as a monitoring tool to find municipalities that require assistance. by emphasizing the municipality's capacity to supply and maintain the necessary infrastructure for the delivery of services. The latter study was a confirmation of the studies carried out by different government and private entities into the state of service delivery through infrastructure and revealed that the low levels of municipal infrastructure service delivery across the nation have highlighted the functionality of municipalities and highlighted the need for ongoing and trustworthy monitoring of the municipalities and their capacity to provide basic infrastructure services. The municipalities' monitoring and assessment are aided by the MISDF index, which has been established. Even though the study hasn't been submitted for peer review yet, some

of its findings—namely, that the WSAs in the EC are truly in distress—have been somewhat corroborated by several other publications and studies.

National Treasury (2020a) published a report on the state of district municipalities in the EC. In the report, ADM, CHDM, JGDM and ORTDM were reported to be in distress due to what the report identified to be challenges with financial, governance and institutional issues. The governance issues were identified in part to be due to political instability and failure of Councils' oversight responsibilities to monitor the financial statuses of the municipalities and budgets are executed outside normal SCM processes. The Municipal Councils of the district municipalities were identified as dysfunction and ineffective in governance and project governance. It further identified that municipal infrastructure is mainly in decay, with insufficient and inadequate ability to manage capital programs and procurement done in violation of SCM laws.

The findings of National Treasury (2020a) were echoed by COGTA (2022) in the published Section 48 of Municipal Systems Act: Consolidated Annual Local Government Performance Report 2019/20. The report also noted that two of the five district municipalities forming part of this research report failed to submit the required annual report as directed by Section 47 of the Municipal Systems Act (i.e., ORTDM and JGDM). The report concluded by raising concerns with the low rate of submission of required reports from municipalities. The EC in FY 2019/20 had a municipal report submission rate of 42%. COGTA (2022) viewed the municipalities' inability to submit information as evidence of a weak oversight system for controlling, monitoring, reviewing, and accounting for their municipalities' performance.

ORTDM is the only municipality in South Africa that receives its funds directly from National Treasury instead of Provincial Treasury in the EC due to continuing governance issues in the

district municipality. They were at risk of not receiving its equitable share allocation in FY2021/22 due to political instability and failing to meet the National Treasury's requirements for governance in the district municipality (National Treasury, 2021).

ADM is currently severely drought stricken and facing losing its grant allocations (Velaphi, 2023). Velaphi (2023) in the Daily Dispatch article published on 23 January 2023 argued that the ADM faces the risk of losing various conditional grants allocated to the district for infrastructure and water services due to underspending of allocated grants and failing to meet the conditional grants requirements as per Section 18 of the Division of Revenue Act for the financial year 2021/22 due to continued governance and project governance issues in the district municipality. This was further confirmed in the article by COGTA who explained that the governance challenges in the district related to slow procurement processes, the lack of a permanent municipal manager, staff unrest within the municipality resulting in some of the oversight committees not being available to complete key municipal governance responsibilities and the suspensions of some of its infrastructure and engineering department staff by the municipality.

The municipal structures in the district municipalities are currently characterised as dysfunctional and not in functioning in accordance with legislation. In Case 2, during the financial period of 2021/22, the municipality faced losing its equitable share funding and conditional grants from National Treasury and this was despite all the interventions provided to the municipality like the municipality being the only municipality in South Africa that receives its funding directly from National Treasury and not from Provincial Treasury like the other local government municipalities to assist it with historical non-compliances and failures

to have in place functioning municipal structures or even having a council approved budget (National Treasury, 2021).

The consolidated annual Local Government Report is one several documents which report on the state of the management of projects, governance and project governance within government, local government and district municipalities performed against the identified key performance areas of the LGMIM. The report details the performance of local government in South Africa and the Eastern Cape in the financial year 2019/20. The findings of the report are echoed by the report of the Auditor General for financial years 2020/21 (Auditor General, 2022). In reports cited, the performance of local government EC including the district municipalities forming part of this research study has confirmed the argument that these municipalities have governance and project governance issues amongst other issues and can be indeed classified as being in distress and some even considered as dysfunctional

#### **4.6.4 What can be done to facilitate the implementation of project governance?**

##### **4.6.4.1 Address the subverting of existing legislations and frameworks for personal and political gain**

In the same speech in 2019, the President announced the creation and implementation of the Medium-Term Strategic Framework (MTSF) 2019 - 2024. The MTSF explained government's tactical aim in achieving the ruling party's electoral mandate as well as the National Development Plan (NDP) Vision 2030. The MTSF 2019 - 2024 outlines the interventions and targets that the government must pursue over the next five years to meet the goals of the NDP 2030. There are seven priorities identified in the MTSF and two of the seven priorities

concerned the development of a capable, ethical, and developmental state and addressing the challenges in Spatial integration, human settlements, and local government. Under the priority of ethics, government made the admission that there is a critical need to re-establish citizen faith in state institutions, government delivering on its promises to the people through improved performance and ethical public officials. The document further confirmed that transparency, integrity, and accountability are cornerstones of achieving government's priorities in terms of the MTSF.

To manage and provide mechanisms to effectively deal with political interference in public funded projects and local government, separation of government/state and politics is overdue. Expecting local government to function without this measure taken is likely to be futile as the power imbalance between the authority and decision-making powers of public administrators versus that of politicians is dangerously lopsided and being exploited to the point that even the appointment of senior public administrators in public administration has become a political process instead of appointing public administrators on the basis of the skills, knowledge and expertise to do the job correctly.

#### **4.6.4.2 Streamlining of existing governance, project governance and project management legislation**

Various legislation exists in local government that is purported to be the project governance systems and frameworks to be deployed by district municipalities. The same municipality can have two sets of frameworks in use due to the requirements of existing legislation that imposes governance and project governance requirements based on who the project funder is. Projects funded through the municipalities' equitable share are governed and authorised differently from projects funded through conditional grants. It is recommended that local

government undertakes with the relevant legislators in government a process to streamline existing legislation to address the issues on requirements being cumbersome, lopsided in allocation of decision-making powers and providing a mechanism for transparent and credible reporting is highly recommended.

#### **4.6.4.3 Proper industrial relations mechanisms to deal with performance**

##### **Performance Management Contracts**

Following the President's speech in 2019, various interventions were introduced in local government to enforce the use of performance management contracts for senior administrative structures in local government especially for Accounting Officers and Directors to ensure that there are mechanisms in place to hold government officials accountable for service delivery and good governance (DPME, 2021).

#### **4.7 THE LINK BETWEEN THE RESEARCH AND THE LITERATURE REVIEWED**

During the literature review of literature pertinent to this research study, the following findings were used as the baseline to measure the effectiveness of governance and project governance systems in local government district municipalities in the Eastern Cape.

The literature reviewed highlighted that there is a need to mature project governance research from definitions, systems, and frameworks to the actual implementation of project governance and public administration for major public projects. There are already in existence in local government systems for governance and project governance. They follow the principles argued in best practice that align with definitions and frameworks by (Bekker & Steyn, 2006; Bekker & Steyn, 2009b; Brunet & Aubry, 2016). They further endorse the use of project management applications in best practice to resolve some of the service and project

delivery challenges in local government. The benefits of implementing a governance and project governance system within an organization was identified as (Bekker & Steyn, 2008; Garland, 2009):

- One point of responsibility.
- Describes the connections, roles, and responsibilities of the project's stakeholders.
- Information sharing and open communication, problem management, and issue resolution.

The three primary functions for governance and project governance were identified as (Alie, 2015):

- Ensure that the project strategy aligns with the corporate and or business strategy,
- make decisions about the project that fall outside of the PM's delegated authority
- provide business oversight on the project. Best practice further argued that for an effective project governance system and framework to function.

The management of project governance is crucial, and it became clear that there are three organizational levels that become involved in the governance of projects (Too & Weaver, 2014):

- Strategic management level
- Organization management level
- Operational management level

Due to the three different levels where the management of project governance needs to occur, four crucial roles were identified as being required. The following are the four important responsibilities required to develop, direct, implement, and validate project governance (Garland, 2009):

- Project Sponsor

- Steering committee
- Project Management Office, and
- Project manager

Finally, there are eight characteristics of an effective governance and project governance system (Alie, 2015). They are.

- Structure of the system: Selection of a clear and unambiguous governance and project governance structure guided by the project requirements and context.
- Stakeholder Engagement and Risk Assessment: Identification, categorization, and comprehension of the many stakeholders, their role in governance, their information needs, and their capacity to influence and effect outcomes are examples of this kind of communication.
- Stakeholder Expectations: Develop the understanding that stakeholders even though they may be external organizations to the institution, they can have the authority to make decisions at project and programme levels too.
- Roles and Responsibilities: equitably distribute responsibility, authority, commit to and interact with project managers and develop two-way communication channels and ensure consensus between the three levels of project governance
- Project reviews and audits deals with independent and dependable project reporting and identification of potential project issues in a project. Establishing a standard for internal and external auditing of the project and legal compliance requirements.
- Assurance: put in place and communicate project performance targets including outlining the requirements for a business plan, project charter and performance agreements to be adhered to by all stakeholders. Detailing how variations and deviations will be managed.

- Project Management Control and Roles and Responsibilities: the roles and responsibilities in the project governance processes must be understood and followed by guidelines with a clear separation of project governance structures and organizational structures. There must also be understanding and separation of project decision making and organizational decision making.

The definition of project governance and framework utilised to evaluate the existing project governance systems in local government is from the studies presented by (Bekker, 2014; Bekker, 2015; Bekker & Steyn, 2008; Bekker & Steyn, 2009a; Bekker & Steyn, 2009b; Brunet & Aubry, 2016; Brunet & Aubry, 2018; Klakegg et al., 2008; Too & Weaver, 2014; Too et al., 2017). Their definitions and frameworks were applied to the frameworks from the legislations in local government.

#### **4.8 CHAPTER CONCLUSION**

The objective of this chapter was to offer the analysis of the research's findings. The study used the Eastern Cape's district municipalities as case study and focused on local government. The chapter's goal was to highlight the application of project governance and project management within local government in the province by tying the facts obtained with the theory already in place and discussed in Chapter 2 of this research report. The responses from each of the cases was evaluated against the characteristics of effective governance and project governance.

## CHAPTER 5: CONCLUSIONS

### 5.1 CHAPTER INTRODUCTION

In Chapter 5, conclusions are presented, along with debates and suggestions for further research, based on research findings from the data gathered in 2022–2023. This chapter also discusses the study's objectives, research questions, literature evaluation and findings.

### 5.2 REVISITING THE RESEARCH OBJECTIVES

The key findings of this research study in terms of the research objectives are summarised as follows:

**Objective 1:** To assess the level of awareness of district municipalities in the EC's understanding of project governance as a tool that can aid project success

The findings from the literature review, the responses from the respondents of the study and additional documentation collected related to the cases in this study indicate that there is a solid grasp of project governance in general best practice and its relationship to corporate governance. There is a constant view that governance and project governance aids project success and this was further agreed as being applicable to the local government district municipalities in the EC as being the case with others advocating for its use and improving existing legislation to ensure that district municipalities comply to the legislation

**Objective 2:** What management structures are in place to ensure project governance?

There are various legislations and frameworks in local government detailing the various management structures that must be in place for effective governance and project governance in municipalities. The structures align with the project management and project governance best practice however, there is challenges with separation of the institutional

structures from the governance and project governance structures. The distribution of authority and decision-making powers is concentrated on the institutional structures especially council.

**Objective 3:** What are the factors that delay/block the establishment of these management structures?

The challenges identified included: dysfunctional institutional governance structures that are not separated from project governance structures, subverting of existing legislations and frameworks for personal and political gain, lack of local government specific best practice and guidelines and the complex interrelations between employers, employees, political structures, and government.

**Objective 4:** What can be done to facilitate the implementation of project governance?

The study concludes with recommendations that government needs to: act decisively and with effective consequences management on the current intentional subverting of existing legislations and systems for personal and political gain. Support that action with the development and implementation of an industrial or employee relations framework and best practice aimed at improving the relations between the political, administrative and community structures of local government, district municipalities and their supporting National and provincial departments. Where necessary, streamline the existing municipal governance, project governance and project management legislation and systems and support that action with the development and implementation of best practice guidelines that takes into consideration the local government project and service delivery environment.

### **5.3 REVISITING THE RESEARCH QUESTION**

The research aim was to investigate the following question:

*What are the challenges that district municipalities in the EC face when implementing a project governance system on infrastructure projects?*

It was determined that this study will utilise a qualitative case study technique with inductive philosophical reasoning that fit within the interpretivism paradigm. Interviews were used in the study to collect data and test the research hypotheses. Project managers and senior management / division directors were among those who took part in the survey. To identify the themes and complete the data analysis, the acquired data was analysed using thematic analysis. The study indeed confirmed the research question as the themes that emerged during the analysis of the data collected confirmed that there is indeed challenges faced by district municipalities when implementing project governance systems.

Based on the research method utilised to undertake this research study, the literature that is available on this topic and the responses received from this research participants, the original research question was validated. The research report has addressed the research question and accomplished the study's research goal.

#### **5.4 VALIDATION OF THE RESEARCH PROPOSITION**

The research proposition contended that the application of project governance system can lead to positive project outcomes. The literature review undertaken, and the data collected from the municipal officials during the study confirmed that indeed the correct application of a project governance system during project execution can lead to positive project outcomes and project success through ensuring that all stakeholders expectations on a project are known and achieved during project execution. It is noted though that the literature review identified that there is still more work required by academics and professionals in the field to

properly define what project governance is and agree on a system that takes into consideration the working environment in the local government space.

## **5.5 RECOMMENDATIONS**

From the findings of the research study, the following recommendations are made:

- Act decisively and with effective consequences management on the current intentional subverting of existing legislations and systems for personal and political gain.
- Support that act with the development and implementation of an industrial or employee relations framework and best practice aimed at improving the relations between the political, administrative and community structures of local government, district municipalities and their supporting National and provincial departments to improve governance, project governance, project management and service delivery.
- Where necessary, streamline the existing municipal governance, project governance and project management legislation and systems and support that action with the development and implementation of best practice guidelines that takes into consideration the local government project and service delivery environment.

## **5.6 LIMITATIONS**

This research is aimed to give the reader insight on the challenges that EC district municipalities are facing with when implementing a project governance system. A larger sample size is needed to corroborate the accuracy of the data acquired in this study because it was restricted to the EC district municipalities that are also Water Service Authorities.

## **5.7 SUGGESTED FUTURE RESEARCH**

Future research that could come out of this research is the study of the impact of Industrial relations or employee relations in local government have on governance and project governance systems and implementation. Through the development of systems and frameworks to mitigate the impact of industrial relations in project governance structures implementation of project governance in local government, district municipalities can greatly improve.

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## APPENDICES

### Appendix A: Ethics Clearance approval from UCT



2021/12/09

EBE/00047/2021

RE: Research Ethics Committee Project Approval Letter

Dear Bulelwa Leni,

Your application for ethics review of your project titled

Project Governance: The challenges associated with implementing a Project Governance system within Eastern Cape local government, district municipalities

has been reviewed and evaluated by the

CEM/Dept. of Construction Econ&Management Research Ethics Committee (REC).

Based on the information supplied your application has been successful and is approved.

You may proceed with your research project titled:

Project Governance: The challenges associated with implementing a Project Governance system within Eastern Cape local government, district municipalities

Please note that should:

- (i) any serious or adverse effects to participants occur and/or,
- (ii) aspect(s) of your current project change and/or
- (iii) any unforeseen events that might affect continued ethical acceptability of the project occur then you should immediately report this to the approving REC. You may be required to submit an amendment to this application, in order to determine whether the changed aspects increase the ethical risks of your project.

Please note the following additional conditions associated with this approval:

- (i)

Regards,

CEM/Dept. of Construction Econ&Management

Research Ethics Committee

## Appendix B: Consent Form Participants

### Appendix A: RESEARCH COVER LETTER AND INFORMED CONSENT FORM

Good day,

My name is Bulelwa Leni, and I am conducting research towards Masters in Science| Project Management through the University of Cape Town. This is research being undertaken by Bulelwa Leni (LNXBUL002), a student under the supervision of Lecturer, Mark Massyn of the University of Cape Town.

You are hereby invited to participate in a Master of Science (MSc) in Project Management research project intended to investigate the challenges faced by local government institutions in South Africa when implementing project governance frameworks. My research topic is "Project Governance: The challenges associated with implementing a Project Governance system within Eastern Cape local government, district municipalities". The outcome of the study will be presented to the Department of Construction Economics and Management in partial fulfillment of the requirements for the award of the MSc in Project Management.

I am interested in finding out from municipal officials involved in the management of projects and service delivery within the district municipalities in the Eastern Cape their knowledge and experiences in implementing project governance system within the Eastern Cape. This is proposed to take place in the form of interviews and the questions are included as Section 1 to Section 4 of this document.

Your participation in this research is voluntary and no compensation in whatever form is available. Should you choose to participate, the answers received will remain entirely confidential and are solely for the purpose of academic study. The process will require face to face meetings or online meetings using either MS Teams or Zoom and the duration of the interviews can be completed in approximately 45 - 60 minutes. The meetings will be recorded for ease of transcribing and participants will be required to provide their permission to do so record. The interviews will be conducted during the period of 1 November 2022 – 30 November 2022. Participants are asked to make time available on agreed date and time.

The confidentiality and anonymity of the interviews will be protected through withholding the names of the interviews in the research report and replacing them with codes and numbers.

As the principal researcher in this study, I hereby declare that I am not aware of any current or future conflicts of interests. Should you wish to participate in this study, please contact me via email

at [LNXBUL002@myuct.ac.za](mailto:LNXBUL002@myuct.ac.za) or [Bulelwa.Leni@icloud.com](mailto:Bulelwa.Leni@icloud.com)

Name of Participant: \_\_\_\_\_

Signature of Participant: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix C: Interview Questionnaire

CON5023Z – Minor Dissertation (Project Management)  
Student Name: Bulelwa Leni  
Student No. LNXBUL002

### Appendix B: Interview question

#### SECTION 1: BACKGROUND DETAILS

This section of the questionnaire refers to background or biographical information. Although we are aware of the sensitivity of the questions in this section, the information will allow us to compare groups of respondents.

1. Which local government District Municipality in the Eastern Cape do you work for?

Alfred Nzo DM
Amathole DM
Chris Hani DM
Joe Slovo DM
OR Tambo DM
Sachs Beaborn DM

2. What is your highest educational qualification?

National Diploma
Bachelor's Degree
Master's Degree
Doctoral Degree

3. What is your role and profession within the District Municipality?

Project Manager and Construction Project Manager
Senior Official
Accounting Officer
Procurement and Supply Chain

4. How many years of experience post your first qualification do you have in the construction industry (built infrastructure) overall?

Less than 12 months
1 - 4 years
4 - 7 years
7 - 10 years
10 - 15 years
Above 15 years

5. How many years of experience post your first qualification do you have as a Project Manager do you have?

Less than 12 months
1 - 4 years
4 - 10 years
Above 10 years

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CON5023Z – Minor Dissertation (Project Management)  
Student Name: Bulelwa Leni  
Student No. LNXBUL002

#### SECTION 2: ESTABLISHING UNDERSTANDING OF THE PARTICIPANTS AND THEIR EXPERIENCES OF IMPLEMENTING PROJECT GOVERNANCE SYSTEMS

This section consists of questions related to the participants understanding of project governance with respect to defining what project governance means and best practice, their application of existing project governance systems existing in the municipality, the benefits, and challenges of implementing a project governance system.

1. Describe your involvement in the municipality with respect to project implementation and project governance?

2. What is your understanding of governance and project governance best practice and associated research?

3. Does the Municipality mandate the use of a specified and approved project management framework for all programs, projects, and business initiatives? If yes, at which level of the municipality is the mandate enforced (executive level, operational level and at project level)?

4. Describe your understanding of the role a project governance system can play in the district municipality to deliver services through infrastructure delivery?

5. Do you believe that the implementation of a project governance system in the district municipality can help achieve positive project outcomes and aid service delivery through successful completion of projects by the district municipality?

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CON5023Z – Minor Dissertation (Project Management)  
Student Name: Bulelwa Leni  
Student No. LNXBUL002

#### SECTION 3: EXISTING PROJECT GOVERNANCE FRAMEWORKS IN SOUTH AFRICAN LOCAL GOVERNMENT

This section consists of questions related to the participants views on successes they have had with project governance systems within the district municipality.

1. What are the successes having the Municipality experienced in implementing a project governance framework within the institution?

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2. Project Governance frameworks available in best practice adequately address aspects related and applicable to local government and public administration. What is your experience with respect to this and please provide examples?

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3. The best and optimal design of a project governance framework is one that achieves balance between top-down structural control and project driven control. What is your experience with respect to this and please provide examples?

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CON5023Z – Minor Dissertation (Project Management)  
Student Name: Bulelwa Leni  
Student No. LNXBUL002

#### SECTION 4: EXISTING PROJECT GOVERNANCE FRAMEWORKS IN SOUTH AFRICAN LOCAL GOVERNMENT

This section consists of questions related to the participants views on challenges they have had with project governance systems within the district municipality.

1. Project governance frameworks available in best practice adequately address the impact of culture especially political affiliation and political alliance and how that can impact behaviour and reporting by project teams and project structures. What is your experience with respect to this and please provide examples?

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2. How much does human and cultural factors play a role in the implementation of project governance frameworks within your organization?

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3. The best and optimal design of a project governance framework is one that achieves balance between top-down structural control and project driven control. What is your experience with respect to this and please provide examples?

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### Appendix D: Thematic analysis and Summary

The image shows a large, complex table with multiple columns and rows. The table is filled with dense text, likely representing a thematic analysis or summary of research data. The text is small and difficult to read, but it appears to be organized into a structured format. There are several rows that are highlighted in yellow, possibly indicating key findings or specific data points. The table has a header row with multiple columns, and the data rows follow a similar structure. The overall appearance is that of a detailed report or dataset.